



MULTNOMAH COUNTY OREGON



Central Library Front Steps

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 1997



About the Cover

Historic Central Library has been closed for renovation since December 1995, and is expected to reopen in the spring of 1997. Prior to beginning the 2-1/2 year, \$24.6 million renovation project, Central's extensive books and materials were moved to TransCentral Library, a temporary facility located at Fourth and Columbia streets in downtown Portland.

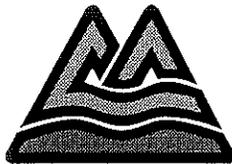
The 83-year old building, which is on the National Register of Historic Places, was completed in 1913. This line drawing, artist unknown, first appeared on a publication entitled "The First 100 Years", published in 1964 on the occasion of the Library's 100th birthday.

About the Artist

The artist of this line drawing is unknown to the Library. As the Budget Office was preparing this line drawing for reproduction, we believe we identified the initials of the artist. If you look on the lower left side of the drawing, right atop the railing, we believe you will see the initials "E.R.". We don't think this is the artist's attempt to draw more leaves on the bush above it.

Can you help us identify the artist?

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1997



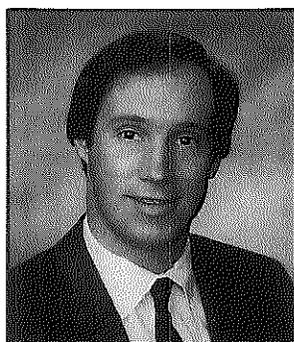
Prepared by:

Finance Division
David A. Boyer, Finance Director
1120 SW Fifth Avenue, Suite 1430
P.O. Box 14700
Portland, Oregon 97293-0700

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



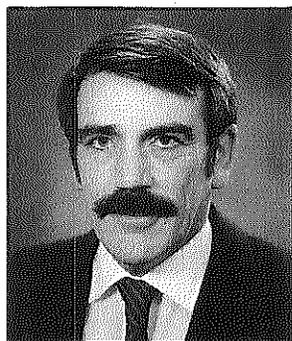
BEVERLY STEIN
Chair



DAN SALTZMAN
Commissioner



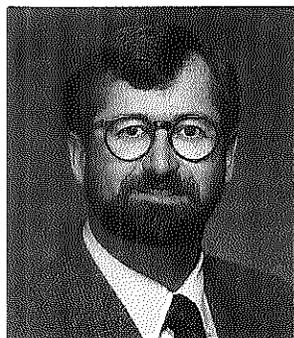
SHARRON KELLEY
Commissioner



GARY HANSEN
Commissioner



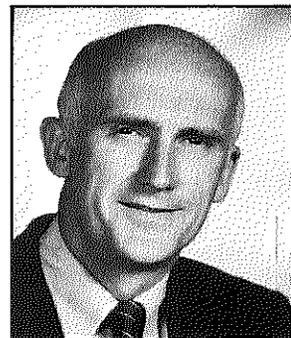
TANYA COLLIER
Commissioner



GARY BLACKMER
Auditor



DAN NOELLE
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1997

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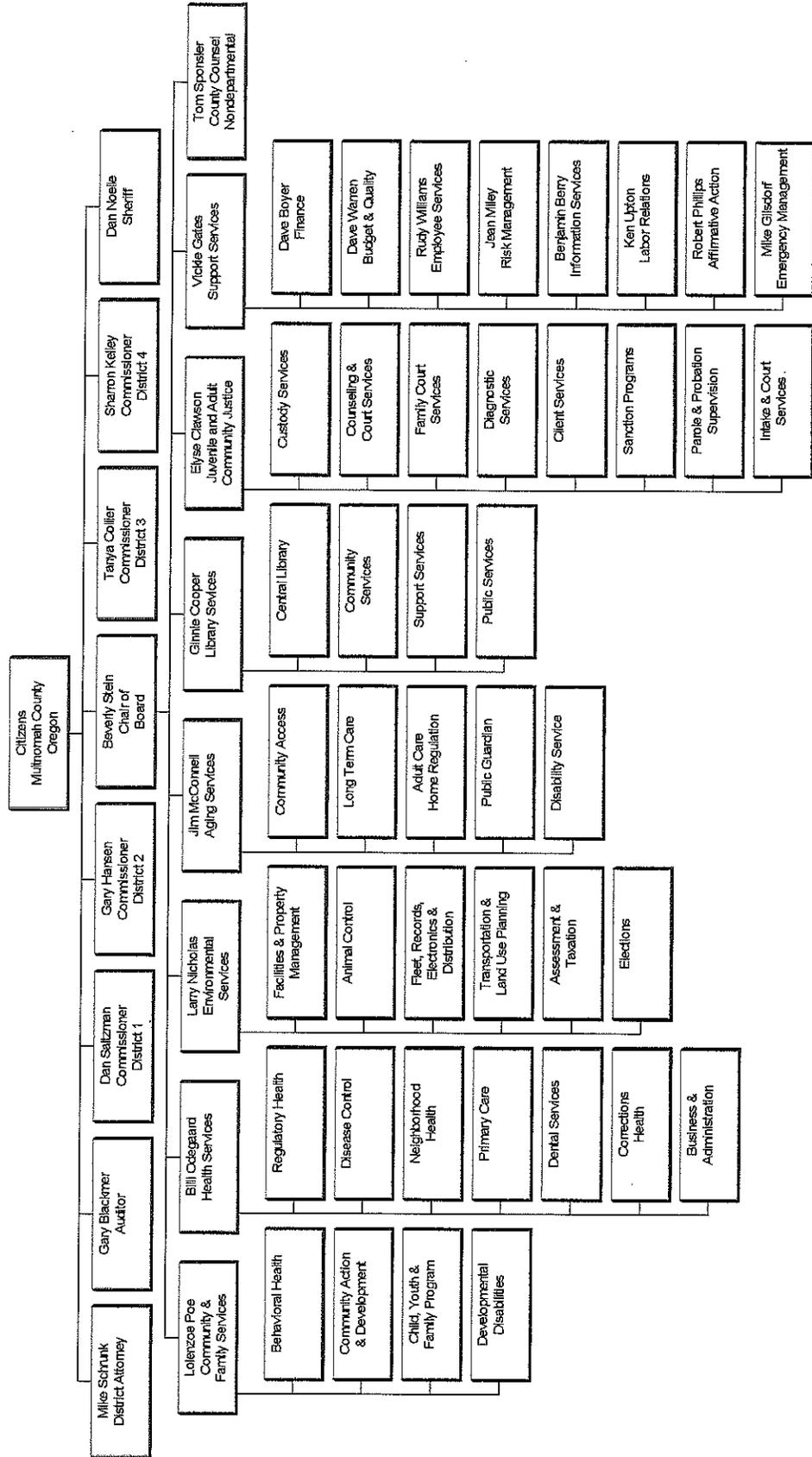
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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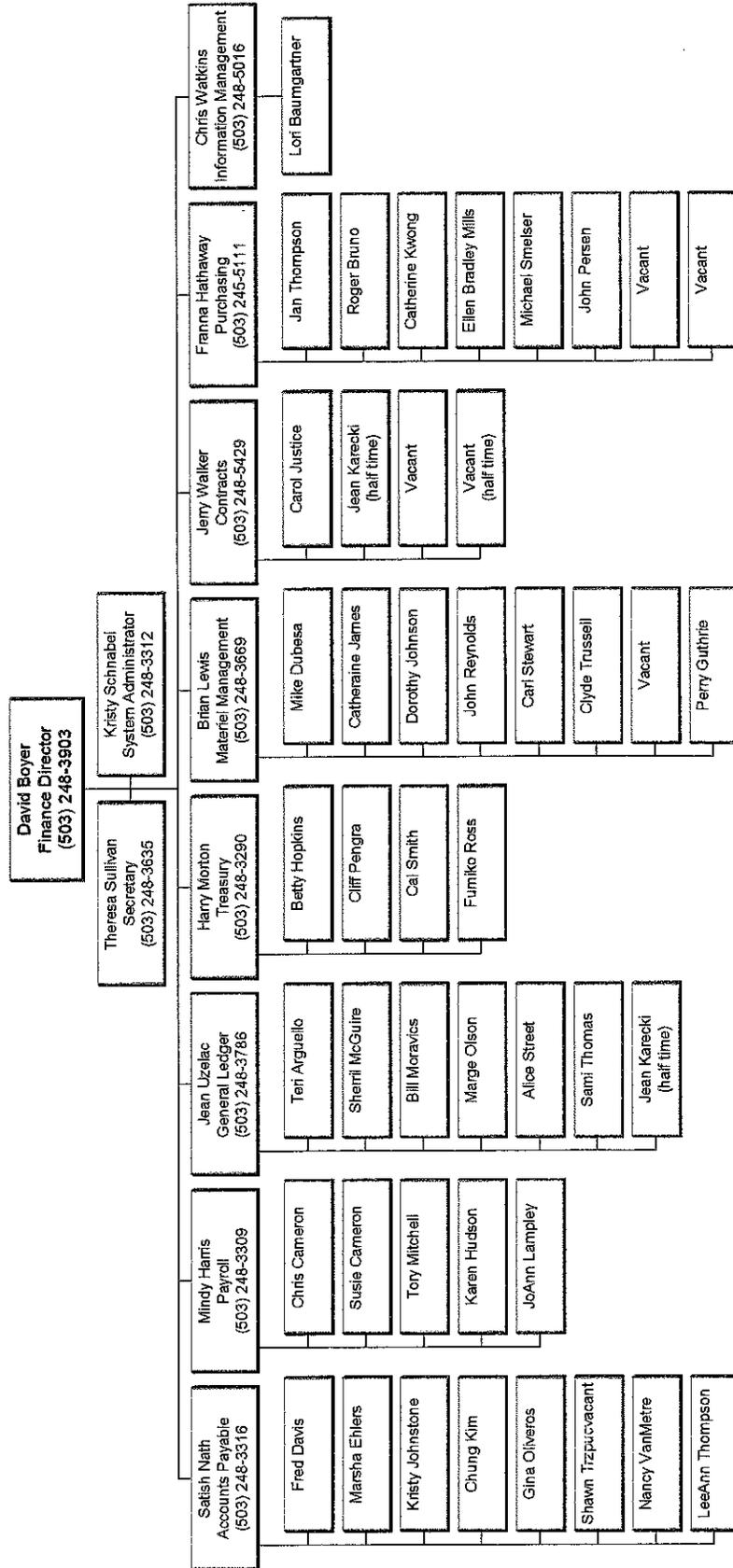
INTRODUCTORY SECTION

MULTNOMAH COUNTY, OREGON



MULTNOMAH COUNTY, OREGON

Finance Division



**MULTNOMAH COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 1997**

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
<u>Board of County Commissioners</u>		
Chair of Board	Beverly Stein 1120 SW Fifth Ave., Suite 1510 Portland, OR 97204-1976	12/31/98
District No. 1	Dan Saltzman 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/00
District No. 2	Gary Hansen 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/98
District No. 3	Tanya Collier 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/00
District No. 4	Sharron E. Kelley 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/00
<u>Other Elected Officers</u>		
County Auditor	Gary Blackmer 1120 SW Fifth Ave., Suite 1400 Portland, OR 97204-1976	12/31/98
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/00
County Sheriff	Dan Noelle 12240 NE Glisan Street Portland, OR 97230	12/31/98
<u>Other Appointed Officers</u>		
Department of Support Services Director	Vickie S. Gates	Not elected
Finance Director	David A. Boyer, CCM	Not elected
Accounting Manager	Jean M. Uzelac	Not elected
County Counsel	Thomas Sponsler	Not elected

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MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS	DEPARTMENT OF SUPPORT SERVICES FINANCE DIVISION			
Beverly Stein, Chair	Directors Office	Portland Building	Contracts	Ford Building
Tanya Collier	Accounts Payable	1120 SW Fifth Avenue Suite 1430	Materials Management	2505 SE 11th
Gary Hansen	General Ledger	PO Box 14700	Purchasing	Portland, OR 97202
Sharron Kelley	Payroll	Portland, OR 97293-0700		Phone (503) 248-5111
Dan Saltzman	Treasury	Phone (503) 248-3312		Fax (503) 248-3252
	LAN Administration	Fax (503) 248-3292		TDD (503) 248-5170

December 5, 1997

Honorable County Chair, Board of County Commissioners
and Citizens of Multnomah County, Oregon

INTRODUCTION

We are pleased to submit the Comprehensive Annual Financial Report of Multnomah County, Oregon, (the County) for the fiscal year ended June 30, 1997, together with the unqualified opinion thereon of our independent auditors, KPMG Peat Marwick LLP.

This report, required by State law, Oregon Revised Statutes 297.425, is prepared by the Finance Division and is organized into three primary sections: Introductory, Financial and Statistical. The Introductory Section includes this letter of transmittal, the County's and Finance Division's organizational charts and a list of principal officers. This section is intended to inform the reader of the organization, services, scope and financial activities of the County. The Financial Section includes the General Purpose Financial Statements, the related notes, and additional information. The additional information contains the combining and individual fund and account group statements and schedules, and other schedules. This section provides summary and more detailed financial statements and schedules of County activities. The Statistical Section contains historical financial and statistical information, generally presented on a multi-year basis. The Statistical Section provides broader financial data for a more comprehensive understanding of the County.

This report also includes Audit Comments and Disclosures, including comments required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 and the provisions of *Government Auditing Standards* promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 has been issued under separate cover.

Multnomah County management is responsible for the information in this report and we believe that the information presented is accurate in all material respects and is organized in a manner to clearly present the financial position and results of the operations of the County's various funds and account

groups. Further, all necessary disclosures have been included to enable the reader to gain maximum understanding of the financial affairs of the County.

The dollar amounts shown in this transmittal letter and the dollar amounts in the financial report, unless indicated otherwise, are expressed in thousands.

REPORTING ENTITY

This report includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the County as defined by GASB. The financial statements include the Dunthorpe-Riverdale Service District No. 1 and Mid County Service District No. 14. The Board of County Commissioners is the governing board of these entities and Multnomah County is responsible for their financial activities. These districts provide sewer and lighting services, are reported as enterprise activities and as blended component units in the financial statements.

ECONOMY AND FINANCIAL OUTLOOK

Economy: Multnomah County is located in northwestern Oregon at the confluence of the Columbia and Willamette rivers, approximately 110 river miles and 80 highway miles from the Pacific Ocean. The County covers 465 square miles, most of which lies in the Willamette Valley, between the Tualitan Mountains west of the Willamette River and the Cascade Mountains to the East. The elevation ranges from 77 feet above sea level in Portland to 322 feet in Gresham and 1,224 feet at Big Bend Mountain in the Cascade foothills.

Multnomah County is the most populous county in the state with a July 1, 1996, population of 636,000. The cities of Portland, with a population of 503,000, and Gresham, with a population of 79,350, are the largest incorporated cities located in the County.

The Portland metropolitan area is the financial, trade, transportation and service center for Oregon, southwest Washington state and the Columbia River basin. Its manufacturing base includes electronics, machinery, transportation equipment and fabricated metals.

The Portland-Vancouver, OR-WA PMSA's (Primary Metropolitan Statistical Area), which includes Multnomah, Clackamas, Washington, Columbia and Yamhill counties in Oregon and Clark County in Washington, economy remained strong during fiscal year 1997. Total wage and salary employment rose with most of the increase coming in the non-manufacturing sector. The Portland PMSA's total employment rose from 969,700 employees at June 30, 1996 to 979,400 employees at June 30, 1997. The area's preliminary unemployment rate was 4% at June 30, 1997 compared to 4.8% at June 30, 1996. The Portland-Vancouver Consumer Price Index (CPI) (1982-84= 100) was 160.0 at December 31, 1996 compared to 153.9 at December 31, 1995. This represents an increase of 4%.

The Portland Metropolitan Area Labor Trends reported that in 1995, Multnomah County, which receives the bulk of visitor spending in the Portland Metro area, had an annual growth rate in travel expenses of 7.7%. With \$1,052 of travel spending absorbed by Multnomah County businesses during 1995, Multnomah County received over 70% of all travel spending in the Portland area. The majority of travel spending was received by the air transportation, retail sales, accommodation, and eating and drinking place industries.

Financial outlook: Due to the passage of the property tax limitation Ballot Measures 47 and 50, which are described in more detail later in this letter, and the failure of the Oregon Legislature to pass a transportation funding package, the County faces several unknowns. The 1997-98 Multnomah County tax base, library and jail serial levies are expected to raise \$123,000 in revenues. This is about \$18,000 lower than the prior year total and about \$32,000 less than what property taxes would have been without the limitation. The total property tax revenue will not be available until late November or

December 1997. In preparing the 1997-98 budget, the County focused the cuts on specific programs instead of spreading them across the board. A more detailed list of cuts is included under the Major Initiatives section of this letter.

On November 4, 1997, the voters approved a five year Public Library Levy (local option tax). The levy will cost property owners 59 cents per thousand of assessed value per year. The typical home will pay about \$72 (dollars) in additional property taxes per year. The levy dedicated to library operations, is estimated to provide \$19,700 in FY 99, \$20,400 in FY 00, \$21,300 in FY 01, \$22,100 in FY 02 and \$23,000 in FY 03.

On November 4, 1997, the voters rejected a Multnomah County vehicle registration fee not to exceed \$15 (dollars) per year. Revenues generated would have been used to make safe, maintain, repair and operate existing roads and bridges in Multnomah County. It was expected this increase in fees would generate an additional \$8,000 per year. With the defeat of this measure, the County will work with the State and other jurisdictions to identify other potential solutions to our road maintenance problems.

COUNTY STRUCTURE AND SERVICES PROVIDED

Multnomah County, Oregon, was incorporated in 1854 and is governed according to its Home Rule Charter, which became effective January 1967. The County's charter adopted in 1967 has had several subsequent amendments. The County is governed by a Board of County Commissioners (the Board) consisting of four non-partisan members elected from designated districts within the County and the Chair of the Board, elected at large. The Board of County Commissioners conducts all legislative business of the County in one formal Board meeting per week. It also holds informal meetings during the week for the purpose of hearing informational briefings from staff, departments and outside agencies. The Board also holds other hearings as required by State law or County Charter. The County organization and the basic services provided are as follows:

Department of Community and Family Services: Services include:

- Alcohol and other drug screening, assessment, treatment and prevention services;
- Anti-poverty programs to provide advocacy, economic opportunities and self-sufficiency support to individuals along with weatherization assistance;
- Development of affordable housing and public works improvements;
- Services to individuals with developmental disabilities, including advocacy, service coordination, residential, vocational, respite, family support and emergency services;
- Mental health screening and evaluation, treatment, family support and crisis services; and
- A network of seven family centers located throughout the County provides a full spectrum of programs for youth and families.

Department of Health Services: Services include:

- Primary health care and dental services at primary health care centers, dental clinics, schools based health centers and correctional facilities;
- Home visits to high risk families, offering child abuse prevention, parenting skills training, and health education;
- Prevention and treatment of communicable diseases, such as tuberculosis, sexually transmitted diseases, hepatitis, and HIV;
- Inspection and regulation of certain businesses and public services including ancillary health care services such as ambulance services and death investigation; and
- Advocacy for the improved health of the community, particularly the medically under served.

Department of Aging Services: Services to senior citizens include:

- Services through information and referral, gatekeepers and twenty-four hour access;
- Case management/needs assessment, eligibility, case plan development and service monitoring;
- Adult care home regulation and licensing;
- Public guardian/conservatorship; and
- Nutrition, transportation and in-home services.

Department of Juvenile and Adult Community Justice Services: Services include:

- Detention services for youth awaiting adjudication, receiving secure mental health intervention, or being held as a sanction for parole violations;
- Supervision to youth on probation including home visits, linking to treatment services, monitoring school attendance and intervention in gang behavior;
- Advice to the court on needs of children of families involved in alleged child abuse and neglect;
- Supervision services for adult pre- and post-sentenced offenders;
- Evaluation services addressing sentencing recommendations, substance abuse and mental health treatment services;
- Services to address substance abuse, mental health, housing, literacy, employment, child custody, marriage and reconciliation, and basic living skill needs; and
- Sanction programs that provide structured alternatives to prison.

Department of Library Services: Services include:

- Check books and other library materials out at the Central Library, fourteen branch libraries and through outreach services;
- Assist patrons in finding books and information;
- Select, acquire, organize and process a wide variety of books and other materials on numerous subjects expressing wide-ranging points of view for people of all ages;
- Provide age appropriate materials and services for children and young adults; and
- Provide materials and services to those County residents not able to come to County libraries or use conventional materials.

Department of Environmental Services: Services include:

- Animal control is responsible for the community's animal ownership ordinances that protect people and animals and operating an animal shelter for lost, stray and unwanted animals;
- Assessment and taxation is responsible for property assessment, tax collection, recording, property records management, property foreclosures, Board of Equalization and Tax Title Fund management;
- Elections is responsible for performing all functions relating to the conduct of all elections for governmental jurisdictions in Multnomah County;
- Facilities and property management is responsible for facilities operations and maintenance, property management, tax foreclosed property maintenance, and capital improvement projects;
- Fleet, records, electronics and distribution is responsible for providing operational support services in the areas of County vehicles, records management, electronic equipment maintenance and interoffice and U.S. mail processing; and
- Transportation and land use planning is responsible for road, bridge and bikeway maintenance and capital projects, and regulating the planning activities in Multnomah County.

Sheriff's Office: Services include:

- Corrections programs such as work release and out-of-custody supervision for pre-trial and sentenced offenders in Multnomah County;
- In-jail alcohol and drug intervention services;
- Patrol services to rural areas of unincorporated Multnomah County;
- Narcotics education and intervention through the D.A.R.E. Program and narcotics enforcement through the Special Investigations Unit;
- Civil process service and civil court enforcement of "execution process";
- Water safety education and patrol waterways within the boundaries of the County; and
- Secure incarceration of inmates and the transportation of inmates both inter and intrastate.

District Attorney's Office: Services include:

- Felony prosecution;
- Targeted crimes prosecution (Regional Organized Crime Narcotics "ROCN" Task Force);
- Misdemeanor and violation prosecutions (DUII, traffic crimes);
- Multidisciplinary child abuse teams;
- Juvenile prosecutions (delinquency and dependency cases);
- Child support enforcement; and
- Victims assistance.

Department of Support Services: Services include:

- Finance is responsible for accounts payable, accounts receivable, contract administration, materials management, general ledger, payroll, purchasing and treasury functions;
- Budget and Quality services is responsible for designing and coordinating the budget process, and for financial forecasting;
- Employee services is responsible for the areas of personnel, training and employee benefits;
- Information Services is responsible for data processing and telecommunications;
- Labor relations is responsible for the negotiations for nine collective bargaining agreements;
- Emergency management coordinates the performance of essential and emergency services for the public's benefit prior to, during, and following an emergency situation;
- Risk management is responsible for management, training, consultation and policy recommendation for loss control, property insurance and workers' compensation; and
- Affirmative action is shared by Multnomah County and The City of Portland and is responsible for assuring that the County conforms to regulatory requirements for monitoring, reporting, planning and implementing programs and strategies as they relate to equal opportunity laws.

Nondepartmental: Functions which are outside the scope of the aforementioned include:

- Office of the County Chair;
- The Board of County Commissioners;
- The County Auditor;
- County Counsel;
- The Tax Supervising and Conservation Commission;
- Multnomah Commission on Families and Children; and
- Citizen Involvement Committee.

Employees: At June 30, 1997, the County had 3,948 employees not including temporary employees. There are nine bargaining units representing 3,367 employees as listed below. In addition, there are 581 management and exempt employees.

<u>Bargaining Unit</u>	<u>Employees</u>
General Employees (Local 88)	2,411
Electricians (Local 48)	20
Operating Engineers (Local 87)	14
Paint Makers (Local 55)	3
Corrections (Teamsters 223)	386
Deputy Sheriffs Association	96
Oregon Nurses Association	272
Juvenile Group Workers (Local 86)	80
Prosecuting Attorneys Association	85
Total	<u>3,367</u>

MAJOR INITIATIVES

In fiscal year 1997. The County continued the RESULTS campaign. RESULTS stands for Reaching Excellent Service Using Leadership and Team Strategies and is Multnomah County's program for redesigning government. The goals of RESULTS are to build our capacity to meet our community and county benchmarks, to make sure we use tax dollars efficiently and to ensure quality services.

The Board of County Commissioners adopted a vision and three long term benchmarks in September 1996. The County believes that making progress on these benchmarks is essential for reaching its vision. These benchmarks are:

- Reducing the number of children in poverty;
- Increasing the number of young people who graduate from high school prepared for their roles as citizens, workers and parents; and
- Reducing crime.

On May 21, 1996, the voters approved a library general obligation bond measure in the amount of \$29,000 to finance the acquisition, construction or remodeling of library facilities and equipment. A public safety general obligation bond measure in the amount of \$79,700 was also approved by the voters to finance the acquisition, construction of public safety facilities and equipment. These bonds were issued in October 1996.

On May 2, 1996, the Board of County Commissioners passed a resolution to financially assist the school districts located within the County to help restore budgetary cuts that the various school districts needed to balance their 1996-97 budgets. The County transferred \$10,000 in one-time-only funds to the school districts in fiscal year 1996-97.

On April 1, 1997, CareOregon, a Health Maintenance Organization which was started in Multnomah County, spun off and became a private health maintenance organization.

During the year, the County began receiving State funds to offset the cost of handling felons formerly housed in State prisons that were transferred to the County. In fiscal year 1996-97, the County received \$3,200 for operational support and expects to receive about \$15,500 in fiscal year 1997-98. The State is also paying about \$43,000 for capital construction for housing these inmates.

On November 5, 1996, the voters of the State of Oregon approved a constitutional amendment, Ballot Measure 47, to limit the amount of property taxes to be collected. On May 20, 1997, the voters approved Ballot Measure 50 to replace Measure 47. Measure 50 cuts or reduces property taxes imposed statewide by 17% from fiscal year 1997-98 levels unless such taxes are exempt. Measure 50 rolls back the assessed value of each unit of property for the tax year 1997-98 to its 1995-96 "real market value," less 10%. The new tax rates become the new constitutional limit for each jurisdiction replacing the levy based tax system with a rate based tax system. The measure limits any increase in assessed value to 3% per year for tax years after 1997-98. There are special exemptions for property that is substantially improved, rezoned, subdivided, or annexed, or when property ceases to qualify for a property tax exemption. In addition to limiting the amount of property taxes that can be collected, the measure requires a double majority voter approval, except at a general election, for new or increased property taxes, restricts the use of general obligation bond proceeds on certain capital maintenance and equipment outlays and restricts other means by which the State and local governments can raise revenue in lieu of property taxes. The full text of Ballot Measure 50 should be read to gain a better understanding of the limitation.

On April 3, 1997, the Board passed an Ordinance approving a Retirement Incentive Program to provide encouragement to eligible County employees to resign employment and retire in order to reduce the need for layoffs as a result of the budget reductions caused by Ballot Measure 47. Generally, eligible employees means employees that are eligible to retire under the current Oregon Public Employees Retirement System. The program provided eligible employees to receive 1 week of retirement incentive pay for each year of continuous service up to 30 weeks. The County will also pay 100% of medical insurance premiums for employees from the age of 58 until age 65, death or Medicare eligibility. One hundred thirty-three employees took advantage of this program and the cost to the County was \$1,886.

For the future. The County's 1997-98 budget was prepared within the constraints of Ballot Measure 50. The County assumed that the property taxes in the General Fund and property tax levy funds will be cut by approximately \$26,000. Approximately 160 positions were cut from the 1997-98 budget. Another 68 positions are funded on a one time basis. The following are the major cuts made in the various County Departments.

- Community and Family Services \$2,050
- Aging Services \$550
- Health \$3,500
- Support Services \$400
- Environmental Services \$4,800
- District Attorney \$365
- Sheriff \$8,900
- Community Justice \$1,100
- Library \$4,100

On May 15, 1997, the Board of County Commissioners and the Portland City Council met in joint session to pass a Resolution of Intent approving the process for the evaluation of city-county consolidation, including functional consolidations, the creation of a Consolidation Task Force and completion of a Threshold Study. In fiscal year 1997-98 the County will be working with the Cities of Portland, Fairview, Gresham, Maywood Park, Troutdale, and Wood Village to objectively proceed with the merger of selected local government functions where feasible. In addition, Multnomah County and the City of Portland are asking the Consolidation Threshold Study to include a recommendation of whether to proceed with overall consolidation under State Law. By February 6, 1998, the City and/or County will decide whether to accept or reject the recommendation of the Consolidation Threshold Study.

School funding continues to be a high priority of the County. While the County is not in a position to repeat the 1996-97 \$10,000 one time only contribution to County schools, we will continue to fund a number of initiatives including school based alcohol and drug services, anti-violence and early screening and referral services. The County will continue meeting with City of Portland officials, school district officials, members of the business community and citizens to find short term and long term solutions to funding schools.

The County used the three long term benchmarks adopted September 16, 1996, as factors in developing the 1997-98 budget. Agencies charged with community planning will continue to develop strategies and outcomes, working with community experts, to analyze research data and determine the most cost effective ways to deliver these services. The Departments will also work to align programs and services around common strategies.

The County will also continue working with the City of Portland to review and refine the benchmarks adopted by the Portland-Multnomah Progress Board.

FINANCIAL AND ACCOUNTING POLICIES

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds and account groups of the County at June 30, 1997 and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles (GAAP).

The County budgets a total of forty-five funds of which thirty-four are governmental fund types, and eleven are proprietary fund types. The County also maintains six fiduciary fund types of which five are agency funds and one is a pension trust fund. The Governmental fund types and agency funds are maintained on a modified accrual basis, with revenues being recorded when measurable and available and expenditures being recorded when the goods or services are received. The proprietary funds and pension trust fund are maintained on the accrual basis of accounting.

INTERNAL ACCOUNTING CONTROLS AND BUDGETARY PROCESS

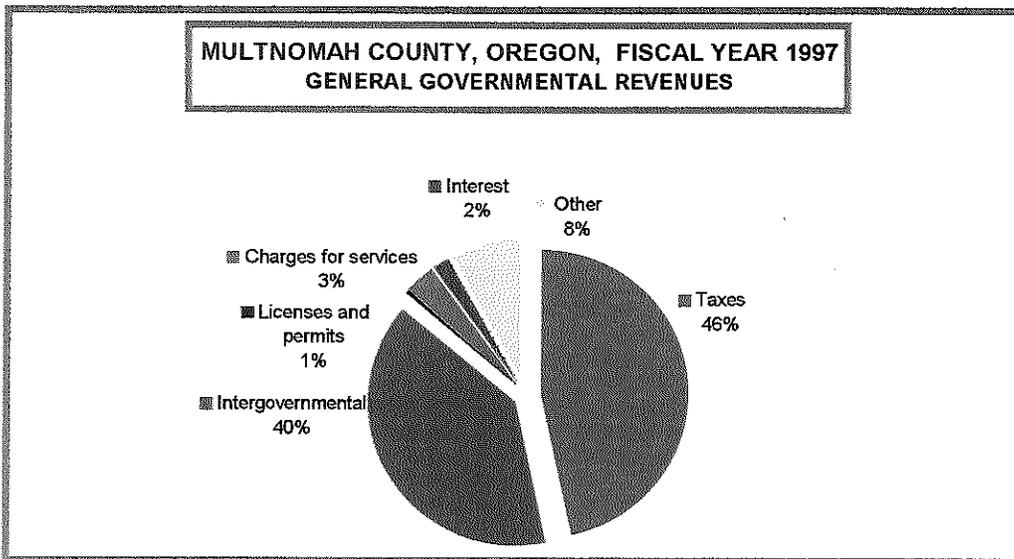
Multnomah County maintains, and management relies upon, a system of internal controls designed to provide reasonable assurance that assets are safeguarded, that accounting transactions are executed and properly recorded so that financial statements can be prepared in accordance with GAAP and the County's budgetary requirements. The internal control structure also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs. In establishing the internal control system, management considers the inherent limitations of various control procedures and weighs their cost against the benefit derived. To assure that reliable and timely information is prepared in the most efficient manner possible, accounting policies, procedures and systems, together with related internal controls, are constantly monitored and revised, where necessary, to meet changing requirements.

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County budget is adopted by the Board of County Commissioners by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. The original and supplemental budgets require budget hearings before the public, publications in newspapers and final adoption by the Board of County Commissioners. Original and supplemental budgets may be modified

during the fiscal year by the use of appropriation transfers between categories. The appropriation transfers must be approved by the Board of County Commissioners in public meetings. During the fiscal year, one supplemental budget was adopted.

FINANCIAL SUMMARY OF GENERAL GOVERNMENT FUNCTIONS

Governmental Fund Type Revenues: Revenues accounted for in the Governmental Fund Types totaled \$466,560 for the fiscal year 1997, an increase of 14.4% over fiscal year 1996. The revenues, percent of total revenue by source and changes from 1996 are shown in the following chart and table:



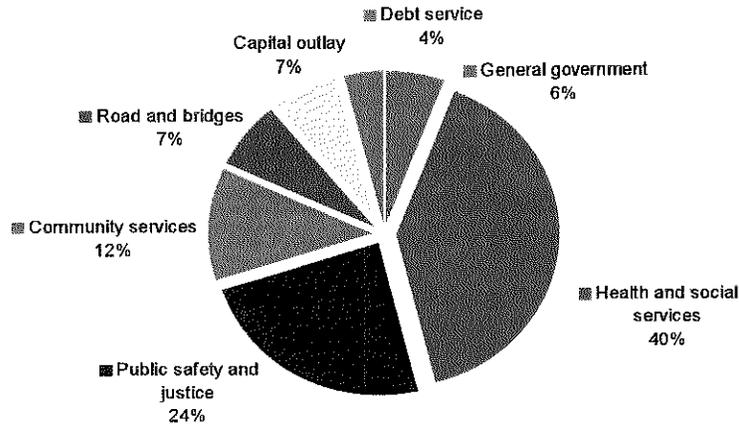
	1997 Amount	1996 Amount	Amount Increase	Percent Increase
Taxes	\$ 217,295	\$ 185,008	\$ 32,287	17.5%
Intergovernmental	184,697	172,031	12,666	7.4%
Licenses and permits	2,751	2,703	48	1.8%
Charges for services	14,882	12,864	2,018	15.7%
Interest	9,691	5,476	4,215	77.0%
Other	37,244	29,888	7,356	24.6%
Total	\$ 466,560	\$ 407,970	\$ 58,590	14.4%

The major increases are:

- The increase in taxes is due to the increase in property tax collections as a result of the increase in assessed valuation and increased collection of business income and excise taxes due to a healthy business economy;
- The increase in charges for services is due to charges for road construction reimbursements;
- The increase in interest is due to higher daily cash balance in bond construction funds; and
- The increase in other is due to the service reimbursement from Public Safety Bond Construction Fund to Capital Lease Retirement Fund to repay a letter of credit.

Governmental Fund Type Expenditures: Expenditures accounted for in the Governmental Fund Types totaled \$475,146 for fiscal year 1997, an increase of 12.3% over fiscal year 1996. The expenditures, percent of total by function and changes from the previous fiscal year are shown in the following chart and table.

**MULTNOMAH COUNTY, OREGON, FISCAL YEAR 1997
GENERAL GOVERNMENTAL EXPENDITURES**



	1997 Amount	1996 Amount	Amount Increase	Percent Increase
General government	\$ 28,298	\$ 27,994	\$ 304	1.1%
Health and social services	190,540	181,526	9,014	5.0%
Public safety and justice	113,263	96,519	16,744	17.3%
Community services	56,913	42,799	14,114	33.0%
Road and bridges	34,052	32,596	1,456	4.5%
Capital outlay	33,717	33,069	648	2.0%
Debt service	18,363	8,648	9,715	112.3%
Total	\$ 475,146	\$ 423,151	\$ 51,995	12.3%

The major increases are:

- Public safety and justice services increased primarily for the costs associated with the transfer of State prisoners to the County;
- Community services increased primarily for the \$10,000 one time only payment for school funding; and
- Debt service increased due to the first interest payment of the library and public safety general obligation bond issued in October and the repayment of the Juvenile Justice Complex line of credit.

PROPRIETARY OPERATIONS

Operating revenues accounted for in the Proprietary Funds, exclusive of the pension trust fund, for the fiscal year ended June 30, 1997, were \$108,587, an increase of \$8,297 over fiscal year 1996. This represents an increase of 7.7%. Operating expenses totaled \$108,840 for the fiscal year ended June 30, 1997, an increase of \$12,434 or 11.4% from fiscal year 1996. The net income for the year ended June 30, 1997, was \$2,931 compared to the net income of \$4,126 for fiscal year 1996.

FIDUCIARY OPERATIONS

Multnomah County manages and accounts for monies received from various sources in a fiduciary capacity. Such monies are reported in the Agency Funds within the Fiduciary Fund Types.

Disbursements are made in accordance with the agreement or applicable legislative enactment for each fund.

The County also administers the Library Retirement Fund, a pension trust fund. This fund was created as a result of the Library Association of Portland and Multnomah County Transfer Agreement effective July 1, 1990. This pension plan was frozen as a result of the transfer agreement.

Substantially all other County employees participate in the statewide Oregon Public Employees Retirement System. More detailed information on the County's retirement systems and deferred compensation is disclosed in the Pension Plans and Deferred Compensation footnotes.

RISK MANAGEMENT

Risk Management's purpose is to protect the human, physical, and financial assets of the County and is responsible for identification of potential causes of loss.

The County is partially self-insured for employee medical, dental and vision benefits, unemployment, workers' compensation, property, tort and general liability claims. The Insurance Fund, an Internal Service Fund, is governed by an ordinance adopted by the Board of County Commissioners. The ordinance requires that a financial status report be submitted to the Board of County Commissioners on an annual basis. Every two years an actuarial valuation is performed on the workers' compensation and liability programs to evaluate the County's incurred but not reported "IBNR" claims. The medical and dental IBNR claims are based on projected monthly claims costs, projected enrollment and the number of days it takes an average claim to clear the claims paying system. All IBNR claims are recorded as an expense in the year they are incurred and a corresponding liability is recorded in the Insurance Fund.

The Insurance Fund allocates the cost of providing claims servicing and claims payment by charging a premium to the various County programs based on the actuarial estimates or actual insurance premiums paid.

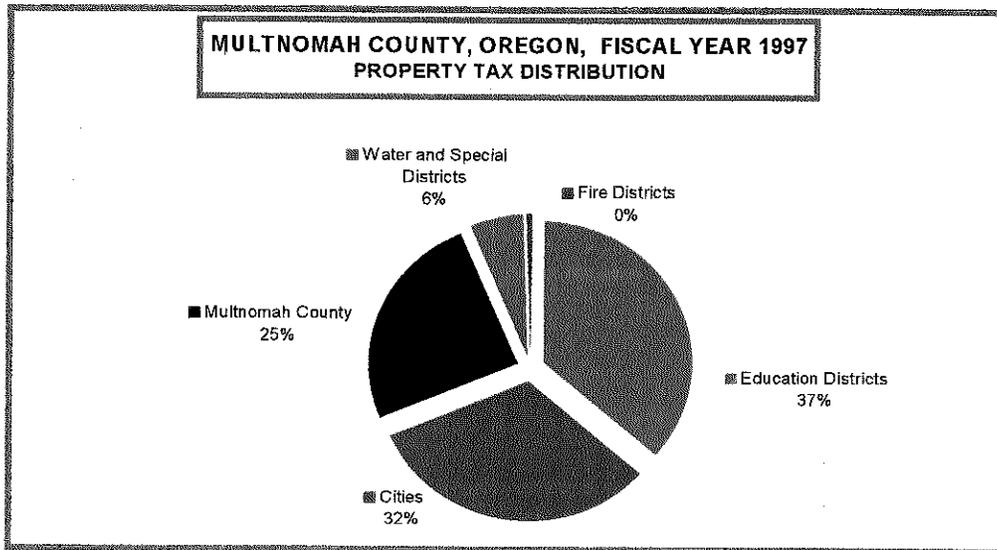
The County also funds post retirement benefits for a portion of medical insurance benefits for retirees between the age 58 to 65. Every two years an actuarial valuation is performed on the program to evaluate the unfunded liability and funding requirements. The next actuarial valuation will be performed in the spring of 1998 and will include the costs associated with the Retirement Incentive Program approved by the Board of County Commissioners.

GENERAL FIXED ASSETS

The general fixed assets of the County are those fixed assets used in the performance of general governmental functions and exclude fixed assets of the Enterprise and Internal Service Funds. At June 30, 1997, the general fixed assets of the County amounted to \$254,614. This amount represents the original or estimated cost of the assets and is considerably less than the estimated replacement cost.

PROPERTY TAXES

Multnomah County serves as the property tax assessor and collector for all taxing bodies located in the County. The total levy for all entities within the County, as extended by the assessor, was \$653,822 for fiscal year 1997, an increase of \$95,314 from fiscal year 1996. The major levying entities, amounts, and changes from the previous year are displayed in the following chart and table:



	1997 Amount	1996 Amount	Amount Increase	Percent Increase
Education Districts	\$ 238,347	\$ 193,685	\$ 44,662	23.1%
Cities	210,568	200,896	9,672	4.8%
Multnomah County	162,985	135,104	27,881	20.6%
Water and Special Districts	39,159	26,190	12,969	49.5%
Fire Districts	2,763	2,633	130	4.9%
Total	\$ 653,822	\$ 558,508	\$ 95,314	17.1%

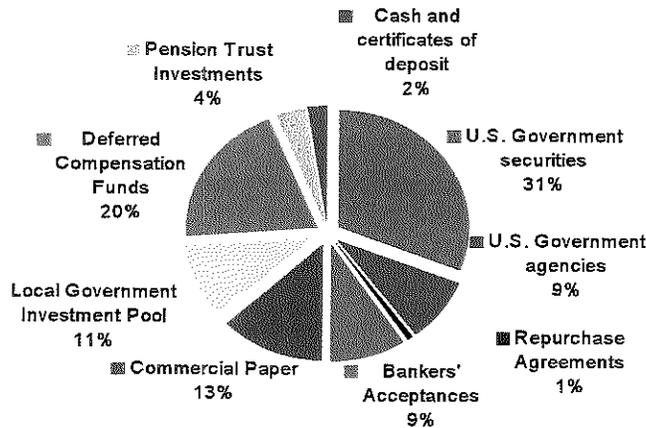
CASH AND INVESTMENTS

To obtain maximum return on investments, Multnomah County pools most funds for investment purposes. Multnomah County's investment transactions are governed by a written Investment Policy. The Investment Policy, which is reviewed and adopted annually by the Board of County Commissioners, regulates the County's investment objectives, diversification, limitations and reporting requirements. The County also utilizes an independent Investment Advisory Board to review the County's investment plan and investment performance.

The average daily balance of investments for all funds including trust funds for fiscal year 1997 was \$228,859 and the average yield on these investments was 5.51%, as compared to the fiscal year 1996 average balance of \$140,095 and average yield of 5.79%. Investment interest earnings on all funds, excluding trust funds, for the fiscal year 1997 was \$9,691 as compared to \$5,476 in fiscal year 1996. The fair value of Deposits and Investments at June 30, 1997, totaled \$291,969 as compared to \$187,747 at June 30, 1996. The unrealized losses on investments held at year end was \$210.

The investments are displayed in a note to the financial statements disclosing the carrying amounts and fair values. The note also discloses the "level of credit risk" associated with the investment types. The following table and chart represent the various cash and investment types, at fair value, changes from fiscal year 1996 and percent of total:

**MULTNOMAH COUNTY, OREGON, FISCAL YEAR 1997
CASH AND INVESTMENTS AT FAIR VALUE**



	1997 Amount	1996 Amount	Amount Increase (Decrease)
U.S. Government securities	\$ 90,301	\$ 46,285	\$ 44,016
U.S. Government agencies	25,301	26,613	(1,312)
Repurchase Agreements	3,000	-	3,000
Bankers' Acceptances	27,699	13,833	13,866
Commercial Paper	37,766	14,375	23,391
Local Government Investment Pool	31,905	26,321	5,584
Deferred Compensation Funds	58,466	46,312	12,154
Pension Trust Investments	10,544	10,290	254
Cash and certificates of deposit	6,987	3,718	3,269
Total	\$ 291,969	\$ 187,747	\$ 104,222

DEBT ADMINISTRATION

General Obligation Bonds: Under Oregon Revised Statutes 287.054 the County's total general obligation bonded debt issues are subject to a limitation of 2% of the latest true cash value of taxable property. On June 30, 1997, this limit was \$769,219 and the County had \$136,375 outstanding. Multnomah County has an Aa1 rating from Moody's Investors Service on all general obligation bonds issued.

On March 1, 1994, the County issued general obligation bonds in the amount of \$22,000 to renovate the Central Library and to build a new Midland Branch Library. The debt service is paid from the proceeds of a property tax levy. The bonds mature each October through October 2014. At June 30, 1997, \$19,215 was outstanding.

On October 1, 1994, the County issued general obligation bonds in the amount of \$9,000 to renovate the Central Library and to build a new Midland Branch Library. The debt service is paid from the proceeds of a property tax levy. The bonds mature each October through October 2015. At June 30, 1997, \$8,460 was outstanding.

On October 1, 1996, the County issued \$29,000 in General Obligation Library Bonds Series 1996A to finance the construction, acquisition and reconstruction of certain library facilities and equipment. The debt service is paid from the proceeds of a property tax levy. The bonds mature each October through October 2016. At June 30, 1997, \$29,000 was outstanding.

On October 1, 1996, the County issued \$79,700 in General Obligation Public Safety Bonds Series 1996B to finance the construction, acquisition and reconstruction of certain public safety facilities and equipment. The debt service is paid from the proceeds of a property tax levy. The bonds mature each October through October 2016. At June 30, 1997, \$79,700 was outstanding.

Revenue Bonds: The County does not have any revenue bonds outstanding

Tax and Revenue Anticipation Notes: On July 1, 1996, the County issued \$11,000 in Tax and Revenue Anticipation Notes "TRANS". The notes had a stated interest rate of 4.75% and a yield of 3.85%. The notes matured on June 30, 1997.

Line of Credit: On December 12, 1995, the County entered into an agreement with the Wells Fargo Bank, formerly First Interstate Bank, to obtain a \$7,000 line of credit to provide interim financing for the expansion of the Juvenile Justice Complex. The line of credit was paid off on October 15, 1996 with a portion of the Public Safety General Obligation Bond proceeds issued on October 1, 1996.

Per Capita Debt Levels: Per capita debt levels for the County consist not only of debt issued by the County, but also include debt issued by overlapping jurisdictions. The following table shows the debt ratios for the County and overlapping districts (Per Capita in dollars):

	<u>Values</u>	<u>Per Capita</u>	<u>Percent of RMV</u>
Population June 30, 1996	636,000		
1996-97 Real Market Value (RMV)	\$38,460,938	\$60,473	
Gross G. O. bonded debt	\$136,375	\$214	.35%
Net direct debt (G.O. only)	\$136,375	\$214	.08%
Net direct debt (G.O.)and overlapping debt	\$809,807	\$1,273	2.11%

INTERGOVERNMENTAL AGREEMENTS, LOANS, AND CAPITAL LEASES

Multnomah County has entered into various lease/purchase, loan and intergovernmental agreements to acquire or improve facilities and to acquire equipment. These acquisitions have been capitalized in the Data Processing Fund and Telephone Fund, Internal Service Funds, or in the General Fixed Assets Account Group. At June 30, 1997, the total amount payable in the General Long-term Obligations Account Group is \$53,641, \$1,639 in the Data Processing Fund, and \$ 355 in the Telephone Fund. The following is a summary of the various types of transactions the County has entered into.

Intergovernmental Agreement: On January 22, 1981, the County entered into an intergovernmental agreement in the amount of \$3,475 with the City of Portland for the purchase of two floors in the Portland Building. This agreement will be paid in full in fiscal year 2008. At June 30, 1997, \$2,304 was outstanding.

Loans: On February 15, 1996, the County entered into an intergovernmental agreement in the amount of \$528 with the State of Oregon to obtain an energy loan to replace the Multnomah County Courthouse chillers. This agreement will be paid in full in fiscal year 2011. At June 30, 1997, \$506 was outstanding.

On October 1, 1996, the County entered into an intergovernmental agreement in the amount of \$86 with the State of Oregon to obtain an energy loan for conservation measures at the McCoy Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1997, \$81 was outstanding.

On December 1, 1996, the County entered into an intergovernmental agreement in the amount of \$35 with the State of Oregon to obtain an energy loan for conservation measures at the Elections Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1997, \$33 was outstanding.

On January 15, 1997, the County entered into an intergovernmental agreements in the total amount of \$56 with the State of Oregon to obtain an energy loan for conservation measures at the Kelly Building. This agreements will be paid in full in fiscal year 2007. At June 30, 1997, \$54 was outstanding.

On July 5, 1996, the County entered into two intergovernmental agreements in the total amount of \$42 with the City of Gresham for sewer assessment loans. These agreements will be paid in full in fiscal year 2016. At June 30, 1997, \$41 was outstanding.

Lease/Purchase Contracts: On June 15, 1993, the County entered into a lease/purchase contract in the amount of \$149 with U.S. National Bank to purchase data processing equipment. The contract will be paid in full in fiscal year 1998. At June 30, 1997, \$33 was outstanding.

On February 1, 1994, the County entered into a lease/purchase contract in the amount of \$534 with U.S. National Bank to purchase data processing equipment. The contract will be paid in full in fiscal year 1999. At June 30, 1997, \$237 was outstanding.

On January 10, 1996, the County entered into a lease/purchase contract in the amount of \$317 with Amertech to purchase library data processing equipment. The contract will be paid in full in fiscal year 2001. At June 30, 1997, \$189 was outstanding.

On March 21, 1996, the County entered into a lease/purchase contract in the amount of \$1,787 with IBM to purchase data processing equipment. The contract will be paid in full in fiscal year 1999. At June 30, 1997, \$1,120 was outstanding.

On September 1, 1996, the County entered into a lease/purchase contract in the amount of \$299 with Xerox to purchase a laser printer. The contract will be paid in full in fiscal year 2002. At June 30, 1997, \$249 was outstanding.

Certificates of Participation: Certificates of Participation represent a long-term lease under an optional contract for purchase between Multnomah County and a bank's trust department. The County obtains the initial financing and then assigns the ownership of the assets to the trustee to whom the County makes lease payments. With the exception of the March 1, 1995 and June 1, 1996 equipment issues, the County has maintained an Aa rating from Moody's Investors Service on Certificates of Participation issues. The Equipment issues are rated A1 by Moody's. The August 1, 1992 issue is rated A by Standard & Poor's. Standard & Poor's has not rated the other issues.

On July 1, 1990, the County acquired an office for the County's probation program by issuing \$455 in Certificates of Participation "Series 1990C". At June 30, 1997, \$215 was outstanding. The certificates mature each July through July 2000.

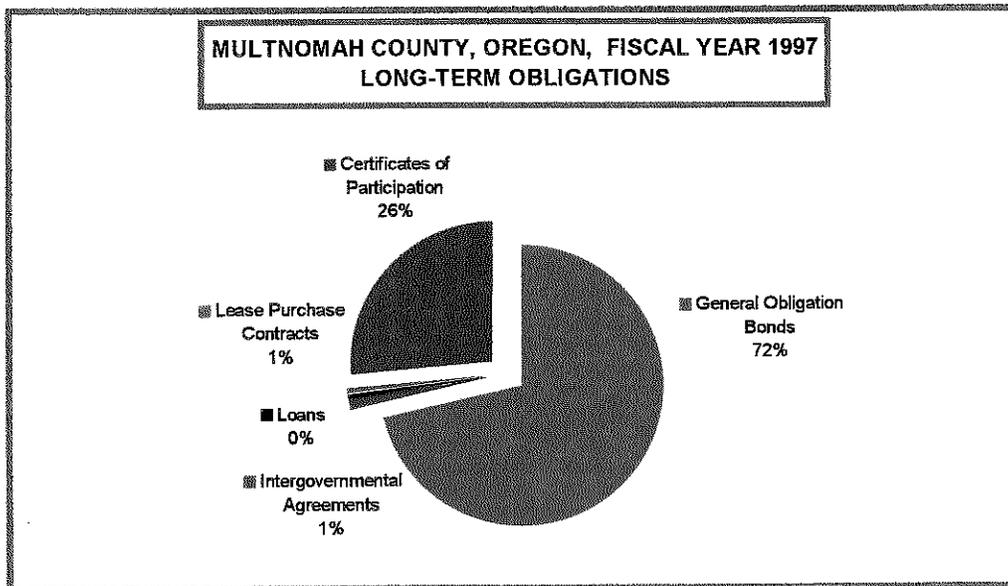
On August 1, 1992, the County issued Certificates of Participation "Series 1992A" in the amount of \$36,000 to construct the Juvenile Justice Complex. At June 30, 1997, \$31,460 was outstanding. The certificates mature each August through August 2012.

On May 1, 1993, the County advance refunded three certificate of participation issues and issued additional certificates for the purpose of financing the acquisition and improvements of certain other health care facilities. The certificates were issued in two series "1993A and 1993B". The 1993A was issued in the amount of \$17,845 and the Series 1993B, a taxable issue, was issued in the amount of \$2,045 for a total of \$19,890. At June 30, 1997, \$ 16,110 was outstanding. These certificates mature each July through July 2013.

On March 1, 1995, the County issued Certificates of Participation in the amount of \$2,445 to purchase computer equipment. At June 30, 1997, \$1,535 was outstanding. \$943 is recorded in the General Long-term Obligations Account Group and \$592 is recorded in the Internal Service Funds. The certificates mature each September through September 1999.

On June 1, 1996, the County issued Certificates of Participation in the amount of \$1,845 to purchase computer equipment. At June 30, 1997, \$1,505 was outstanding. The certificates mature each December through December 2000.

The outstanding amount of general obligation bonds, certificates of participation, lease purchases, loans and intergovernmental agreements for 1997 and 1996, changes from the previous fiscal year and percent of total are shown in the following chart and table:



	1997 Amount	1996 Amount	Amount Increase (Decrease)
General Obligation Bonds	\$ 136,375	\$ 28,710	\$107,665
Intergovernmental Agreements	2,304	2,428	(124)
Loans	715	526	189
Lease Purchase Contracts	1,547	2,327	(780)
Certificates of Participation	50,184	53,690	(3,506)
Total	\$ 191,125	\$ 87,681	\$103,444

SUBSEQUENT EVENTS

On July 1, 1997, the County issued \$11,000 in Tax and Revenue Anticipation Notes to meet anticipated cash flow requirements prior to the collection of property taxes in December and other revenues received after December. The stated interest rate is 4.75% with a yield of 3.80%. The notes mature on June 30, 1998, and are rated MIG1 by Moody's Investors Service.

On July 1, 1997, the State of Oregon transferred 137 employees to the County. Beginning in fiscal year 1997-98 the County will be responsible for Disability Services. The County will be receiving about \$7,000 from Title XIX funds to provide for operations for this program.

On August 21, 1997, the Board of County Commissioners approved Resolution 97-164 to call for an election to be held November 4, 1997, to ask the voters to approve a five year Public Library Levy (local option tax). The levy will cost property owners 59 cents per thousand of assessed value per year. The typical home will pay about \$72 (dollars) in additional property taxes per year. The levy dedicated to library operations is estimated to provide \$19,700 in FY 99, \$20,400 in FY 00, \$21,300 in FY 01, \$22,100 in FY 02 and \$23,000 in FY 03. On November 4, 1997, this measure was approved by the voters.

On August 21, 1997, the Board passed Resolution 97-165 to call for an election to be held November 4, 1997, to ask the voters to approve a Multnomah County vehicle registration fee not to exceed \$15 (dollars) per year. Revenues generated would have been used to make safe, maintain, repair and operate existing roads and bridges in Multnomah County. The revenue generated would have been shared with cities in the county for repair and maintenance of city streets. This increase in fees would have generated approximately \$8,000 per year. On November 4, 1997, this measure was defeated by the voters.

On November 1, 1997, the County acted as a conduit and issued \$31,600 in Educational Facilities Revenue Bonds for the University of Portland. The proceeds will be used to finance certain capital improvements to the University and to refund the Educational Revenue Bonds Series 1994 in the amount of \$17,750. The responsibilities of the County in this bond transaction were limited to adopting the resolution authorizing the issuance of the bonds and other administrative tasks. The County assumes no liabilities associated with the repayment of these bonds.

INDEPENDENT AUDIT

Oregon State law requires that an annual audit of the financial records and transactions of all County functions be performed by an independent certified public accountant. This requirement has been complied with and the general purpose financial statements have been audited and have received an "unqualified opinion" from KPMG Peat Marwick LLP, our independent auditors. See the Financial Section for the full text of our auditors' report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada "GFOA" awarded the Certificate of Achievement for Excellence in Financial Reporting to Multnomah County, Oregon, for its comprehensive annual financial report for the fiscal year ended June 30, 1996. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. Multnomah County has received a Certificate of Achievement award for thirteen consecutive years. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Multnomah County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 1996. In order to qualify for the distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. Multnomah County has received the Distinguished Budget Award for three consecutive years.

SUMMARY

Multnomah County's financial position continues to remain strong. As of June 30, 1997, the fund balances in the Governmental Fund Types were \$163,205, as compared to the June 30, 1996 balances of \$63,473. The major increase in the fund balances was a result of bond sale proceeds to finance capital projects. At June 30, 1997, \$14,977 of the fund balances is reserved for debt retirement, \$102,094 is reserved for capital projects, \$1,297 is reserved for inventories, \$320 is reserved for prepaid items, \$782 is reserved for foreclosed property and \$ 250 is reserved for the Oregon Medical Assistance Program.

ACKNOWLEDGMENTS

We wish to express our sincere appreciation to the employees in the Finance Division who maintained the records and assisted in the preparation of this report. Special thanks is extended to the General Ledger Staff who were instrumental in preparing this report. Appreciation is also extended to Beverly Stein, Chair of the Board of County Commissioners, the Board of County Commissioners, Department Managers, Budget & Quality Division, and other County personnel for their assistance and support in planning and conducting the financial operations of the County in a prudent manner.

Respectfully Submitted,



David A. Boyer, CCM
Finance Director



Jean Uzelac
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Multnomah County,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1996

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda K. Savitsky
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report

The Board of County Commissioners
Multnomah County, Oregon
Portland, Oregon:

We have audited the accompanying general purpose financial statements of Multnomah County, Oregon (the County) as of and for the year ended June 30, 1997, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Multnomah County, Oregon as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 1997 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

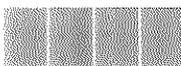
Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Multnomah County, Oregon taken as a whole. The combining and individual fund and account group statements and other financial schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The other data included in this report, designated as "Statistical Section" in the accompanying table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

KPMG PEAT MARWICK LLP

By Joseph F. Hoffman
Joseph F. Hoffman, Partner

December 5, 1997



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GENERAL PURPOSE FINANCIAL STATEMENTS
("Liftable" Combined Financial Statements)

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**MULTNOMAH COUNTY, OREGON
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1997
(amounts expressed in thousands)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Cash and investments	\$ 14,509	\$ 25,206	\$ 14,910	\$ 104,188
Receivables:				
Taxes	6,318	2,133	472	
Accounts	6,799	23,714	6	4,873
Loans	138	1,815		
Interest	1,220	15		
Special assessments	27			
Contracts		1,432		1,644
Due from other funds	3,696			23
Inventories	615	682		
Prepaid items	133	185		2
Foreclosed properties		782		
Fixed assets (net, where applicable, of accumulated depreciation)				
Other debits:				
Amount available for retirement of long-term obligations				
Amount to be provided for retirement of long-term obligations				
Total assets and other debits	<u>\$ 33,455</u>	<u>\$ 55,964</u>	<u>\$ 15,388</u>	<u>\$ 110,730</u>
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Payrolls payable	\$	\$	\$	\$
Accounts payable	1,597	20,044	4	2,670
Due to other funds				3,719
Assistance receipts unapplied		2,110		
Compensated absences	3,030	5,062		2
Deferred revenue	5,529	5,915	407	2,243
Due to other governmental units				
Amounts held in trust				
General obligation bonds payable				
Capitalized leases				
Loans payable				
Deferred compensation				
Total liabilities	<u>10,156</u>	<u>33,131</u>	<u>411</u>	<u>8,634</u>
Equity and other credits:				
Investment in general fixed assets				
Contributed capital				
Retained earnings:				
Unreserved				
Fund balances:				
Reserved for capital projects				102,094
Reserved for debt service			14,977	
Reserved for employees' retirement benefits				
Reserved for inventories	615	682		
Reserved for foreclosed properties		782		
Reserved for prepaid items	133	185		2
Reserved for Oregon Medical Assistance Program		250		
Unreserved, undesignated	22,551	20,934		
Total equity and other credits	<u>23,299</u>	<u>22,833</u>	<u>14,977</u>	<u>102,096</u>
Total liabilities, equity and other credits	<u>\$ 33,455</u>	<u>\$ 55,964</u>	<u>\$ 15,388</u>	<u>\$ 110,730</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	
\$ 3,287	\$ 27,086	\$ 102,783	\$	\$	\$ 291,969
641	400	29,053 237			37,976 36,670 1,953 1,235 39 3,076 3,719 1,758 586 782
12					
7	461 259				
1,208	6,927		254,614		262,749
				14,977	14,977
				176,836	176,836
<u>\$ 5,155</u>	<u>\$ 35,133</u>	<u>\$ 132,073</u>	<u>\$ 254,614</u>	<u>\$ 191,813</u>	<u>\$ 834,325</u>
\$ 1,368	\$ 10,186	\$ 13,017 6,305	\$	\$	\$ 13,017 42,174 3,719 2,110 10,671 14,098 29,053 12,974 136,375 52,926 715 60,180 380,006
39	741 4	29,053 12,974		1,797	
	1,994			136,375 52,926 715	
<u>1,407</u>	<u>12,925</u>	<u>60,180</u> <u>121,529</u>		<u>191,813</u>	<u>380,006</u>
			254,614		254,614 10,506 15,450 102,094 14,977 10,544 1,297 782 320 250 43,485
2,905	7,601				
843	14,607				
		10,544			
<u>3,748</u>	<u>22,208</u>	<u>10,544</u>	<u>254,614</u>		<u>454,319</u>
<u>\$ 5,155</u>	<u>\$ 35,133</u>	<u>\$ 132,073</u>	<u>\$ 254,614</u>	<u>\$ 191,813</u>	<u>\$ 834,325</u>

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	General	Special Revenue	Debt Service	Capital Projects	Totals (memorandum only)
REVENUES:					
Taxes	\$ 149,299	\$ 56,087	\$ 11,909	\$	\$ 217,295
Intergovernmental	14,864	165,089		4,744	184,697
Licenses and permits	1,696	1,055			2,751
Charges for services	5,929	8,714		239	14,882
Interest	2,862	1,460	819	4,550	9,691
Other	16,251	8,718	12,217	58	37,244
Total revenues	<u>190,901</u>	<u>241,123</u>	<u>24,945</u>	<u>9,591</u>	<u>466,560</u>
EXPENDITURES:					
Current:					
General government	15,804	10,790	31	1,673	28,298
Health and social services	25,893	164,647			190,540
Public safety and justice	57,595	48,200		7,468	113,263
Community services	20,206	34,027		2,680	56,913
Roads and bridges		34,052			34,052
Capital outlay	525	9,547		23,645	33,717
Debt service:					
Principal			10,403		10,403
Interest	521		7,439		7,960
Total expenditures	<u>120,544</u>	<u>301,263</u>	<u>17,873</u>	<u>35,466</u>	<u>475,146</u>
Excess of revenues over (under) expenditures	<u>70,357</u>	<u>(60,140)</u>	<u>7,072</u>	<u>(25,875)</u>	<u>(8,586)</u>
OTHER FINANCING SOURCES (USES):					
Loan proceeds				1,672	1,672
Bond sales				108,700	108,700
Operating transfers in	1,243	69,503		3,387	74,133
Operating transfers out	(69,533)	(5,686)		(968)	(76,187)
Total other financing sources (uses)	<u>(68,290)</u>	<u>63,817</u>		<u>112,791</u>	<u>108,318</u>
Excess of revenues and other sources over expenditures and other uses	2,067	3,677	7,072	86,916	99,732
FUND BALANCES, JUNE 30, 1996	<u>21,232</u>	<u>19,156</u>	<u>7,905</u>	<u>15,180</u>	<u>63,473</u>
FUND BALANCES, JUNE 30, 1997	<u>\$ 23,299</u>	<u>\$ 22,833</u>	<u>\$ 14,977</u>	<u>\$ 102,096</u>	<u>\$ 163,205</u>

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

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MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	General Fund.			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
REVENUES:						
Taxes	\$ 149,807	\$ 149,299	\$ (508)	\$ 53,422	\$ 56,087	\$ 2,665
Intergovernmental	13,085	14,864	1,779	178,028	165,089	(12,939)
Licenses and permits	1,781	1,696	(85)	1,255	1,055	(200)
Charges for services	5,772	5,929	157	9,823	8,714	(1,109)
Interest	2,232	2,862	630	980	1,460	480
Other	17,558	16,251	(1,307)	9,578	8,718	(860)
Total revenues	<u>190,235</u>	<u>190,901</u>	<u>666</u>	<u>253,086</u>	<u>241,123</u>	<u>(11,963)</u>
EXPENDITURES:						
Current:						
General government	16,682	15,804	878	13,848	10,790	3,058
Health and social services	27,109	25,893	1,216	177,084	164,647	12,437
Public safety and justice	58,251	57,595	656	53,319	48,200	5,119
Community services	21,121	20,206	915	36,990	34,027	2,963
Roads and bridges				34,266	34,052	214
Capital outlay	647	525	122	19,017	9,547	9,470
Debt service:						
Principal						
Interest	550	521	29			
Contingency	1,983		1,983	3,317		3,317
Total expenditures	<u>126,343</u>	<u>120,544</u>	<u>5,799</u>	<u>337,841</u>	<u>301,263</u>	<u>36,578</u>
Excess of revenues over (under) expenditures	<u>63,892</u>	<u>70,357</u>	<u>6,465</u>	<u>(84,755)</u>	<u>(60,140)</u>	<u>24,615</u>
OTHER FINANCING SOURCES (USES):						
Certificates of participation proceeds						
Loan proceeds						
Bond sales						
Operating transfers in	1,301	1,243	(58)	75,429	69,503	(5,926)
Operating transfers out	(75,909)	(69,533)	6,376	(5,772)	(5,686)	86
Total other financing sources (uses)	<u>(74,608)</u>	<u>(68,290)</u>	<u>6,318</u>	<u>69,657</u>	<u>63,817</u>	<u>(5,840)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(10,716)</u>	<u>2,067</u>	<u>12,783</u>	<u>(15,098)</u>	<u>3,677</u>	<u>18,775</u>
FUND BALANCES, JUNE 30, 1996	<u>17,356</u>	<u>21,232</u>	<u>3,876</u>	<u>15,098</u>	<u>19,156</u>	<u>4,058</u>
FUND BALANCES, JUNE 30, 1997	<u>\$ 6,640</u>	<u>\$ 23,299</u>	<u>\$ 16,659</u>	<u>\$</u>	<u>\$ 22,833</u>	<u>\$ 22,833</u>

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

Debt Service Funds			Capital Projects Funds			Totals (Memorandum only)		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
\$ 11,899	\$ 11,909	\$ 10	\$ 43,425	\$ 4,744	\$ (38,681)	\$ 215,128	\$ 217,295	\$ 2,167
						234,538	184,697	(49,841)
292		(292)	359	239	(120)	3,036	2,751	(285)
362	819	457	3,315	4,550	1,235	16,246	14,882	(1,364)
13,747	12,217	(1,530)	137	58	(79)	6,889	9,691	2,802
<u>26,300</u>	<u>24,945</u>	<u>(1,355)</u>	<u>47,236</u>	<u>9,591</u>	<u>(37,645)</u>	<u>516,857</u>	<u>466,560</u>	<u>(50,297)</u>
36	31	5	3,039	1,673	1,366	33,605	28,298	5,307
						204,193	190,540	13,653
			30,396	7,468	22,928	141,966	113,263	28,703
			3,620	2,680	940	61,731	56,913	4,818
						34,266	34,052	214
			153,596	23,645	129,951	173,260	33,717	139,543
11,560	10,403	1,157				11,560	10,403	1,157
8,546	7,439	1,107				9,096	7,960	1,136
4,912		4,912	2,500		2,500	12,712		12,712
<u>25,054</u>	<u>17,873</u>	<u>7,181</u>	<u>193,151</u>	<u>35,466</u>	<u>157,685</u>	<u>682,389</u>	<u>475,146</u>	<u>207,243</u>
1,246	7,072	5,826	(145,915)	(25,875)	120,040	(165,532)	(8,586)	156,946
1,005		(1,005)	8,555		(8,555)	9,560		(9,560)
			400	1,672	1,272	400	1,672	1,272
295		(295)	110,848	108,700	(2,148)	111,143	108,700	(2,443)
			5,407	3,387	(2,020)	82,137	74,133	(8,004)
			(1,600)	(968)	632	(83,281)	(76,187)	7,094
<u>1,300</u>		<u>(1,300)</u>	<u>123,610</u>	<u>112,791</u>	<u>(10,819)</u>	<u>119,959</u>	<u>108,318</u>	<u>(11,641)</u>
2,546	7,072	4,526	(22,305)	86,916	109,221	(45,573)	99,732	145,305
6,797	7,905	1,108	22,305	15,180	(7,125)	61,556	63,473	1,917
<u>\$ 9,343</u>	<u>\$ 14,977</u>	<u>\$ 5,634</u>	<u>\$</u>	<u>\$ 102,096</u>	<u>\$ 102,096</u>	<u>\$ 15,983</u>	<u>\$ 163,205</u>	<u>\$ 147,222</u>

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum only)</u>
OPERATING REVENUES:			
Charges for sales and services	\$ 47,531	\$ 60,475	\$ 108,006
Insurance premiums		456	456
Experience ratings and refunds		125	125
Total operating revenues	<u>47,531</u>	<u>61,056</u>	<u>108,587</u>
OPERATING EXPENSES:			
Salaries and wages	1,498	10,828	12,326
Employee benefits	435	2,651	3,086
Repairs and maintenance		2,592	2,592
Utilities	294	3,208	3,502
Equipment rental		3,271	3,271
Facility rental	114	698	812
Professional services	610	6,197	6,807
Communications	41	1,473	1,514
Operating supplies	43	3,300	3,343
Medical claims	41,636		41,636
Insurance claims and premiums		18,216	18,216
Administrative	165		165
Internal support	381	178	559
Depreciation	106	3,014	3,120
Other expenses	1,939	5,952	7,891
Total operating expenses	<u>47,262</u>	<u>61,578</u>	<u>108,840</u>
Operating income (loss)	<u>269</u>	<u>(522)</u>	<u>(253)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	787	1,275	2,062
Interest expense		(98)	(98)
Loss on disposal of fixed assets		(834)	(834)
Total nonoperating revenues	<u>787</u>	<u>343</u>	<u>1,130</u>
Net income (loss) before operating transfers	<u>1,056</u>	<u>(179)</u>	<u>877</u>
OPERATING TRANSFERS IN	983	1,405	2,388
OPERATING TRANSFERS OUT	(71)	(263)	(334)
Net income	<u>1,968</u>	<u>963</u>	<u>2,931</u>
RETAINED EARNINGS, JUNE 30, 1996	1,085	13,644	14,729
EQUITY TRANSFER OUT	(2,210)		(2,210)
RETAINED EARNINGS, JUNE 30, 1997	<u>\$ 843</u>	<u>\$ 14,607</u>	<u>\$ 15,450</u>

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

MULTNOMAH COUNTY, OREGON
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

ADDITIONS:	
Contributions	\$ 79
Investments income - interest	795
Total additions	<u>874</u>
 DEDUCTIONS:	
Benefits	516
Refunds	82
Administrative expense	21
Total deductions	<u>619</u>
Net increase	255
Net assets held in trust for pensions benefits	
Beginning of year	<u>10,290</u>
End of year	<u>\$ 10,545</u>

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

**MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum only)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ 269	\$ (522)	\$ (253)
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by operating activities:			
Depreciation	106	3,014	3,120
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	250	(34)	216
Decrease in due from other funds		1,736	1,736
Increase in inventories		(63)	(63)
(Increase) decrease in prepaid items	(6)	23	17
Increase (decrease) in accounts payable	(9,985)	722	(9,263)
Decrease in deferred revenue		(2)	(2)
Increase (decrease) in compensated absences	(21)	83	62
Increase in capitalized leases		249	249
Net cash provided (used) by operating activities	<u>(9,387)</u>	<u>5,206</u>	<u>(4,181)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	983	1,405	2,388
Operating transfers out	(71)	(263)	(334)
Equity transfer out	(2,210)		(2,210)
Net cash provided (used) by noncapital financing activities	<u>(1,298)</u>	<u>1,142</u>	<u>(156)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	(123)	(3,643)	(3,766)
Principal paid on capitalized leases		(784)	(784)
Interest paid on capitalized leases		(98)	(98)
Capital contributed by customers and others	113	336	449
Net cash used by capital and related financing activities	<u>(10)</u>	<u>(4,189)</u>	<u>(4,199)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	787	1,275	2,062
Net cash provided by investing activities	<u>787</u>	<u>1,275</u>	<u>2,062</u>
Net increase (decrease) in cash and cash equivalents	(9,908)	3,434	(6,474)
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	<u>13,195</u>	<u>23,652</u>	<u>36,847</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 1997	<u>\$ 3,287</u>	<u>\$ 27,086</u>	<u>\$ 30,373</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Disposal of fixed assets, net book value	\$ <u>(1)</u>	\$ <u>(834)</u>	\$ <u>(835)</u>
Transfer of fixed assets from General Fixed Assets Account Group, net book value	\$ <u> </u>	\$ <u>211</u>	\$ <u>211</u>
Transfer of fixed assets to CareOregon, Inc., net book value	\$ <u>(21)</u>	\$ <u> </u>	\$ <u>(21)</u>

A capital lease obligation of \$299 was incurred when the Data Processing Fund, an Internal Service Fund, entered into a lease for printer equipment.

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1997
(amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Multnomah County (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies used by the County in the preparation of the accompanying combined financial statements:

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The governmental and agency fund types are accounted for and presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when related fund liabilities are incurred.

Significant revenues which are measurable and available under the modified accrual basis of accounting are as follows:

- Property taxes collected within sixty days of year end.
- Federal and state financial assistance (to the extent that related expenditures which are eligible for reimbursement have been incurred).
- Intergovernmental revenues.
- Motor fuel use taxes.
- Motor vehicle rental and transient lodging taxes.

The measurement focus for all governmental fund types is on current financial resources. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund types and the pension trust fund are accounted for and presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred. The measurement focus of the proprietary funds and the pension trust fund is on a flow of economic resources. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The proprietary fund types have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

The County's agency funds are purely custodial (assets equal liabilities) and do not involve the measurement of operations. These funds are used to account for assets that the County holds for others in an agency capacity.

Governmental Reporting Entity

Based on Governmental Accounting Standards Board Statement No. 14, the combined financial statements of the reporting entity include those of the County (primary government) and its component units. Based upon criteria set forth in GASB No. 14, the component units are included in the reporting entity because of the significance of their operational or financial relationships with the County.

The County believes the financial data of all component units included in the financial reporting entity meet the criteria for blended presentation due to the fact that the Multnomah County Board of Commissioners is the governing body of each of the component units. Brief descriptions of blended component units are as follows:

Dunthorpe-Riverdale Service District No.1 was organized in 1964 under the provisions of ORS 451. The District's purpose was to finance the construction and operation of sanitary sewer systems in the southwest areas of the County, bordering the Willamette River, and a small portion of northern Clackamas County. The principal funding source is charges for sanitary services provided.

Mid County Service District No. 14 was organized in 1968 as Tulip Acres Lighting District under the provisions of ORS Chapter 451. The District now provides street lighting to the unincorporated urban areas of Multnomah County and the cities of Maywood Park, Troutdale, and Fairview. The principal funding source is charges for lighting services provided.

Complete financial statements for each of the individual component units may be obtained at the following address:

Multnomah County, Oregon
Finance Division
1120 SW Fifth Avenue, Suite 1430
PO Box 14700
Portland, OR 97293-0700

There are many other governmental agencies, including certain school districts and various special service districts, which provide services within the boundaries of Multnomah County. These agencies have independently elected governing boards and are fiscally independent of the County. Therefore, financial information for these agencies is not included in the accompanying combined financial statements.

Cash and Investments

General County investments, included in cash and investments in the combined balance sheet, are carried at fair value including the investments in the deferred compensation agency fund and Library Retirement Pension Trust Fund. The composition of the County's investments is controlled by the County's investment policy which is adopted by the County Commissioners.

For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include all assets in the cash and investment pool. The cash and investment pool has the general characteristic of a demand deposit account for the Enterprise and Internal Service Funds in that these funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. In general, interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

Receivables

Uncollected property taxes receivable for the governmental fund types which are collected within sixty days following year end are considered measurable and available and are recognized as revenues in the funds. All other uncollected property taxes receivable for the governmental fund types are offset by deferred revenues and, accordingly, have not been recorded as revenue. Property taxes receivable in the Agency Funds are recorded as assets and liabilities.

Assessments receivable which are collected within sixty days following year end in the General Fund are recognized as revenues. Assessments receivable not considered measurable and available are offset by deferred revenues and, accordingly, have not been recorded as revenue.

Receivables for federal and state financial assistance are recorded as revenue in all funds as earned.

Receivables of the Enterprise Funds are recorded as revenue when earned, including charges for services rendered but not billed, net of any required allowance for doubtful accounts.

Inventories

Inventories of materials and supplies in the General Fund and Special Revenue (Road and Federal and State Program) Funds are valued at average cost and are offset by a reservation of fund balance. Expenditures are recorded as inventories are used.

Internal Service Fund inventories are valued at the lower of average cost or market and are expensed when used.

Prepaid Items

Payments made to vendors for items or services that will benefit periods beyond June 30 are recorded as prepaid items. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid expenditures.

Insurance premiums paid for insurance coverage beyond June 30 and prepayments made to vendors are recorded as prepaid items in the Internal Service Funds.

Foreclosed Properties

Foreclosed property is recorded at the value of the assessments for which it was foreclosed, or fair market value as indicated by the County's Assessment and Taxation Division at the date of foreclosure, whichever is less and is offset by a reservation of fund balance. Any interest on foreclosed taxes, that may be collected upon the ultimate disposal of the foreclosed property, is recognized at the time of sale or as received, whichever is later.

Fixed Assets

General fixed assets are stated at cost or estimated historical cost. Fixed assets valued at estimated historical cost are minor. Donated fixed assets are recorded at the estimated fair market value at the date of donation. Fixed assets are charged to expenditures in the governmental fund types as purchased and capitalized in the General Fixed Assets Account Group. Minor expenditures below established limits, most routine remodeling costs and infrastructure assets such as road, curb, gutter, sidewalk, drainage and lighting systems are not capitalized. Upon disposal of fixed assets, the cost or estimated cost is removed from the General Fixed Assets Account Group and any proceeds are recorded as other financing sources in the appropriate fund. Depreciation is not computed on fixed assets in the General Fixed Assets Account Group. Interest incurred during construction is not capitalized on general fixed assets.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

Fixed assets of the Enterprise and Internal Service Funds are stated at cost, net of accumulated depreciation, computed using the straight-line method over the estimated useful lives as follows:

- Motor vehicles - 3 years
- Equipment - 3 to 10 years
- Sewer systems - 40 to 50 years
- Building and improvements - 50 years
- Street lighting - 10 to 30 years

Six months depreciation is taken in the year the assets are acquired or retired. Normal maintenance and repairs are charged to operations as incurred. Outlays for major additions, improvements and replacements are capitalized. Amortization of capitalized leases is included in depreciation expense. Depreciation expense on contributed capital is charged to retained earnings. Transfers of fixed assets from the General Fixed Assets Account Group are recorded at the net book value calculated as if depreciation had been recognized on the asset since acquisition. Gains or losses from sales or retirements are included as non-operating revenues or expenses.

Long-term Obligations

Long-term obligations, including capital lease obligations, general obligation bonds, loans payable, and vacation and compensation time pay liabilities, are accounted for in the General Long-term Obligations Account Group. Long-term obligations of proprietary fund types are accounted for in the respective funds. For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Interest on long-term obligations is recorded when paid. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

Self Insurance

The County is partially self-insured for employee medical, dental and vision benefits, workers' compensation, property, tort and general liability claims. The County purchases stop loss insurance protection for self-insured medical claims, per individual, that exceed \$250 tort and general liability claims are limited to \$500 per occurrence by State statute. The County has property insurance coverage policies that cover individual claims in excess of \$50 for other perils and extra expense and \$250 for flood, and \$100 for earthquakes. The County also has an excess coverage insurance policy for individual workers' compensation claims over \$500. The County currently provides for estimated losses to be incurred from pending claims and for incurred but not reported (IBNR) claims for medical, dental, vision, tort and general liability and workers' compensation claims, based on actuarial valuations. IBNR claims are claims that are incurred through the end of the fiscal year but not reported until after that date.

The operations and activities of the self insurance program are accounted for in the Insurance Fund. Premiums are charged to various County funds based on periodically adjusted rates.

Contributed Capital

The following transactions are recorded as contributed capital in the proprietary fund types:

- Receipts from federal and state financial assistance restricted to acquiring fixed assets.
- Fixed assets contributed from other funds or the General Fixed Assets Account Group.
- Contributions from customers for the acquisition of fixed assets.

Assistance Receipts Unapplied

Amounts received for grant programs in excess of expenditures are shown as assistance receipts unapplied in the combined balance sheet.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

Fund Balances Reserved

Portions of the fund balance of the General Fund, which represent inventory and prepaid items, have been segregated from unreserved fund balance to indicate these amounts are not available expendable resources.

Portions of the fund balances of the Special Revenue Funds, which represent inventory, foreclosed properties, prepaid items, and the Oregon Medical Assistance Program, have been segregated from unreserved fund balance to indicate that these amounts are not available expendable resources.

The fund balances of the Debt Service Funds have been segregated from unreserved fund balance for amounts legally required to be set aside to pay debt service on general obligation bonds or capital leases in accordance with the lease purchase agreements and for additional debt service amounts as designated by County management.

The fund balances of the Capital Projects Funds, which represent prepaid items, mortgages receivable, general obligation bond proceeds and loan proceeds to be used for designated capital projects, have been segregated from unreserved fund balance to indicate that these amounts do not represent available expendable resources.

The fund balance of the Pension Trust Fund is reserved for employees' retirement benefits and administrative costs.

Compensated Absences

Vacation and compensation time pay expected to be liquidated with expendable available resources is reported as expenditures and fund liabilities in the governmental fund types when earned. Other vacation and compensation pay for governmental fund types which has been earned but is not expected to be liquidated with expendable available resources is recorded in the General Long-term Debt Account Group.

The amount of accumulated vacation and compensation time pay is considered normal. Vacation and compensation time pay is recorded as an expense in the proprietary fund types when earned. Sick pay is charged when leave is taken because it does not vest when earned.

Totals (Memorandum only) Columns

The "Totals (Memorandum only)" columns on the combined financial statements represent an aggregate of the columnar statements by fund type and account group and are presented only to facilitate financial analysis. Amounts in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such amounts do not represent consolidated financial information as interfund eliminations have not been made in the aggregation of this data.

Budgets

In accordance with Oregon Revised Statutes, the County budgets all funds except Trust and Agency Funds. The Board of County Commissioners adopts a Board Order authorizing appropriations for each fund and establishes the level by which expenditures cannot legally exceed appropriations. Total expenditures by department are the levels of control for each fund established by the Board Order. The detail budget document, however, is required to contain more specific detailed information for the above mentioned expenditure categories. Appropriations lapse at the end of each fiscal year.

Unexpected additional resources may be appropriated through the use of a supplemental budget and Board of County Commissioner's action. The original and supplemental budgets require budget hearings before the public, publications in newspapers and approval by the Board of County Commissioners. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between the legal categories. Such transfers require approval by the Board of County

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

Commissioners. The County made numerous appropriation transfers between categories during fiscal year 1997. During the fiscal year one supplemental budget was adopted. The County budgets all fund types, except fiduciary fund types, on the modified accrual basis of accounting.

NOTE 2. ORGANIZATION AND OPERATIONS:

Multnomah County, Oregon is governed under its home rule charter, effective January 1, 1967 and subsequent amendments, adopted under Article VI, Section 10 of the Oregon State Constitution. Its boundaries are established by ORS 201.260. The County is governed by a nonpartisan, independently elected Chair of the Board, and by the Board of County Commissioners consisting of four nonpartisan independent members elected from districts within the County. The County's financial operations are accounted for in the following funds:

Governmental Fund Types

General Fund: Accounts for the financial operations of the County which are not accounted for in any other funds. The principal sources of revenues for this fund are property taxes, business income taxes, federal and state shared revenue and billings for interfund services.

Special Revenue Funds: Account for revenue derived from specific taxes or other earmarked revenue sources, including federal and state financial assistance awards, which are legally restricted to finance particular functions or activities. When a Special Revenue Fund is not an operating fund, transfers are made from the Special Revenue Fund to the operating funds authorized to make expenditures. Funds included in this fund category are:

- Strategic Investment Program Fund
- Road Fund
- Emergency Communications Fund
- Assessment and Taxation Fund
- Bicycle Path Construction Fund
- Federal and State Program Fund
- County School Fund
- Corner Preservation Fund
- Tax Title Land Sales Fund
- Animal Control Fund
- Willamette River Bridges Fund
- Recreation Fund
- Library Fund
- Justice Services Special Operations Fund
- County Fair Fund
- Inmate Welfare Fund
- Convention Center Fund
- Natural Areas Acquisition & Protection Fund
- Public Safety Levy Fund

Debt Service Funds: Account for the retirement of general obligation bonds from the collection of property taxes and for the retirement of certificates of participation (capital leases) and other lease purchase arrangements. The unmatured outstanding general obligation bonds, certificates of participation and other outstanding lease purchases are accounted for in the General Long-term Obligations Account Group. Funds included are:

- Revenue Bond Sinking Fund
- Capital Lease Retirement Fund
- Library Bond Sinking Fund/1993 Bonds
- Library Bond Sinking Fund/1996 Bonds
- Public Safety Bond Sinking Fund

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

Capital Projects Funds: Account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of County owned property, and library general obligation bond proceeds. Funds included are:

- Justice Bond Project Fund
- Edgefield Children's Center Fund
- SB 1145 Fund
- Equipment Lease/Purchase Fund
- Lease/Purchase Project Fund
- Library Construction Fund/1993 Bonds
- Library Construction Fund/1996 Bonds
- Capital Improvement Fund
- Capital Acquisition Fund

Proprietary Fund Types

Enterprise Funds: Account for the operations of predominantly self-supporting activities which render services to the public on a user charge basis. Funds included are:

- Dunthorpe-Riverdale Service District No. 1 Fund (blended component unit of Multnomah County)
- Mid County Service District No. 14 Fund (blended component unit of Multnomah County)
- Library Enterprise Fund
- CareOregon Fund
- Children's Capitation Project Fund

Internal Service Funds: Account for activities and services performed primarily for other organizational units within the County. Funds included are:

- Insurance Fund
- Fleet Management Fund
- Telephone Fund
- Data Processing Fund
- Mail/Distribution Fund
- Facilities Management Fund

Fiduciary Fund Types

Trust and Agency Funds: Account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. Funds included are:

- Sundry Taxing Bodies Fund
- Clearing Fund
- Department and Offices Agency Fund
- Deferred Compensation Fund
- Public Guardian Fund
- Library Retirement Fund (Pension Trust Fund)

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

Account Groups

General Fixed Assets Account Group: Accounts for the County's investment in fixed assets with the exception of those assets held by the proprietary fund types. Expenditures for the acquisition of general fixed assets are recorded in the various governmental fund types; the costs of such assets are capitalized in this account group. As fixed assets are disposed, the original cost or estimated original cost is removed from this account group; any receipts from the sale of general fixed assets is accounted for as other financing sources in the appropriate fund depending on the original funding source.

General Long-term Obligations Account Group: Accounts for long-term obligations of the County resulting from capitalized lease transactions, certificates of participation lease transactions, vacation and compensation time pay liabilities, general obligation bonds, loans, and other long-term obligations, which will be financed from resources of the governmental fund types.

NOTE 3. CASH AND INVESTMENTS:

Multnomah County pools virtually all funds for investment purposes. All appropriate funds are allocated interest based on the average daily cash balance of the fund and the average monthly yield of the County's investment portfolio. Each fund type's portion of this pool is displayed on the Combined Balance Sheet as "Cash and Investments".

Fair Value of Investments

Pursuant to GASB Statement No. 31, investments are reported at fair value as of June 30, 1997. The total fair value of deposits and investments is \$291,969 and the total cost basis is \$292,179. During the fiscal year 1996-1997, the County realized a net gain of \$82 from the sale of investments. The calculation of realized gains is independent of the calculation of the net change in the fair value of investments. The net increase in the fair value of investments during fiscal year 1996-1997 was \$104,222. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year end was \$210. Fair value of the County's investments is provided by the County's third-party custodian and by an independent broker/dealer.

Deposits with Financial Institutions

At year end, the carrying amount of the County's deposits was \$13,066 and the bank balance was \$12,932. Of the bank balance, \$12,670 was covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers in the name of the County as the County's agent. The balance of \$262 was uninsured and uncollateralized. State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the State Banking Commission can require banks to provide more than 25% of the balances of municipal corporations' deposits as collateral. The County cannot, however, determine which, if any, institutions have been required to meet a collateral requirement larger than 25%. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds. At all times during the year ended, and at June 30, 1997, the County was fully collateralized under State requirements.

Investments

Oregon Revised Statutes, Chapter 294, authorizes the County to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, repurchase agreements, State of Oregon Local Government Investment Pool, and various interest-bearing bonds of Oregon municipalities. The County's investment policy requires that the market value plus accrued interest of the securities collateralizing repurchase agreements exceeds

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

the face amount of the repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund Board, providing the County with a margin against a decline in the market value of the securities. Daily marking-to-market also protects the County against declines in market value.

The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year. State statutes and County policy permit the County to enter into reverse repurchase agreements, which are the sale of securities to a broker/dealer with a simultaneous agreement to repurchase them at a specified time in the future at a specified price, plus a contracted rate of interest. Any interest accruing on the sold securities belongs to the County. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received by 102%, providing the broker/dealer with a margin against a decline in the market value of the securities. Daily marking-to-market protects the County against increases in the market value.

If a broker/dealer defaults on its obligation to resell the securities at the maturity of the agreement, the County could suffer an economic loss equal to the difference between the market value of the securities and the amount of the reverse repurchase agreement less the contracted interest. The County did not enter into any reverse repurchase agreements at any time during the fiscal year ended June 30, 1997.

The County's investments are governed by a written investment policy that is reviewed annually by both the Oregon Short-Term Fund Board and the Multnomah County Investment Advisory Board, and is adopted annually by the Board of County Commissioners. The policy specifies the County's investment objectives, benchmarks, required diversification by security type and by maturity, and the reporting requirements.

The County's cash deposits and investments are categorized below to give an indication of risk assumed by the County at June 30, 1997. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its third-party custodian in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the bank's trust department in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by counterparties or a trust department, but not in the County's name. The County had no investments in Category 3 at June 30, 1997. The level of risk indicated below at June 30, 1997, is generally reflective of the level of risk assumed by the County during the year. For reporting purposes, adjusted cost basis is the amortized or accreted value of investments.

	Category 1	Category 2	Adjusted Cost Basis	Fair Value
U.S. Government Securities	\$ 89,856	\$ 486	\$ 90,486	\$ 90,342
U.S. Government Agencies	19,418	5,845	25,319	25,263
Repurchase Agreements	3,000		3,000	3,000
Bankers Acceptances	27,696		27,702	27,696
Commercial Paper	37,766		37,770	37,766
	<u>\$177,736</u>	<u>\$6,331</u>	184,277	184,067
Local Government Investment Pool			31,905	31,905
Deferred Compensation - Mutual Funds			58,466	58,466
Pension Trust Investments			10,544	10,544
Cash Deposits and Certificates of Deposit			6,987	6,987
Total Cash and Investments			<u>\$292,179</u>	<u>\$291,969</u>

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

NOTE 4. INTERFUND TRANSACTIONS:

The following amounts due to and due from other funds recorded on the Combined Balance Sheet are temporary advances. All other interfund transfers are reported as operating transfers.

<u>Due from:</u>	<u>Due to:</u>	<u>Amount</u>
Edgefield Children's Center Fund	Capital Improvement Fund	\$ 23
SB1145 Fund	General Fund	3,696
		<u>\$3,719</u>

The following schedule reconciles operating transfers in and out on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

Operating transfers in	\$74,133
Plus: Operating transfers in as recorded in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance - All Proprietary Fund Types and Similar Trust Funds:	
CareOregon Fund	323
Children's Capitation Project Fund	660
Data Processing Fund	1,403
Mail Distribution Fund	1
Facilities Management Fund	1
	<u>2,388</u>
Less: Operating transfers out as recorded in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance - All Proprietary Fund Types and Similar Trust Funds:	
Library Enterprise Fund	(71)
Data Processing Fund	(79)
Facilities Management Fund	(184)
	<u>(334)</u>
Operating transfers out	<u>\$76,187</u>

The \$2,210 equity transfer from the CareOregon Fund, an Enterprise Fund, was a result of the spin off of the operations to CareOregon, Inc., a separate legal non-profit entity. See Note 12.

NOTE 5. PROPERTY TAXES:

The County reviews, bills, collects and distributes property taxes for all taxing jurisdictions within its boundaries in accordance with State law. Property taxes collected by the County are distributed to the

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

other taxing districts on a monthly basis except for the period from November 1 through November 30, when the distribution is made weekly. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15, the second one-third on February 15 and the remaining one-third on May 15. A three-percent discount is allowed if full payment is made by November 15 and a two-percent discount is allowed if two-thirds payment is made by November 15. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the tax due date. Property taxes are recorded on the date levied.

The Oregon Constitution limits property taxes for local governments. Local governments must share no more than one percent of the value of real property as current year property taxes. The maximum rate for all local governments is \$10 per thousand of assessed value. This limit applies to the local government tax base as well as special levies. Property taxes to support voter approved debt service are exempt from the limitation. Educational districts do not fall within the definition of local governments.

On November 5, 1996, the voters of the State of Oregon approved a constitutional amendment, Ballot Measure 47, to limit the amount of property taxes to be collected. On May 20, 1997, the voters approved Ballot Measure 50 to replace Measure 47. Measure 50 cuts or reduces property taxes imposed statewide by 17% from fiscal year 1997-98 levels unless such taxes are exempt. Measure 50, rolls back the assessed value of each unit of property for the tax year 1997-98 to its 1995-96 "real market value," less 10%. The new resulting tax rates become the new constitutional limits for each jurisdiction replacing the levy based tax system with a rate based tax system. The measure limits any increase in assessed value to 3% per year for tax years after 1997-98. There are special exemptions for property that is substantially improved, rezoned, subdivided, or annexed, or when property ceases to qualify for a property tax exemption. In addition to limiting the amount of property taxes that can be collected, the measure requires a double majority voter approval, except at a general election, for new or increased property taxes, restricts the use of general obligation bond proceeds on certain capital maintenance and equipment outlays and restricts other means by which the State and local governments can raise revenue in lieu of property taxes. The full text of Ballot Measure 50 should be read to gain a better understanding of the limitation.

NOTE 6. ASSESSMENTS RECEIVABLE:

Assessments receivable represent uncollected amounts levied against benefitted property for the cost of street, lighting and sewer improvements. An allowance for uncollectible amounts is not deemed necessary as substantially all amounts, including delinquent assessments, should be recoverable through liens. Substantially all assessments are payable over a period of ten years or less. Assessments bear interest at 6% to 10%. The Assessment District Operating Fund, a Special Revenue Fund, was closed to the General Fund in fiscal year 1996 because the outstanding receivables were considered to be immaterial.

NOTE 7. CONTRACTS RECEIVABLE:

The following is a summary of contracts receivable at June 30, 1997:

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

	Total	Due within one year
<u>Special Revenue Funds:</u>		
Road Fund - Contracts covering sale of excess right-of-way property, payable in monthly installments plus 12% interest	\$ 128	\$ 19
Tax Title Land Sales Fund - Contracts from sale of foreclosed property payable at 6% to 12% interest generally over terms up to twenty years, net of City of Portland equity therein	1,304	248
Total Special Revenue Funds	1,432	267
<u>Capital Projects Funds:</u>		
Capital Improvement Fund contract from the sale of property. Due in periodic installments through fiscal year 1997-98.	1,644	1,644
Total Contracts Receivable	\$3,076	\$1,911

NOTE 8. DEFERRED REVENUE:

Deferred revenue as of June 30, 1997 consists of the following:

Property taxes receivable	\$ 7,648
Assessments receivable	27
Contracts receivable	3,076
Other receivables	3,347
	\$14,098

NOTE 9. FIXED ASSETS:

The changes in the General Fixed Assets Account Group for the fiscal year ended June 30, 1997, and fixed assets by major classes for the General Fixed Assets Account Group are as follows:

	Balance June 30, 1996	Additions	Retirements and Transfers	Balance June 30, 1997
General Fixed Assets:				
Land and Improvements	\$ 7,257	\$ 140	\$ (732)	\$ 6,665
Buildings and Improvements	155,273	20,664	11,548	187,485
Parksites	4,530		(4,269)	261
Work in Progress	16,179	157	(16,179)	157
Bridges	34,240	735		34,975
Equipment	22,192	3,974	(1,095)	25,071
Total	\$239,671	\$25,670	\$(10,727)	\$254,614

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

The following is a summary of proprietary fund type fixed assets for June 30, 1997:

<u>Proprietary Funds:</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land and Improvements	\$	\$ 18
Buildings and Improvements	2,398	188
Equipment	27	23,212
Less: Accumulated Depreciation	<u>(1,217)</u>	<u>(16,491)</u>
Total	<u>\$ 1,208</u>	<u>\$ 6,927</u>

Pursuant to a mutual agreement with the County and Metro, a government independent from Multnomah County, the County transferred fixed assets in the sum of \$9,318. These assets were formerly recorded in the General Fixed Asset Account Group.

NOTE 10. DEFICIT FUND BALANCE AND BUDGETARY OVER EXPENDITURES:

Dunthorpe-Riverdale Service District No. 1, an Enterprise Fund, has negative retained earnings of \$559. However, the Fund has a positive total fund equity due to contributed capital. The following fund had over expenditures. These over expenditures were funded by available fund balance.

<u>Description</u>	<u>Amount</u>
<u>Special Revenue Fund:</u>	
Emergency Communication Fund - Sheriff	\$34

NOTE 11. TAX AND REVENUE ANTICIPATION NOTES (TRANS):

The County issued \$11,000 in TRANS on July 1, 1996 with a maturity date of June 30, 1997. The yield was 3.85%. The TRANS were issued to provide for seasonal cash flow needs of the General Fund. The TRANS are issued pursuant to Oregon Revised Statutes, and approved by the Board of County Commissioners, which authorize the County to borrow sufficient funds to meet current expenditures pending the collection of property taxes and other unpledged revenues. The TRANS were rated MIG1 by Moody's Investors Service.

NOTE 12. TRANSFER OF OPERATIONS:

On April 1, 1997, the operations of the CareOregon Fund, an Enterprise Fund, spun off and became a private non-profit health maintenance organization. CareOregon, Inc. is a separate legal entity and has an independent governing board. The amounts transferred are as follows:

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

ASSETS:

Cash and investments	\$10,249
Accounts receivable	509
Prepaid items	4
Equipment (net of accumulated depreciation)	21
Total assets	<u>\$10,783</u>

LIABILITIES AND FUND EQUITY:

Liabilities:

Accounts payable	\$ 8,552
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Fund Equity:

Contributed capital	21
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Retained earnings:

Unreserved, undesignated	2,210
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Total fund equity	2,231
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Total liabilities and fund equity	<u>\$10,783</u>
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NOTE 13. LONG-TERM OBLIGATIONS:

Bonded debt recorded in the General Long-term Obligations Account Group are general obligation bonds issued for the rehabilitation for the Central Library, construction of the Midland Library facilities, construction and acquisition of other library facilities and equipment and construction and acquisition of certain public safety facilities and equipment. The general obligation bonds are direct obligations and pledge the full faith and credit of Multnomah County. The original total issue amounts were \$22,000, \$9,000, \$29,000 and \$79,700 respectively.

The County has entered into various lease/purchase agreements to acquire property and equipment. The lease obligations of the General Fixed Assets Account Group are recorded as liabilities in the General Long-term Obligations Account Group. All other lease obligations are related to the Telephone Fund and the Data Processing Fund, Internal Service Funds, and are recorded as capitalized lease obligations. These leases have been capitalized in accordance with generally accepted accounting principles.

The General Obligation Bond principal activity for fiscal year 1997 and unmatured interest outstanding at June 30, 1997 is as follows:

Fiscal Year of Maturity	Outstanding June 30, 1996	Issued During Year	Paid During Year	Outstanding June 30, 1997	Unmatured Interest Outstanding June 30, 1997
1997	\$ 1,035	\$	\$1,035	\$	\$
1998	1,070	6,835		7,905	6,740
1999	1,120	7,115		8,235	6,347
2000	1,170	7,420		8,590	5,933
2001	1,220	7,755		8,975	5,490
2002	1,280	8,115		9,395	5,088
Thereafter	21,815	71,460		93,275	40,523
	<u>\$28,710</u>	<u>\$108,700</u>	<u>\$1,035</u>	<u>\$136,375</u>	<u>\$70,121</u>

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

The General Long-term Obligations Account Group principal activity for the year ended June 30, 1997 is as follows:

	Outstanding June 30, 1996	Incurred	Retired	Outstanding June 30, 1997
<u>Capital Lease Obligations:</u>				
Agreement with the City of Portland dated January 22, 1981, due 2008.	\$ 2,428	\$	\$ 124	\$ 2,304
Certificates of Participation 1990C dated July 1, 1990, due 2001. Interest, 6 to 6.8%.	260		45	215
Certificates of Participation 1992A dated August 1, 1992, due 2013. Interest, 2.9 to 5.9%.	32,665		1,205	31,460
Certificates of Participation 1993A&B dated May 1, 1993, due 2014. Interest, 2.75 to 7.5%.	16,920		810	16,110
Lease/Purchase dated February 1, 1994, due 1999. Interest, 4.5 to 4.75%.	309		120	189
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	1,229		286	943
Lease/Purchase dated January 10, 1996, due 2001. Interest, 6.017%.	260		60	200
Certificates of Participation dated June 1, 1996, due 2001. Interest, 3.75 to 4.6%.	1,845		340	1,505
Total capital lease obligations	55,916		2,990	52,926
<u>General Obligation Bonds:</u>				
Library Bonds, Series 1994, due 2014. Interest, 3.70 to 5.25%.	19,975		760	19,215
Library Bonds, Series 1994B, due 2015. Interest, 4.25 to 6.0%.	8,735		275	8,460
Library Bonds, Series 1996A due 2017. Interest, 3.90% to 5.65%.		29,000		29,000
Public Safety Bonds, Series 1996B due 2017. Interest, 3.90% to 5.65%.		79,700		79,700
Total general obligation bonds	28,710	108,700	1,035	136,375
<u>Loans payable:</u>				
Energy loan for Courthouse due 2011. Interest, 7.2%.	526		20	506
Energy loan for Kelly Building due 2007. Interest, 5.9%.		56	2	54
Energy loan for Elections and McCoy Buildings due 2007. Interest, 7.2%.		121	7	114

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

	Outstanding June 30, 1996	Incurred	Retired	Outstanding June 30, 1997
Sewer assessment loans due 2016. Interest, 5.65%.		42	1	41
Total loans payable	526	219	30	715
Vacation liability (compensated absences)	1,530	1,985	1,718	1,797
Total General Long-term Obligations	<u>\$86,682</u>	<u>\$110,904</u>	<u>\$5,773</u>	<u>\$191,813</u>

Internal Service Funds capitalized lease obligation principal activity for the year ended June 30, 1997 is as follows:

	Outstanding June 30, 1996	Incurred	Retired	Outstanding June 30, 1997
<u>Telephone Fund:</u>				
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	\$ 462	\$	\$107	\$ 355
<u>Data Processing Fund:</u>				
Lease/Purchase dated June 15, 1993, due 1998. Interest, 5.35%.	64		31	33
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	309		72	237
Lease/Purchase dated March 21, 1996, due 1999. Interest, 4.2 to 4.55%.	1,694		574	1,120
Lease/Purchase dated September 1, 1997, due 2002. Interest, 0%.		299	50	249
Total Data Processing Fund	2,067	299	727	1,639
Total Internal Service Funds	<u>\$2,529</u>	<u>\$299</u>	<u>\$834</u>	<u>\$1,994</u>

The following is a schedule of future minimum lease payments under capital leases (excluding executory costs), together with the present value of total minimum lease payments at June 30, 1997:

Fiscal Year	General Long-Term Obligation	Internal Service Fund	Total Lease Obligations
1998	\$ 6,020	\$ 944	\$ 6,964
1999	6,011	803	6,814
2000	5,913	271	6,184
2001	5,499	60	5,559
2002	5,023	9	5,032
Thereafter through 2014	50,126		50,126
Total minimum lease payments	78,592	2,087	80,679
Less interest amount	(25,666)	(93)	(25,759)
Present Value of minimum lease payments	<u>\$ 52,926</u>	<u>\$1,994</u>	<u>\$ 54,920</u>

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

The assets under capitalized leases recorded in the General Fixed Assets Account Group and the Internal Service Funds were capitalized at original costs of \$53,242 and \$3,572, respectively.

In addition to the above payments, the County is liable for 10.98% of substantially all operating costs of the Portland Building held under capital lease in the General Fixed Assets Account Group. The amount paid for fiscal year 1997 was \$343.

The County also leases various property and equipment under operating leases. Total minimum lease payments (excluding executory costs) required under such operating leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
1998	\$2,760
1999	2,112
2000	1,687
2001	481
2002	494
Thereafter	80
	<u>\$7,614</u>

Operating lease payments (excluding executory costs) during fiscal year 1997 aggregated \$3,280.

Defeased Certificates of Participation

In prior years, the County defeased certain certificates of participation issues by placing the proceeds of the new certificates in irrevocable trusts to provide for all future debt service on the old certificates. Accordingly, the trust account assets and related liability for the defeased certificates are not included in the County's financial statements. At June 30, 1997, the amount of these certificates outstanding totalled \$8,346.

Conduit Financing

The County has issued Educational Facilities Revenue Bonds which have not been recorded in the County's financial statements. The proceeds of these bonds were assigned to the University of Portland (the University) to finance capital improvements to the University.

The responsibilities of the County in this bond transaction were limited to adopting the resolution authorizing the issuance of the bonds, executing the bonds and the bond documents to which it is a party, issuing and delivering the Bonds, assigning certain of its rights to the Trustee as provided in the indenture, and directing the Trustee as to the application of moneys received from the University to pay the bonds in accordance with the indenture. The County has no obligation to take any other action relating to the bonds.

Since the County does not own any of the assets constructed or assume any liabilities associated with repayment, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements.

The original total issue amount was \$20,765. As of June 30, 1997, \$17,750 of Educational Facilities Revenue Bonds were outstanding.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

NOTE 14. ARBITRAGE PAYABLE:

Under certain conditions, the Tax Reform Act of 1986 requires governmental units to remit excess arbitrage earnings arising from invested bond proceeds to the Internal Revenue Service. At June 30, 1997, the County recorded a liability of \$471 in the combined financial statements for such estimated excess arbitrage earnings.

NOTE 15. RISK MANAGEMENT:

Multnomah County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Multnomah County has established an Insurance Fund (an internal service fund) to account for risk management activities, including payment of insurance policy premiums, payment of claims, and to finance its uninsured risks of loss. Under this program the Insurance Fund provides risk of loss coverage as follows:

- General liability, bodily injury and property damage of third parties resulting from the negligence of Multnomah County or its employees and errors or omissions risks: These risks are covered by the Insurance Fund;
- Property damage to County-owned facilities: The property coverage covers individual claims in excess of \$50 for other perils and extra expense, and \$250 for flood, and \$100 for earthquakes;
- Workers' compensation, bodily injury or illness to the employees while in the course of employment: Individual workers' claims up to \$500 are covered by the Insurance Fund. The County has an insurance policy for any claim that exceeds \$500;
- Employee medical, dental, vision, life insurance, and disability benefits: The County has a portion of these benefits covered by insurance and the remaining benefits are covered by the Insurance Fund. On the portion covered by the Insurance Fund, the County has stop loss protection for medical claims per individual that exceed \$250; and
- Unemployment insurance: All unemployment claims are covered by the Insurance Fund.

Multnomah County did not have any significant reduction in insurance coverage from the prior year. The County has not experienced settlements in excess of insurance coverage in prior years. An actuarial valuation and estimates of liabilities for unpaid claims were prepared by an independent actuary in May 1996. Multnomah County also monitors risk activity to ensure that proper reserves are maintained. Various County funds participate in the program. The Insurance Fund allocates the cost of providing claims servicing and claims payment by charging a "premium" to the various funds based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves. This charge considers recent trends in actual claims experience of the County as a whole. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, other economic and social factors, and specific, incremental claim adjustment expenses. The estimated claims liability of \$6,670 reported in the Insurance Fund at June 30, 1997 was established in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, which requires a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimated claims liability at fiscal year end does not include the Insurance Fund's operational accounts payable in the sum of \$1,937. A portion of the loss reserves have been discounted, with the actuary using the estimated payout pattern for liability and workers' compensation and an assumed investment rate of 5% in preparing estimates. Multnomah County does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

liability. Changes in the Insurance Fund self insured claims liability, including an estimate of the ultimate cost of the claims and incurred but not reported claims, for fiscal years 1996 and 1997 were:

Fiscal Year	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
1996	\$6,906	\$7,748	\$8,317	\$6,337
1997	6,337	7,769	7,436	6,670

NOTE 16. FUND EQUITY AND CONTRIBUTED CAPITAL:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not available for expenditures or legally segregated for a specific future use. During the year, contributed capital in the Enterprise and Internal Service Funds changed as follows:

	Enterprise Funds	Internal Service Funds
Balance, June 30, 1996	\$2,793	\$7,265
Add:		
Contributions from connection fees	10	
Contributions from customers	124	
Transfer of equipment from General Fixed Assets		211
Transfer of equipment from Facilities Management Fund, an Internal Service Fund		125
	<u>134</u>	<u>336</u>
Deduct:		
Disposals	(1)	
Transfer of equipment to CareOregon, Inc.	(21)	
	<u>(22)</u>	
Balance, June 30, 1997	<u>\$2,905</u>	<u>\$7,601</u>

NOTE 17. POST RETIREMENT HEALTH CARE BENEFITS:

In addition to providing pension benefits, the County provides certain health care and life insurance benefits for retired County employees. Substantially all of the County's employees are eligible for life insurance benefits when they reach normal retirement age.

The County provides a portion of health care benefits to substantially all County employees. The County pays one-half (50%) of the monthly medical insurance premium from the retiree's fifty-eighth birthday or date of retirement, whichever is later, until the retiree's sixty-fifth birthday. These health care benefit obligations are required by labor bargaining agreements and the exempt employee ordinance. The cost of retiree health care and insurance benefits is recognized as an expense in the Insurance Fund as claims are incurred. For fiscal year 1997, those costs totaled \$468, net of payments made by retirees.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

The County funds the actuarially determined amount of medical benefits that will be payable in the future for retirees' health insurance.

The accrued costs of all benefits are measured by the projected "unit credit actuarial cost method." The unfunded actuarial liability created is amortized as a level percentage of salary over a thirty-year period.

Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 6.0%, (b) projected salary increases starting at 6.0% at age 20 and gradually declining to 4.0% at age 60; and (c) trend rate increases starting at 8.0% in year one and gradually declining to 5.0%.

The applicable funding rate established by an actuarial review for fiscal year 1997 is 1.07% of the County's payroll, and the County's contribution has met the actuarial requirements. Following is the activity and the funding status of the post retirement health care benefits for the last five years.

Fiscal Year	Number of Retirees Covered	Premium Received	Claim/Premium Incurred	Net Costs
1993	229	\$462	\$(965)	\$(503)
1994	270	469	(853)	(384)
1995	231	487	(822)	(335)
1996	221	538 ⁽¹⁾	(732)	(194)
1997	228	519 ⁽¹⁾	(595)	(76)

FUNDING STATUS ⁽²⁾	1993	1994	1995	1996	1997
Post-retirement benefit obligation	\$5,922	\$9,724 ⁽³⁾	\$9,724	\$11,040	\$11,040
Net assets available for benefits	3,493	4,938	7,082	9,859	9,738
Total unfunded liability	<u>\$2,429</u>	<u>\$4,786</u>	<u>\$2,642</u>	<u>\$ 1,181</u>	<u>\$ 1,302</u>

- (1) All or a portion of the premiums are paid directly to the County's third party administrator by the retirees.
- (2) Actuarial valuation done every other fiscal year.
- (3) The County's 500 correction officers are included due to bargaining agreement not previously covered.

NOTE 18. PENSION PLANS AND DEFERRED COMPENSATION:

State of Oregon Public Employees Retirement System (PERS) Plan Description

Substantially all County employees are participants in PERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental units in the State of Oregon. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing:

PERS
PO Box 23700
Tigard, OR 97281-3700

The County's payroll for employees covered by PERS for the year ended June 30, 1997, was \$154,149. The County's total payroll was \$161,681.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

All full-time County employees are eligible to participate in PERS. Benefits generally vest after five years of continuous service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70. Retirement benefits are based on salary and length of service, are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes. The information for retirees, beneficiaries or terminated employees entitled to benefits but not yet receiving them is not presented because PERS pools the risk related to such employees among all employers. PERS fully funds these obligations at the time of retirement or separation from service. Accordingly, the following information covers only current employees.

Funding Policy and Annual Pension Cost

The County is required by the rules applicable to PERS employers to contribute 10.66% of covered employees' salaries to PERS. The contribution rate is determined based on actuarial valuations which are performed by PERS at least every two years. The County withholds the required 6% employee contribution from all employees' paychecks except the prosecuting attorneys, for whom the County pays the required 6%.

PERS' policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. Based on the assumptions of the December 31, 1995 actuarial valuation, the County's required contribution, including employees' contributions, was equal to the annual pension cost of \$23,902. The County adopted the provisions of GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers", the net pension obligation was zero at adoption and as previously reported.

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/95	\$24,703	100%	0
6/30/96	23,900	100%	0
6/30/97	23,902	100%	0

Significant actuarial assumptions used in the most recent valuation (December 31, 1995) include (a) a rate of return on the investment of present and future assets of 8% per year, (b) projected salary increases of 5.0% per year attributable to general wage adjustments, (c) additional increases for promotion and longevity that may vary by age and service, (d) projected automatic cost-of-living benefit increases of 2% per year (the maximum allowable), and (e) demographic assumptions that have been chosen to reflect our emerging experience of the members of the system, and are the same as those used to compute the actuarially required contributions. The entry age actuarial cost method and level percentage amortization method are used. A thirty year amortization period is used. The actuarial value of assets is based on market value.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll
12/31/93	\$147,577	\$249,433	\$101,856	59%	\$122,873	83%
12/31/95	201,614	330,154	128,540	61%	142,614	90%

Information for years prior to those shown is not available from PERS.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

Multnomah County Library Retirement Plan

The Multnomah County Library Retirement Plan (the Plan) is a single employer defined benefit Plan. Prior to July 1, 1990, the Plan was administered by the Library Association of Portland (LAP) which was a not-for-profit organization. The Principal Mutual Life Insurance Company (Insurance Company) is contracted by the County to be the trustee of the Plan. All employees transferred are now covered by PERS.

All former LAP full-time and part-time employees who were 21 years of age or older and had completed two years of service were eligible to participate in the Plan. Benefits vested after two years of continuous service. Retirement is allowed at age 65 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Retirement benefits are based on salary and length of service, are calculated using a formula, and are payable in a lump sum or monthly using several payment options. The Plan also provides death benefits.

Current employees consist of 172 participants who are fully or partially vested in their accrued monthly benefits and 0 participants who are only vested in their accumulated employee contributions. Current employees have an annual covered payroll of \$5,572. The total payroll and covered payroll are the same because the plan is frozen. There are 123 retired participants currently receiving benefits.

The benefits for retired participants are guaranteed by the Insurance Company with investments in Immediate Participation Guarantee Contracts. As a result the related assets and liabilities are excluded for funding purposes.

Funding Policy and Annual Pension Cost

The Board of County Commissioners establishes and may amend the contribution requirements of the Plan. There are no contribution requirements for employees. The annual required contribution (ARC) of the employer was \$48, based on a contribution rate of .86%. The ARC was equal to the annual pension cost and the actual contribution was \$79. The actuarial assumptions and methods used in the most recent valuation (January 1, 1997) were as follows:

Actuarial cost method:	Projected unit credit
Amortization method:	Level dollar, closed
Amortization period:	20 years
Asset valuation method:	Contract value
Investment rate of return:	7.50%
Projected salary increase:	5.38 - 8.60%
Cost of living adjustments:	Consumer Price Index (limited to 2%)

The County adopted the provisions of GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers", the net pension obligation was zero at adoption and as previously reported.

Summary of Significant Accounting Policies

The assets of the plan consist of unallocated insurance contracts and therefore are appropriately valued at contract value. Employer contributions to the plan and benefits are recognized when due.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

Fiscal Year Ending	Annual Pension Cost	Percentage of Annual Pension Cost Contribution	Net Pension Obligation
6/30/97	\$48	100%	0

Information for previous years was not available.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll
1/1/92	5,720	6,174	92.7%	(454)	4,654	(9.8)%
1/1/93	6,076	6,331	96.0%	(255)	5,065	(5.0)%
1/1/94	6,001	6,119	98.1%	(118)	5,350	(2.2)%
1/1/95	6,005	6,329	94.9%	(324)	5,348	(6.1)%
1/1/96	6,212	6,515	95.4%	(303)	5,475	(5.5)%
1/1/97	6,390	6,656	96.0%	(266)	5,572	(4.8)%

Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all permanent County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are, until paid or made available to the employee or other beneficiary, solely the property and rights of the County, without being restricted to the provisions of benefits under the Plan, subject only to the claims of the County's general creditors. Participants' rights under the Plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The amount deferred, adjusted to fair market value at June 30, 1997, and investment earnings thereon amount to \$60,180. The amounts accumulated by the County under the deferred compensation plan, including investment earnings, are excluded from resources or expenditures for budgetary purposes.

It is the opinion of County Counsel that the County has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The County's fiduciary responsibility requires that employee contributions are credited monthly to the individual's account and that earnings thereon are credited to the account. Furthermore, the County is required to provide an annual accounting of activities and to maintain the account until it is paid to the participant or beneficiary.

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES:

Additional commitments under contracts at June 30, 1997 are as follows:

General Fund	\$ 651
Special Revenue Funds	7,788
Capital Projects Funds	8,230
Enterprise Funds	8
Internal Service Funds	4,256
Pension Trust Fund	10
	\$20,943

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, could become a liability of the County.

Various claims and lawsuits against the County are pending. These claims are either covered by insurance or are the type which are normal in view of the County's operations. County management believes the total amount of liability, if any, which may arise from such claims and lawsuits beyond that which is covered by insurance would not have a material effect on the County's financial condition or its ability to carry on its activities substantially as now conducted.

NOTE 20. SEGMENT INFORMATION FOR ENTERPRISE FUNDS:

The County's Enterprise Funds account for the financing of predominantly self-supporting activities to the public on a user charge basis including lighting and sewer services, improved library services, and health care claims administration.

Segment information at June 30, 1997 and for the year then ended is as follows:

	Sewer	Lighting	Library Enterprise	Health Care	Children's Mental Health Care	Total
Operating revenue	\$ 205	\$ 170	\$	\$36,296	\$10,860	\$47,531
Depreciation expense	28	66		9	3	106
Operating income (loss)	23	(60)		(72)	378	269
Operating transfers in (out)			(71)	323	660	912
Net income (loss)	58	(17)	(71)	869	1,129	1,968
Current capital contributions and transfers		(1)		(21)		(22)
Property, plant and equipment:						
Additions at cost		124			22	146
Deletions at cost		3		62	2	67
Net working capital	641	786			1,113	2,540
Total assets	1,302	1,364			2,489	5,155
Total equity	1,267	1,352			1,129	3,748

**MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS**

NOTE 21. SUBSEQUENT EVENTS:

On July 1, 1997, the County issued \$11,000 in Tax and Revenue Anticipation Notes to meet anticipated cash flow requirements prior to the collection of property taxes in December. The yield is 3.85%, and the notes mature on June 30, 1998. The notes are rated MIG1 by Moody's Investors Service.

On July 1, 1997, the State of Oregon transferred 137 employees to the County. Beginning in fiscal year 1997-98 the County will be responsible for Disability Services. The County will be receiving about \$7,000 from Title XIX funds to provide for operations for this program.

On November 1, 1997, the County issued \$31,600 in Educational Facilities Revenue Bonds for the University of Portland. The proceeds will be used to fund certain capital improvements to the University and to refund the Educational Facilities Revenue Bonds, Series 1994, in the amount of \$17,750.

On November 4, 1997, the voters approved a five year Public Library Levy (local option tax). The levy dedicated to library operations is estimated to provide \$19,700 in FY 99, \$20,400 in FY 00, \$21,300 in FY 01, \$22,100 in FY 02, and \$23,000 in FY 03.

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ADDITIONAL INFORMATION
(Combining and Individual Fund and Account Group
Statements and Schedules)

GENERAL FUND

The General Fund accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, and health and social services. The modified accrual basis of accounting is used to record revenues and expenditures.

MULTNOMAH COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 102,488	\$ 103,022	\$ 534
Prior years'	2,673	2,768	95
Penalties and interest	817	561	(256)
Payments in lieu of taxes	55	51	(4)
Sales on foreclosures		52	52
Transient lodging		1	1
Business income	34,490	33,255	(1,235)
Motor vehicle rental	9,284	9,589	305
Intergovernmental:			
Federal	4,889	5,894	1,005
State	6,455	7,115	660
Local	1,741	1,855	114
Licenses and permits	1,781	1,696	(85)
Charges for services	5,772	5,929	157
Interest	2,232	2,862	630
Other:			
Miscellaneous	498	969	471
Service reimbursements	17,060	15,282	(1,778)
Total revenues	<u>190,235</u>	<u>190,901</u>	<u>666</u>
OTHER FINANCING SOURCES:			
Transfer from Animal Control Fund	1,301	1,243	(58)
BEGINNING FUND BALANCE	17,356	21,232	3,876
Total	<u>\$ 208,892</u>	<u>213,376</u>	<u>4,484</u>
EXPENDITURES:			
Aging Services	\$ 1,992	1,879	113
Health Services	8,681	8,135	546
Juvenile and Adult Community Justice Services	19,983	19,239	744
District Attorney	11,295	10,901	394
Sheriff	43,760	43,582	178
Environmental Services	8,629	7,753	876
Support Services	8,850	8,409	441
Nondepartmental	23,153	20,646	2,507
Total expenditures	<u>126,343</u>	<u>120,544</u>	<u>5,799</u>
OTHER FINANCING USES:			
Transfers to other funds:			
Strategic Investment Program	122	48	74
Federal and State Program	55,732	51,605	4,127
County School	1,383	1,383	
Recreation	10	10	
Library	6,349	5,519	830
Justice Services Special Operations	141	204	(63)
Assessment and Taxation	8,127	7,175	952
Lease/Purchase Project	350	350	
Capital Improvement	1,101	1,101	
CareOregon	323	323	
Children's Capitation Project	866	410	456
Data Processing	1,403	1,403	
Mail/Distribution	1	1	
Facilities Management	1	1	
Total other financing uses	<u>75,909</u>	<u>69,533</u>	<u>6,376</u>
Total	<u>202,252</u>	<u>190,077</u>	<u>12,175</u>
ENDING FUND BALANCE	6,640	\$ 23,299	\$ 16,659
	<u>\$ 208,892</u>		

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SPECIAL REVENUE FUNDS

These funds account for revenue derived from specific taxes or other earmarked revenue sources, including state gas tax, grants, and charges for services which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make the expenditures. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- Strategic Investment Program Fund - accounts primarily for monies received from corporations receiving property tax abatements and paying fees for specific purposes as a part of the reduced tax agreement to be used for community service.
- Road Fund - accounts for revenues primarily from State motor vehicle fees and County gasoline taxes. Expenditures consist of construction, repair, maintenance and operation of County highways and roads.
- Emergency Communications Fund - accounts for monies received from the State which are designated for an emergency communication network in conjunction with the City of Portland.
- Assessment and Taxation Fund - accounts for revenues and expenditures for property assessment and tax collection.
- Bicycle Path Construction Fund - accounts for revenue and expenditures for bicycle paths.
- Federal and State Program Fund - accounts for the majority of revenues and expenditures related to Federal and State financial assistance programs.
- County School Fund - accounts for transfers from the General Fund and forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- Corner Preservation Fund - accounts for the collection of fees on all recordings of real property transactions and surveying activity. The fund makes expenditures to maintain public land corners.
- Tax Title Land Sales Fund - accounts for the receipt and sale of real property foreclosed upon by the County because of unpaid property taxes. Proceeds are subsequently distributed to all taxing districts.
- Animal Control Fund - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- Willamette River Bridges Fund - accounts for motor vehicle fees and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- Recreation Fund - accounts for the collection and disbursement of revenues from various funding sources on a pass through basis.
- Library Fund - accounts for the public library operations.
- Justice Services Special Operations Fund - accounts for revenues and expenditures dedicated to justice services in the community corrections department, district attorney's office, and sheriff's office.
- County Fair Fund - accounts for the collection and disbursement of State racing revenues on a pass-through basis. Subsequent to the adoption of the budget, the State agreed to pay these funds directly to the Friends of the Fair, a private non-profit group who conduct the actual operations of the fair. Therefore, there was no actual activity related to fiscal year 1996-97.
- Inmate Welfare Fund - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- Convention Center Fund - accounts for a transient lodging tax collected from all hotels and motels in the County to be used for convention center expenditures.
- Natural Areas Acquisition and Protection Fund - accounts for the acquisition and protection and management of natural areas.
- Public Safety Levy Fund - accounts for a three-year special serial levy which is used to operate the Inverness Jail and related corrections programs.

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**MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1997
(amounts expressed in thousands)**

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	Federal and State Program	Corner Preservation	Tax Title Land Sales
ASSETS:								
Cash and investments	\$ 1,454	\$ 5,547	\$ 8	\$ 4	\$ 138	\$ 2,404	\$ 908	\$ 768
Receivables:								
Taxes								
Accounts	100	5,929	34	538		15,656	2	
Loans						1,815		
Interest		15						
Contracts		128						1,304
Inventories		574				108		
Prepaid items		2		7		62		
Foreclosed properties								782
Total assets	<u>\$ 1,554</u>	<u>\$ 12,195</u>	<u>\$ 42</u>	<u>\$ 549</u>	<u>\$ 138</u>	<u>\$ 20,045</u>	<u>\$ 910</u>	<u>\$ 2,854</u>
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Accounts payable	\$ 41	\$ 5,787	\$	\$ 29	\$	\$ 12,713	\$	\$ 320
Assistance receipts unapplied						2,110		
Compensated absences	2	437		411		3,153		7
Deferred revenue		183				1,819		2,086
Total liabilities	<u>43</u>	<u>6,407</u>	<u></u>	<u>440</u>	<u></u>	<u>19,795</u>	<u></u>	<u>2,413</u>
Fund balances:								
Reserved for inventories		574				108		
Reserved for foreclosed properties								782
Reserved for prepaid items		2		7		62		
Reserved for Oregon Medical Assistance Program						250		
Unreserved, undesignated	1,511	5,212	42	102	138	(170)	910	(341)
Total fund balances	<u>1,511</u>	<u>5,788</u>	<u>42</u>	<u>109</u>	<u>138</u>	<u>250</u>	<u>910</u>	<u>441</u>
Total liabilities and fund balances	<u>\$ 1,554</u>	<u>\$ 12,195</u>	<u>\$ 42</u>	<u>\$ 549</u>	<u>\$ 138</u>	<u>\$ 20,045</u>	<u>\$ 910</u>	<u>\$ 2,854</u>

Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Convention Center	Public Safety Levy	Total
\$ 4	\$ 2,137	\$ 16	\$ 1,433	\$ 946	\$ 89	\$ 293	\$ 9,057	\$ 25,206
			834				1,299	2,133
36	267	24	101	209	77	721	20	23,714
								1,815
								15
								1,432
								682
			111		3			185
								782
<u>\$ 40</u>	<u>\$ 2,404</u>	<u>\$ 40</u>	<u>\$ 2,479</u>	<u>\$ 1,155</u>	<u>\$ 169</u>	<u>\$ 1,014</u>	<u>\$ 10,376</u>	<u>\$ 55,964</u>
\$ 4	\$ 275	\$	\$ 112	\$ 409	\$ 60	\$	\$ 294	\$ 20,044
	81		513	96	18		344	2,110
			714				1,113	5,062
<u>4</u>	<u>356</u>		<u>1,339</u>	<u>505</u>	<u>78</u>		<u>1,751</u>	<u>33,131</u>
								682
								782
			111		3			185
								250
<u>36</u>	<u>2,048</u>	<u>40</u>	<u>1,029</u>	<u>650</u>	<u>88</u>	<u>1,014</u>	<u>8,625</u>	<u>20,934</u>
<u>36</u>	<u>2,048</u>	<u>40</u>	<u>1,140</u>	<u>650</u>	<u>91</u>	<u>1,014</u>	<u>8,625</u>	<u>22,833</u>
<u>\$ 40</u>	<u>\$ 2,404</u>	<u>\$ 40</u>	<u>\$ 2,479</u>	<u>\$ 1,155</u>	<u>\$ 169</u>	<u>\$ 1,014</u>	<u>\$ 10,376</u>	<u>\$ 55,964</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	Federal and State Program	County School	Corner Preservation
REVENUES:								
Taxes	\$	7,823	\$	\$	\$	\$	\$ 178	\$
Intergovernmental		26,486	133	2,147	40	134,708		
Licenses and permits		53						
Charges for services	470	2,686		547		2,734		456
Interest		567	5		5	8	10	
Other		482		17		3,573		
Total revenues	<u>470</u>	<u>38,097</u>	<u>138</u>	<u>2,711</u>	<u>45</u>	<u>141,023</u>	<u>188</u>	<u>456</u>
EXPENDITURES:								
Current:								
General government	248			9,631				
Health and social services						162,590		
Public safety and justice		189				28,784		
Community services			136		6	2,093	1,577	
Roads and bridges		30,252						232
Capital outlay		7,498		146		911		23
Total expenditures	<u>248</u>	<u>37,939</u>	<u>136</u>	<u>9,777</u>	<u>6</u>	<u>192,378</u>	<u>1,577</u>	<u>255</u>
Excess of revenues over (under) expenditures	<u>222</u>	<u>158</u>	<u>2</u>	<u>(7,066)</u>	<u>39</u>	<u>(51,355)</u>	<u>(1,389)</u>	<u>201</u>
OTHER FINANCING SOURCES (USES):								
Operating transfers in	48			7,175	48	51,605	1,383	
Operating transfers out		(3,409)				(250)		
Total other financing sources (uses)	<u>48</u>	<u>(3,409)</u>		<u>7,175</u>	<u>48</u>	<u>51,355</u>	<u>1,383</u>	
Excess of revenues and other sources over (under) expenditures and other uses	<u>270</u>	<u>(3,251)</u>	<u>2</u>	<u>109</u>	<u>87</u>		<u>(6)</u>	<u>201</u>
FUND BALANCES, JUNE 30, 1996	<u>1,241</u>	<u>9,039</u>	<u>40</u>		<u>51</u>	<u>250</u>	<u>6</u>	<u>709</u>
FUND BALANCES, JUNE 30, 1997	<u>\$ 1,511</u>	<u>5,788</u>	<u>\$ 42</u>	<u>\$ 109</u>	<u>\$ 138</u>	<u>\$ 250</u>	<u>\$</u>	<u>\$ 910</u>

Tax Title	Animal	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Convention Center	Natural Areas Acquisition and Protection	Public Safety Levy	Total
\$ 1,159	\$	\$	\$ 123	\$ 14,894	\$	\$	\$ 6,161	\$	\$ 25,749	\$ 56,087
		272	274	446	464				119	165,089
	846				156					1,055
3	240	10		178	1,354	34			2	8,714
190				77	59	18	21		505	1,460
	73	34	2	2,340	1,320	806			71	8,718
<u>1,352</u>	<u>1,159</u>	<u>316</u>	<u>399</u>	<u>17,935</u>	<u>3,353</u>	<u>853</u>	<u>6,182</u>		<u>26,446</u>	<u>241,123</u>
911										10,790
						38			2,019	164,647
					3,146	1,028			17,053	48,200
			456	22,786			5,653	1,320		34,027
		3,568								34,052
		779		16	127				47	9,547
<u>911</u>		<u>4,347</u>	<u>456</u>	<u>22,802</u>	<u>3,273</u>	<u>1,066</u>	<u>5,653</u>	<u>1,320</u>	<u>19,119</u>	<u>301,263</u>
441	1,159	(4,031)	(57)	(4,867)	80	(213)	529	(1,320)	7,327	(60,140)
		3,361	10	5,669	204					69,503
	(1,243)				(459)			(325)		(5,686)
	(1,243)	3,361	10	5,669	(255)			(325)		63,817
441	(84)	(670)	(47)	802	(175)	(213)	529	(1,645)	7,327	3,677
	120	2,718	87	338	825	304	485	1,645	1,298	19,156
<u>\$ 441</u>	<u>\$ 36</u>	<u>\$ 2,048</u>	<u>\$ 40</u>	<u>\$ 1,140</u>	<u>\$ 650</u>	<u>\$ 91</u>	<u>\$ 1,014</u>	<u>\$</u>	<u>\$ 8,625</u>	<u>\$ 22,833</u>

MULTNOMAH COUNTY, OREGON
STRATEGIC INVESTMENT PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 1,620	\$ 470	\$ (1,150)
OTHER FINANCING SOURCE:			
Transfer from General Fund	122	48	(74)
BEGINNING FUND BALANCE		1,241	1,241
Total	<u>\$ 1,742</u>	<u>\$ 1,759</u>	<u>\$ 17</u>
EXPENDITURES:			
Nondepartmental	<u>\$ 1,742</u>	248	1,494
ENDING FUND BALANCE		<u>\$ 1,511</u>	<u>\$ 1,511</u>

MULTNOMAH COUNTY, OREGON
ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Gasoline	\$ 7,125	\$ 7,288	\$ 163
Forest reserve yield	562	535	(27)
Intergovernmental:			
Federal	525	20	(505)
State	27,303	26,180	(1,123)
Local	390	286	(104)
Licenses and permits	20	53	33
Charges for services	2,570	2,686	116
Interest	475	567	92
Other:			
Miscellaneous	91	67	(24)
Service reimbursements	820	415	(405)
Total revenues	39,881	38,097	(1,784)
BEGINNING FUND BALANCE			
Total	\$ 7,747	9,039	1,292
	\$ 47,628	47,136	(492)
EXPENDITURES:			
Sheriff	\$ 189	189	
Environmental Services	44,024	37,750	6,274
Total expenditures	44,213	37,939	6,274
OTHER FINANCING USES:			
Transfers to other funds:			
Bicycle Path Construction	48	48	
Willamette River Bridges	3,367	3,361	6
Total other financing uses	3,415	3,409	6
Total	\$ 47,628	41,348	6,280
ENDING FUND BALANCE		\$ 5,788	\$ 5,788

MULTNOMAH COUNTY, OREGON
EMERGENCY COMMUNICATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental – State	\$ 101	\$ 133	\$ 32
Interest	<u>1</u>	<u>5</u>	<u>4</u>
Total revenues	102	138	36
BEGINNING FUND BALANCE		40	40
Total	<u>\$ 102</u>	<u>178</u>	<u>76</u>
EXPENDITURES:			
Sheriff	<u>\$ 102</u>	<u>136</u>	<u>(34)</u>
ENDING FUND BALANCE		<u>\$ 42</u>	<u>\$ 42</u>

**MULTNOMAH COUNTY, OREGON
ASSESSMENT AND TAXATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 1,958	\$ 2,147	\$ 189
Charges for services	595	547	(48)
Other:			
Miscellaneous	20	17	(3)
Service reimbursements	9		(9)
Total revenues	<u>2,582</u>	<u>2,711</u>	<u>129</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	8,127	7,175	(952)
BEGINNING FUND BALANCE			
Total	<u>254</u>		<u>(254)</u>
	<u>\$ 10,963</u>	<u>9,886</u>	<u>(1,077)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 10,963</u>	<u>9,777</u>	<u>1,186</u>
ENDING FUND BALANCE		<u>\$ 109</u>	<u>\$ 109</u>

MULTNOMAH COUNTY, OREGON
BICYCLE PATH CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 83	\$ 40	\$ (43)
Interest	<u>3</u>	<u>5</u>	<u>2</u>
Total revenues	86	45	(41)
OTHER FINANCING SOURCE:			
Transfer from Road Fund	48	48	
BEGINNING FUND BALANCE			
Total	<u>\$ 44</u>	<u>51</u>	<u>7</u>
	<u>\$ 178</u>	<u>144</u>	<u>(34)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 178</u>	<u>6</u>	<u>172</u>
ENDING FUND BALANCE		<u>\$ 138</u>	<u>\$ 138</u>

MULTNOMAH COUNTY, OREGON
FEDERAL AND STATE PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 144,815	\$ 134,708	\$ (10,107)
Charges for services	3,046	2,734	(312)
Interest	10	8	(2)
Other:			
Miscellaneous	1,905	1,517	(388)
Service reimbursements	2,398	2,056	(342)
Total revenues	152,174	141,023	(11,151)
OTHER FINANCING SOURCE:			
Transfer from General Fund	55,732	51,605	(4,127)
BEGINNING FUND BALANCE	286	250	(36)
Total	\$ 208,192	192,878	(15,314)
EXPENDITURES:			
Community and Family Services	\$ 95,018	87,230	7,788
Aging Services	16,845	15,692	1,153
Juvenile and Adult Community Justice Services	28,553	26,297	2,256
Health Services	58,923	55,922	3,001
District Attorney	3,326	2,987	339
Sheriff	2,892	2,125	767
Environmental Services	100	63	37
Support Services	302	244	58
Nondepartmental	1,983	1,818	165
Total expenditures	207,942	192,378	15,564
OTHER FINANCING USE:			
Transfer to Children's Capitation Project Fund	250	250	
Total	\$ 208,192	192,628	15,564
ENDING FUND BALANCE		\$ 250	\$ 250

MULTNOMAH COUNTY, OREGON
COUNTY SCHOOL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes - Forest reserve yield	\$ 185	\$ 178	\$ (7)
Interest	7	10	3
Total revenues	192	188	(4)
OTHER FINANCING SOURCE:			
Transfer from General Fund	1,383	1,383	
BEGINNING FUND BALANCE			
Total	10	6	(4)
	\$ 1,585	1,577	(8)
EXPENDITURES:			
Nondepartmental	\$ 1,585	1,577	8
ENDING FUND BALANCE		\$	\$

MULTNOMAH COUNTY, OREGON
CORNER PRESERVATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 370	\$ 456	\$ 86
BEGINNING FUND BALANCE	<u>768</u>	<u>709</u>	<u>(59)</u>
Total	<u>\$ 1,138</u>	<u>1,165</u>	<u>27</u>
EXPENDITURES:			
Environmental Services	<u>\$ 1,138</u>	<u>255</u>	<u>883</u>
ENDING FUND BALANCE		<u>\$ 910</u>	<u>\$ 910</u>

MULTNOMAH COUNTY, OREGON
TAX TITLE LAND SALES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes - Sales on foreclosures	\$ 1,000	\$ 1,159	\$ 159
Intergovernmental - Local	11		(11)
Charges for services		3	3
Interest	210	190	(20)
Total revenues	<u>\$ 1,221</u>	<u>1,352</u>	<u>131</u>
EXPENDITURES:			
Environmental Services	<u>\$ 1,221</u>	911	310
ENDING FUND BALANCE		<u>\$ 441</u>	<u>\$ 441</u>

MULTNOMAH COUNTY, OREGON
ANIMAL CONTROL FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Licenses and permits	\$ 858	\$ 846	\$ (12)
Charges for services	243	240	(3)
Other - Miscellaneous	82	73	(9)
Total revenues	1,183	1,159	(24)
BEGINNING FUND BALANCE	118	120	2
Total	\$ 1,301	1,279	(22)
OTHER FINANCING USE:			
Transfer to General Fund	\$ 1,301	1,243	58
ENDING FUND BALANCE		\$ 36	\$ 36

MULTNOMAH COUNTY, OREGON
WILLAMETTE RIVER BRIDGES FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal	\$ 560	\$ 264	\$ (296)
State	705	8	(697)
Charges for services		10	10
Other - Service reimbursements	65	34	(31)
Total revenues	1,330	316	(1,014)
OTHER FINANCING SOURCE:			
Transfer from Road Fund	3,367	3,361	(6)
BEGINNING FUND BALANCE	2,244	2,718	474
Total	\$ 6,941	6,395	(546)
EXPENDITURES:			
Environmental Services	\$ 6,941	4,347	2,594
ENDING FUND BALANCE		\$ 2,048	\$ 2,048

MULTNOMAH COUNTY, OREGON
RECREATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes - Gasoline	\$ 123	\$ 123	\$
Intergovernmental - State	283	274	(9)
Other - Miscellaneous		2	2
Total revenues	406	399	(7)
OTHER FINANCING SOURCE:			
Transfer from General Fund	10	10	
BEGINNING FUND BALANCE			
Total	\$ 88	87	(1)
	\$ 504	496	(8)
EXPENDITURES:			
Environmental Services	\$ 504	456	48
ENDING FUND BALANCE		\$ 40	\$ 40

MULTNOMAH COUNTY, OREGON
LIBRARY FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 14,412	\$ 14,494	\$ 82
Prior years'	371	338	(33)
Penalties and interest	86	55	(31)
Sales on foreclosures		7	7
Intergovernmental:			
Federal, state, and local	620	446	(174)
Charges for services	38	178	140
Interest	78	77	(1)
Other:			
Miscellaneous	2,161	2,269	108
Service reimbursements	85	71	(14)
Total revenues	<u>17,851</u>	<u>17,935</u>	<u>84</u>
OTHER FINANCING SOURCES:			
Transfers from other funds:			
General	6,349	5,519	(830)
Library Enterprise	71	71	
Data Processing	79	79	
Total other financing sources	<u>6,499</u>	<u>5,669</u>	<u>(830)</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 24,979</u>	<u>23,942</u>	<u>(1,037)</u>
EXPENDITURES:			
Library	<u>\$ 24,979</u>	22,802	2,177
ENDING FUND BALANCE		<u>\$ 1,140</u>	<u>\$ 1,140</u>

MULTNOMAH COUNTY, OREGON
JUSTICE SERVICES SPECIAL OPERATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal	\$ 75	\$ 30	\$ (45)
State		11	11
Local	477	423	(54)
Licenses and permits	377	156	(221)
Charges for services	1,281	1,354	73
Interest		59	59
Other - Miscellaneous	828	1,320	492
Total revenues	<u>3,038</u>	<u>3,353</u>	<u>315</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	141	204	63
BEGINNING FUND BALANCE			
Total	<u>\$ 780</u>	<u>825</u>	<u>45</u>
	<u>\$ 3,959</u>	<u>4,382</u>	<u>423</u>
EXPENDITURES:			
Juvenile and Adult Community Justice Services	\$ 672	637	35
District Attorney	685	664	21
Sheriff	2,132	1,972	160
Total expenditures	<u>3,489</u>	<u>3,273</u>	<u>216</u>
OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	470	459	11
Total	<u>\$ 3,959</u>	<u>3,732</u>	<u>227</u>
ENDING FUND BALANCE		<u>\$ 650</u>	<u>\$ 650</u>

MULTNOMAH COUNTY, OREGON
COUNTY FAIR FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 44	\$ _____	\$ (44)
	<u>44</u>		
EXPENDITURES:			
Environmental Services	\$ 44	\$ _____	44
	<u>44</u>		
ENDING FUND BALANCE		\$ _____	\$ _____

MULTNOMAH COUNTY, OREGON
INMATE WELFARE FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 60	\$ 34	\$ (26)
Interest	14	13	(1)
Other - Miscellaneous	<u>1,094</u>	<u>806</u>	<u>(288)</u>
Total revenues	1,168	853	(315)
BEGINNING FUND BALANCE			
Total	<u>\$ 1,168</u>	<u>304</u>	<u>304</u>
		1,157	(11)
EXPENDITURES:			
Juvenile and Adult Community Justice Services	\$ 55	38	17
Sheriff	<u>1,113</u>	<u>1,028</u>	<u>85</u>
Total expenditures	<u>\$ 1,168</u>	<u>1,066</u>	<u>102</u>
ENDING FUND BALANCE		<u>\$ 91</u>	<u>\$ 91</u>

MULTNOMAH COUNTY, OREGON
CONVENTION CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes - Transient lodging	\$ 5,925	\$ 6,161	\$ 236
Interest	28	21	(7)
Total revenues	<u>5,953</u>	<u>6,182</u>	<u>229</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 485</u>	<u>485</u>	
	<u>\$ 6,438</u>	<u>6,667</u>	<u>229</u>
EXPENDITURES:			
Nondepartmental	\$ 6,438	5,653	785
ENDING FUND BALANCE		<u>\$ 1,014</u>	<u>\$ 1,014</u>

MULTNOMAH COUNTY, OREGON
NATURAL AREAS ACQUISITION AND PROTECTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Interest	\$ 11	\$	\$ (11)
BEGINNING FUND BALANCE	<u>1,645</u>	<u>1,645</u>	
Total	<u>\$ 1,656</u>	<u>1,645</u>	<u>(11)</u>
EXPENDITURES:			
Environmental Services	\$ 1,320	1,320	
OTHER FINANCING USE:			
Transfer to General Fund	<u>336</u>	<u>325</u>	<u>11</u>
Total	<u>\$ 1,656</u>	<u>1,645</u>	<u>11</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
PUBLIC SAFETY LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Property:			
Current year	\$ 23,058	\$ 25,222	\$ 2,164
Prior years'	483	441	(42)
Penalties and interest	92	73	(19)
Sales on foreclosures		13	13
Intergovernmental:			
Federal, state and local	122	119	(3)
Charges for services		2	2
Interest	143	505	362
Other - Service reimbursements	20	71	51
Total revenues	23,918	26,446	2,528
BEGINNING FUND BALANCE		1,298	1,298
Total	\$ 23,918	27,744	3,826
EXPENDITURES:			
Health Services	\$ 2,212	2,021	191
Community Corrections	1,828	1,628	200
Sheriff	17,466	15,470	1,996
Nondepartmental	2,412		2,412
Total expenditures	\$ 23,918	19,119	4,799
ENDING FUND BALANCE		\$ 8,625	\$ 8,625

DEBT SERVICE FUNDS

These funds account for the retirement of general obligation bonds, certificates of participation (capitalized leases) and other lease-purchase arrangements. The modified accrual basis of accounting is used. Funds included are:

- Revenue Bond Sinking Fund - accounts for payment of principal and interest on bonds to be issued to construct the Edgefield Children's Center. The revenues are derived from lease of the facility to the Edgefield Children's Center, Inc. Due to project delay, the bonds were not issued and the lease was not executed.
- Capital Lease Retirement Fund - accounts for lease-purchase principal and interest payments for buildings and major pieces of equipment acquired by the issuance of certificates of participation or other lease-purchase arrangements. Revenues consist of certificates of participation proceeds, service reimbursements and cash transfers from other County funds.
- Library Bond Sinking Fund/1993 Bonds - accounts for payment of principal and interest on library general obligation bonds. Revenue is derived from property taxes.
- Library Bond Sinking Fund/1996 Bonds - accounts for payment of principal and interest on library general obligation bonds. Revenue is derived from property taxes.
- Public Safety Bond Sinking Fund - accounts for payment of principal and interest on public safety general obligation bonds. Revenue is derived from property taxes.

**MULTNOMAH COUNTY, OREGON
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 June 30, 1997
 (amounts expressed in thousands)**

	Capital Lease Retirement	Library Bond Sinking/ 1993 Bonds	Library Bond Sinking/ 1996 Bonds	Public Safety Bond Sinking	Total
ASSETS:					
Cash and investments	\$ 6,127	\$ 1,812	\$ 1,891	\$ 5,080	\$ 14,910
Receivables:					
Taxes		146	86	240	472
Accounts		1	2	3	6
Total assets	<u>\$ 6,127</u>	<u>\$ 1,959</u>	<u>\$ 1,979</u>	<u>\$ 5,323</u>	<u>\$ 15,388</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 4	\$	\$	\$	\$ 4
Deferred revenue		124	75	208	407
Total liabilities	<u>4</u>	<u>124</u>	<u>75</u>	<u>208</u>	<u>411</u>
Fund balances:					
Reserved for debt service	6,123	1,835	1,904	5,115	14,977
Total liabilities and fund balances	<u>\$ 6,127</u>	<u>\$ 1,959</u>	<u>\$ 1,979</u>	<u>\$ 5,323</u>	<u>\$ 15,388</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Capital Lease Retirement	Library Bond Sinking/ 1993 Bonds	Library Bond Sinking/ 1996 Bonds	Public Safety Bond Sinking	Total
REVENUES:					
Taxes	\$	\$ 2,307	\$ 2,576	\$ 7,026	\$ 11,909
Interest	509	117	50	143	819
Other:					
Miscellaneous	2				2
Service reimbursements	12,215				12,215
Total revenues	<u>12,726</u>	<u>2,424</u>	<u>2,626</u>	<u>7,169</u>	<u>24,945</u>
EXPENDITURES:					
Current:					
General government	31				31
Debt service:					
Principal	9,368	1,035			10,403
Interest	3,226	1,437	722	2,054	7,439
Total expenditures	<u>12,625</u>	<u>2,472</u>	<u>722</u>	<u>2,054</u>	<u>17,873</u>
Excess of revenues over (under) expenditures	101	(48)	1,904	5,115	7,072
FUND BALANCES, JUNE 30, 1996	6,022	1,883			7,905
FUND BALANCES, JUNE 30, 1997	<u>\$ 6,123</u>	<u>\$ 1,835</u>	<u>\$ 1,904</u>	<u>\$ 5,115</u>	<u>\$ 14,977</u>

MULTNOMAH COUNTY, OREGON
REVENUE BOND SINKING FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUE:			
Charges for services	\$ 292	\$	\$ (292)
OTHER FINANCING SOURCE:			
Bond sales	295	_____	(295)
Total	\$ 587	_____	(587)
EXPENDITURE:			
Nondepartmental	\$ 292	_____	292
ENDING FUND BALANCE	295	\$ _____	\$ 295
	\$ 587	_____	

**MULTNOMAH COUNTY, OREGON
CAPITAL LEASE RETIREMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 177	\$ 509	\$ 332
Other:			
Miscellaneous		2	2
Service reimbursements	13,747	12,215	(1,532)
Total revenues	<u>13,924</u>	<u>12,726</u>	<u>(1,198)</u>
OTHER FINANCING SOURCE:			
Certificates of participation proceeds	1,005		(1,005)
BEGINNING FUND BALANCE	5,050	6,022	972
Total	<u>\$ 19,979</u>	<u>18,748</u>	<u>(1,231)</u>
EXPENDITURES:			
Nondepartmental	\$ 18,974	12,625	6,349
ENDING FUND BALANCE	1,005	\$ 6,123	\$ 5,118
	<u>\$ 19,979</u>		

MULTNOMAH COUNTY, OREGON
LIBRARY BOND SINKING FUND/1993 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Property:			
Current year	\$ 2,257	\$ 2,222	\$ (35)
Prior years'	171	75	(96)
Penalties and interest		9	9
Sales on foreclosures		1	1
Interest	75	117	42
Total revenues	2,503	2,424	(79)
BEGINNING FUND BALANCE			
Total	\$ 4,250	4,307	136 57
EXPENDITURES:			
Nondepartmental	\$ 2,487	2,472	15
ENDING FUND BALANCE	1,763	\$ 1,835	\$ 72
	\$ 4,250		

MULTNOMAH COUNTY, OREGON
LIBRARY BOND SINKING FUND/1996 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 2,503	\$ 2,574	\$ 71
Penalties and interest		1	1
Sales on foreclosures		1	1
Interest	40	50	10
Total revenues	<u>\$ 2,543</u>	<u>2,626</u>	<u>83</u>
EXPENDITURES:			
Nondepartmental	\$ 885	722	163
ENDING FUND BALANCE	<u>1,658</u>	<u>\$ 1,904</u>	<u>\$ 246</u>
	<u>\$ 2,543</u>		

MULTNOMAH COUNTY, OREGON
PUBLIC SAFETY BOND SINKING FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 6,968	\$ 7,019	\$ 51
Penalties and interest		3	3
Sales on foreclosures		4	4
Interest	70	143	73
Total revenues	<u>\$ 7,038</u>	<u>7,169</u>	<u>131</u>
 EXPENDITURES:			
Nondepartmental	<u>\$ 2,416</u>	<u>2,054</u>	<u>362</u>
ENDING FUND BALANCE	<u>4,622</u>	<u>\$ 5,115</u>	<u>\$ 493</u>
	<u>\$ 7,038</u>		

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CAPITAL PROJECTS FUNDS

These funds account for expenditures on major construction projects, proceeds from certificates of participation issued to finance capital acquisitions and proceeds from the sale of County property, and library and public safety general obligation bond proceeds. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- Justice Bond Project Fund - accounts for projects to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities and pay for data processing linkages in the Corrections system.
- Edgefield Children's Center Fund - accounts for the construction of an expanded Edgefield Children's Center. The proceeds will be from the issue of revenue bonds. Due to project delay the bonds were not issued.
- SB1145 Fund - accounts for State revenue to build jail beds to house convicted felons with sentences under twelve months.
- Equipment Lease/Purchase Fund - accounts for long-term lease purchases of equipment.
- Lease/Purchase Project Fund - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- Library Construction Fund/1993 Bonds - accounts for the renovation of the Central Library and the expansion of the Midland Library.
- Library Construction Fund/1996 Bonds - accounts for the renovation of branch libraries and upgrades to Library computer systems and linkages.
- Capital Improvement Fund - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- Capital Acquisition Fund - accounts for capital purchases with economic payoffs of less than five years.

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**MULTNOMAH COUNTY, OREGON
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 1997
 (amounts expressed in thousands)**

	Justice Bond Project	Edgefield Children's Center	SB1145	Equipment Lease/ Purchase	Lease/ Purchase Project	Library Construction/ 1993 Bonds
ASSETS:						
Cash and investments	\$ 71,859	\$	\$	\$ 701	\$ 75	\$ 918
Receivables:						
Accounts		27	4,535			
Contracts						
Due from other funds						
Prepaid items	1		1			
Total assets	<u>\$ 71,860</u>	<u>\$ 27</u>	<u>\$ 4,536</u>	<u>\$ 701</u>	<u>\$ 75</u>	<u>\$ 918</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 451	\$ 4	\$ 839	\$	\$ 72	\$ 470
Due to other funds		23	3,696			
Compensated absences						
Deferred revenue						
Total liabilities	<u>451</u>	<u>27</u>	<u>4,535</u>	<u></u>	<u>72</u>	<u>470</u>
Fund balances:						
Reserved for capital projects	71,408			701	3	448
Reserved for prepaid items	1		1			
Total fund balances	<u>71,409</u>	<u></u>	<u>1</u>	<u>701</u>	<u>3</u>	<u>448</u>
Total liabilities and fund balances	<u>\$ 71,860</u>	<u>\$ 27</u>	<u>\$ 4,536</u>	<u>\$ 701</u>	<u>\$ 75</u>	<u>\$ 918</u>

<u>Library Construction/ 1996 Bonds</u>	<u>Capital Improvement</u>	<u>Capital Acquisition</u>	<u>Total</u>
\$ 28,171	\$ 2,118	\$ 346	\$ 104,188
	311		4,873
	1,644		1,644
	23		23
			2
<u>\$ 28,171</u>	<u>\$ 4,096</u>	<u>\$ 346</u>	<u>\$ 110,730</u>
\$ 77	\$ 757	\$	\$ 2,670
			3,719
2			2
	2,243		2,243
<u>79</u>	<u>3,000</u>		<u>8,634</u>
28,092	1,096	346	102,094
			2
<u>28,092</u>	<u>1,096</u>	<u>346</u>	<u>102,096</u>
<u>\$ 28,171</u>	<u>\$ 4,096</u>	<u>\$ 346</u>	<u>\$ 110,730</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Justice Bond Project	Edgefield Children's Center	SB1145	Equipment Lease/ Purchase	Lease/ Purchase Project	Library Construction/ 1993 Bonds
REVENUES:						
Intergovernmental	\$	\$	\$ 4,535	\$	\$	\$
Charges for services		16			46	
Interest	2,869					288
Other:						
Miscellaneous						
Service reimbursements						
Total revenues	<u>2,869</u>	<u>16</u>	<u>4,535</u>	<u></u>	<u>46</u>	<u>288</u>
EXPENDITURES:						
Current:						
General government					574	
Public safety and justice	7,390		78			
Community services		16				1,535
Capital outlay	3,287		4,456	1	2,139	9,273
Total expenditures	<u>10,677</u>	<u>16</u>	<u>4,534</u>	<u>1</u>	<u>2,713</u>	<u>10,808</u>
Excess of revenues over (under) expenditures	<u>(7,808)</u>		<u>1</u>	<u>(1)</u>	<u>(2,667)</u>	<u>(10,520)</u>
OTHER FINANCING SOURCES (USES):						
Loan proceeds					1,495	
Bond sales	79,700					
Operating transfers in					835	
Operating transfers out	(483)					
Total other financing sources and uses	<u>79,217</u>				<u>2,330</u>	
Excess of revenues and other sources over (under) expenditures and other uses	71,409		1	(1)	(337)	(10,520)
FUND BALANCES, JUNE 30, 1996				702	340	10,968
FUND BALANCES, JUNE 30, 1997	<u>\$ 71,409</u>	<u>\$</u>	<u>\$ 1</u>	<u>\$ 701</u>	<u>\$ 3</u>	<u>\$ 448</u>

<u>Library Construction/ 1996 Bonds</u>	<u>Capital Improvement</u>	<u>Capital Acquisition</u>	<u>Total</u>
\$	\$ 209	\$	\$ 4,744
	177		239
1,114	258	21	4,550
	21		21
	37		37
<u>1,114</u>	<u>702</u>	<u>21</u>	<u>9,591</u>
	1,099		1,673
			7,468
1,129			2,680
893	3,596		23,645
<u>2,022</u>	<u>4,695</u>		<u>35,466</u>
<u>(908)</u>	<u>(3,993)</u>	<u>21</u>	<u>(25,875)</u>
	177		1,672
29,000			108,700
	2,227	325	3,387
	(485)		(968)
<u>29,000</u>	<u>1,919</u>	<u>325</u>	<u>112,791</u>
28,092	(2,074)	346	86,916
	3,170		15,180
<u>\$ 28,092</u>	<u>\$ 1,096</u>	<u>\$ 346</u>	<u>\$ 102,096</u>

MULTNOMAH COUNTY, OREGON
JUSTICE BOND PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 600	\$ 2,869	\$ 2,269
OTHER FINANCING SOURCE:			
Bond Sales	79,700	79,700	
Total	<u>\$ 80,300</u>	<u>82,569</u>	<u>2,269</u>
EXPENDITURES:			
Environmental Services	\$ 71,859	10,116	61,743
Support Services	7,441	561	6,880
Total expenditures	<u>79,300</u>	<u>10,677</u>	<u>68,623</u>
OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	1,000	483	517
Total	<u>\$ 80,300</u>	<u>11,160</u>	<u>69,140</u>
ENDING FUND BALANCE		<u>\$ 71,409</u>	<u>\$ 71,409</u>

MULTNOMAH COUNTY, OREGON
EDGEFIELD CHILDREN'S CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUE:			
Charges for services	\$	\$ 16	\$ 16
OTHER FINANCING SOURCE:			
Bond sales	2,148	\$	\$ (2,148)
Total	<u>\$ 2,148</u>	<u>16</u>	<u>(2,132)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 2,148</u>	<u>16</u>	<u>2,132</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
SB 1145 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ <u>43,425</u>	\$ <u>4,535</u>	\$ <u>(38,890)</u>
EXPENDITURES:			
Environmental Services	\$ <u>43,425</u>	<u>4,534</u>	<u>38,891</u>
ENDING FUND BALANCE		\$ <u><u>1</u></u>	\$ <u><u>1</u></u>

MULTNOMAH COUNTY, OREGON
EQUIPMENT LEASE/PURCHASE FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	\$ 1,353	\$	\$ (1,353)
BEGINNING FUND BALANCE	120	702	582
Total	<u>\$ 1,473</u>	<u>702</u>	<u>(771)</u>
EXPENDITURES:			
Nondepartmental	\$ 1,473	1	1,472
ENDING FUND BALANCE		<u>\$ 701</u>	<u>\$ 701</u>

MULTNOMAH COUNTY, OREGON
LEASE/PURCHASE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUE:			
Charges for services	\$	\$ 46	\$ 46
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	7,202		(7,202)
Loan proceeds		1,495	1,495
Transfer from other funds:			
General	350	350	
Capital Improvement	600	485	(115)
Total other financing sources	<u>8,152</u>	<u>2,330</u>	<u>(5,822)</u>
BEGINNING FUND BALANCE	5,755	340	(5,415)
Total	<u>\$ 13,907</u>	<u>2,716</u>	<u>(11,191)</u>
EXPENDITURES:			
Environmental Services	\$ 13,907	2,713	11,194
ENDING FUND BALANCE		<u>\$ 3</u>	<u>\$ 3</u>

MULTNOMAH COUNTY, OREGON
LIBRARY CONSTRUCTION FUND/1993 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUE:			
Interest	\$ 900	\$ 288	\$ (612)
BEGINNING FUND BALANCE	13,650	10,968	(2,682)
Total	<u>\$ 14,550</u>	<u>11,256</u>	<u>(3,294)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 14,550</u>	10,808	3,742
ENDING FUND BALANCE		<u>\$ 448</u>	<u>\$ 448</u>

MULTNOMAH COUNTY, OREGON
LIBRARY CONSTRUCTION FUND/1996 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUE:			
Interest	\$ 1,800	\$ 1,114	\$ (686)
OTHER FINANCING SOURCE:			
Bond Sales	29,000	29,000	
Total	<u>\$ 30,800</u>	<u>30,114</u>	<u>(686)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 30,800</u>	2,022	28,778
ENDING FUND BALANCE		<u>\$ 28,092</u>	<u>\$ 28,092</u>

MULTNOMAH COUNTY, OREGON
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$	\$ 209	\$ 209
Charges for services	359	177	(182)
Interest	15	258	243
Other:			
Miscellaneous	100	21	(79)
Service reimbursements	37	37	
Total revenues	<u>511</u>	<u>702</u>	<u>191</u>
OTHER FINANCING SOURCES:			
Loan proceeds	400	177	(223)
Transfer from other funds:			
General	1,101	1,101	
Justice Services Special Operations	470	459	(11)
Public Safety Bond Sinking	1,000	483	(517)
Facilities Management	1,550	184	(1,366)
Total other financing sources	<u>4,521</u>	<u>2,404</u>	<u>(2,117)</u>
BEGINNING FUND BALANCE			
Total	\$ <u>7,812</u>	<u>3,170</u>	<u>390</u>
	<u>\$ 7,812</u>	<u>6,276</u>	<u>(1,536)</u>
EXPENDITURES:			
Environmental Services	\$ 7,212	4,695	2,517
OTHER FINANCING USE:			
Transfer to Lease/Purchase Project Fund	600	485	115
Total	\$ <u>7,812</u>	<u>5,180</u>	<u>2,632</u>
ENDING FUND BALANCE		<u>\$ 1,096</u>	<u>\$ 1,096</u>

MULTNOMAH COUNTY, OREGON
CAPITAL ACQUISITION FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Interest	\$	\$ 21	\$ 21
OTHER FINANCING SOURCE:			
Transfer from Natural Areas Acquisition and Protection Fund	336	325	(11)
Total	\$ 336	346	10
EXPENDITURES:			
Nondepartmental	\$ 336		336
ENDING FUND BALANCE		\$ 346	\$ 346

ENTERPRISE FUNDS

These funds are used to finance and account for the acquisition, operation and maintenance of sewage treatment facilities, street lighting facilities, improved library services, health care and children's mental health claims administration, which are supported by user charges. The County accounts for certain expenditures of the enterprise funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes the accrual basis of accounting is used. The difference in the accounting basis used relates primarily to the methods of accounting for depreciation, debt and capital outlay. Funds included are:

- Dunthorpe-Riverdale Service District No. 1 Fund - accounts for the operation of the sanitary sewer system in southwest unincorporated Multnomah County. (A blended component unit of Multnomah County.)
- Mid County Service District No. 14 Fund - accounts for the operation of street lights throughout unincorporated Multnomah County. (A blended component unit of Multnomah County.)
- Library Enterprise Fund - accounts for revenues for increases in library service charges to expend for improved library service. The planned entrepreneurial activities did not materialize. This fund was closed to the Library Fund, a Special Revenue Fund, during the 1996-97 fiscal year
- CareOregon Fund - accounts for the operation of CareOregon including administrative expenses. This operation spun off on April 1, 1997 and became a private health maintenance organization.
- Children's Capitation Fund - accounts for the operation of the Children's Capitated Mental Health Program including administrative expenses.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1997
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No.1	Mid County Service District No. 14	Children's Capitation Project	Total
ASSETS:				
Current Assets:				
Cash and investments	\$ 665	\$ 786	\$ 1,836	\$ 3,287
Receivables (net of allowances for uncollectables):				
Accounts	11		630	641
Special assessments		12		12
Prepaid items			7	7
Total current assets	<u>676</u>	<u>798</u>	<u>2,473</u>	<u>3,947</u>
Fixed assets (net of accumulated depreciation)	626	566	16	1,208
Total assets	<u>\$ 1,302</u>	<u>\$ 1,364</u>	<u>\$ 2,489</u>	<u>\$ 5,155</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$ 35	\$ 12	\$ 1,321	\$ 1,368
Compensated absences			39	39
Total liabilities	<u>35</u>	<u>12</u>	<u>1,360</u>	<u>1,407</u>
Fund equity:				
Contributed capital	1,826	1,079		2,905
Retained earnings (deficit):				
Unreserved	(559)	273	1,129	843
Total fund equity	<u>1,267</u>	<u>1,352</u>	<u>1,129</u>	<u>3,748</u>
Total liabilities and fund equity	<u>\$ 1,302</u>	<u>\$ 1,364</u>	<u>\$ 2,489</u>	<u>\$ 5,155</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Library Enterprise	CareOregon	Children's Capitation Project	Total
OPERATING REVENUES:						
Charges for sales and services	\$ 205	\$ 170	\$	\$ 36,296	\$ 10,860	\$ 47,531
OPERATING EXPENSES:						
Salaries and wages				667	831	1,498
Employee benefits				195	240	435
Utilities	147	147				294
Facility rental				61	53	114
Professional services				86	524	610
Communications				21	20	41
Operating supplies				15	28	43
Medical claims				33,025	8,611	41,636
Administrative	7	17			141	165
Internal support				359	22	381
Depreciation	28	66		9	3	106
Other expenses				1,930	9	1,939
Total operating expenses	<u>182</u>	<u>230</u>		<u>36,368</u>	<u>10,482</u>	<u>47,262</u>
Operating income (loss)	<u>23</u>	<u>(60)</u>		<u>(72)</u>	<u>378</u>	<u>269</u>
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	35	43		618	91	787
Total nonoperating revenues	<u>35</u>	<u>43</u>		<u>618</u>	<u>91</u>	<u>787</u>
Net income (loss) before operating transfers	58	(17)		546	469	1,056
OPERATING TRANSFERS IN						
OPERATING TRANSFERS OUT			(71)	323	660	983
Net income (loss)	<u>58</u>	<u>(17)</u>	<u>(71)</u>	<u>869</u>	<u>1,129</u>	<u>1,968</u>
RETAINED EARNINGS (DEFICIT), JUNE 30, 1996	(617)	290	71	1,341		1,085
EQUITY TRANSFER OUT				(2,210)		(2,210)
RETAINED EARNINGS (DEFICIT), JUNE 30, 1997	<u>\$ (559)</u>	<u>\$ 273</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,129</u>	<u>\$ 843</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Library Enterprise	CareOregon	Children's Capitation Project	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating income (loss)	\$ 23	\$ (60)	\$	\$ (72)	\$ 378	\$ 269
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided (used) by operating activities:						
Depreciation	28	66		9	3	106
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(3)			884	(631)	250
(Increase) decrease in prepaid items				1	(7)	(6)
Increase (decrease) in accounts payable			(1)	(11,307)	1,323	(9,985)
Increase (decrease) in compensated absences				(60)	39	(21)
Net cash provided (used) by operating activities	<u>48</u>	<u>6</u>	<u>(1)</u>	<u>(10,545)</u>	<u>1,105</u>	<u>(9,387)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating transfers in				323	660	983
Operating transfers out			(71)			(71)
Equity transfer out				(2,210)		(2,210)
Net cash provided (used) by noncapital financing activities			<u>(71)</u>	<u>(1,887)</u>	<u>660</u>	<u>(1,298)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of fixed assets		(124)		21	(20)	(123)
Capital contributed by customers and others	10	124		(21)		113
Net cash provided (used) by capital and related financing activities	<u>10</u>				<u>(20)</u>	<u>(10)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest on investments	35	43		618	91	787
Net cash provided by investing activities	<u>35</u>	<u>43</u>		<u>618</u>	<u>91</u>	<u>787</u>
Net increase (decrease) in cash and cash equivalents	93	49	(72)	(11,814)	1,836	(9,908)
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	<u>572</u>	<u>737</u>	<u>72</u>	<u>11,814</u>		<u>13,195</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 1997	<u>\$ 665</u>	<u>\$ 786</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,836</u>	<u>\$ 3,287</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Disposal of fixed assets, net book value	<u>\$</u>	<u>\$ (1)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (1)</u>
Transfer of fixed assets to CareOregon, Inc., net book value	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (21)</u>	<u>\$</u>	<u>\$ (21)</u>

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	CareOregon	Total
CONTRIBUTED CAPITAL, JUNE 30, 1996	\$ 1,816	\$ 956	\$ 21	\$ 2,793
ADD:				
Contributions from connection fees	10			10
Contributions from customers		124		124
Total contributions added	<u>10</u>	<u>124</u>		<u>134</u>
DEDUCT:				
Disposal of fixed assets, net book value		(1)		(1)
Transfer of equipment to CareOregon Inc.			(21)	(21)
Total contributions deducted		<u>(1)</u>	<u>(21)</u>	<u>(22)</u>
CONTRIBUTED CAPITAL, JUNE 30, 1997	<u>\$ 1,826</u>	<u>\$ 1,079</u>	<u>\$</u>	<u>\$ 2,905</u>

MULTNOMAH COUNTY, OREGON
DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Assessments - Sewer	\$ 210	\$ 203	\$ (7)
Charges for services	10	11	1
Interest	1	35	34
Total revenues	221	249	28
 BEGINNING FUND BALANCE			
Total	\$ 681	787	106
 EXPENDITURES:			
Environmental Services	\$ 667	155	512
ENDING FUND BALANCE	\$ 681	\$ 632	\$ 618

MULTNOMAH COUNTY, OREGON
MID COUNTY SERVICE DISTRICT NO. 14 FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Assessments - Street lighting			
Current year	\$ 350	\$ 165	\$ (185)
Prior years'	12	6	(6)
Penalties and interest		2	2
Charges for services	1		(1)
Interest	<u>30</u>	<u>43</u>	<u>13</u>
Total revenues	393	216	(177)
BEGINNING FUND BALANCE			
Total	<u>\$ 700</u>	<u>727</u>	<u>27</u>
	<u>\$ 1,093</u>	<u>943</u>	<u>(150)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 670</u>	<u>167</u>	<u>503</u>
ENDING FUND BALANCE	<u>423</u>	<u>\$ 776</u>	<u>\$ 353</u>
	<u>\$ 1,093</u>		

MULTNOMAH COUNTY, OREGON
LIBRARY ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
BEGINNING FUND BALANCE	\$ <u>72</u>	\$ <u>71</u>	\$ <u>(1)</u>
OTHER FINANCING USE:			
Transfer to Library Fund	\$ <u>72</u>	<u>71</u>	<u>1</u>
ENDING FUND BALANCE		\$ <u><u> </u></u>	\$ <u><u> </u></u>

MULTNOMAH COUNTY, OREGON
CAREOREGON FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal and state	\$ 43,790	\$ 36,294	\$ (7,496)
Charges for services		2	2
Interest	659	618	(41)
Total revenues	<u>44,449</u>	<u>36,914</u>	<u>(7,535)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	323	323	
BEGINNING FUND BALANCE			
Total	<u>\$ 44,772</u>	<u>1,331</u>	<u>1,331</u>
		<u>38,568</u>	<u>(6,204)</u>
EXPENDITURES:			
Health Services	<u>\$ 44,772</u>	<u>36,358</u>	<u>8,414</u>
EQUITY TRANSFER OUT			
		<u>(2,210)</u>	<u>(2,210)</u>
ENDING FUND BALANCE			
		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
CHILDREN'S CAPITATION PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 9,795	\$ 9,984	\$ 189
Charges for services	966	576	(390)
Interest		91	91
Other - Miscellaneous	300	301	1
Total revenues	<u>11,061</u>	<u>10,952</u>	<u>(109)</u>
OTHER FINANCING SOURCES:			
Transfers from other funds:			
General	\$ 866	410	(456)
Federal and State Program	250	250	
Total other financing sources	<u>1,116</u>	<u>660</u>	<u>(456)</u>
Total	<u>\$ 12,177</u>	<u>11,612</u>	<u>(565)</u>
EXPENDITURES:			
Community and Family Services	\$ <u>12,177</u>	10,499	1,678
ENDING FUND BALANCE		<u>\$ 1,113</u>	<u>\$ 1,113</u>

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INTERNAL SERVICE FUNDS

These funds account for activities and services performed primarily for other organizational units within the County. Charges to the County agencies are calculated to recover costs and maintain capital. The County accounts for certain expenditures of the Internal Service Funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes the accrual basis of accounting is used. Such differences relate primarily to the methods of accounting for depreciation and capital outlay. Funds included are:

- Insurance Fund - accounts for the County's insurance coverage.
- Fleet Management Fund - accounts for the County's motor vehicle fleet operations.
- Telephone Fund - accounts for the County's telephone operations.
- Data Processing Fund - accounts for the County's data processing operations.
- Mail/Distribution Fund - accounts for the County's mail/distribution operations.
- Facilities Management Fund - accounts for the management of all County owned and leased property.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 1997
(amounts expressed in thousands)

	<u>Insurance</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Data Processing</u>	<u>Mail/ Distribution</u>	<u>Facilities Management</u>	<u>Total</u>
ASSETS:							
Current assets:							
Cash and investments	\$ 18,829	\$ 2,399	\$ 820	\$ 4,021	\$ 7	\$ 1,010	\$ 27,086
Accounts receivable	1	73	52	36	2	236	400
Inventories		406			55		461
Prepaid items	40			191		28	259
Total current assets	<u>18,870</u>	<u>2,878</u>	<u>872</u>	<u>4,248</u>	<u>64</u>	<u>1,274</u>	<u>28,206</u>
Fixed assets (net of accumulated depreciation)	19	3,699	1,643	1,457	4	105	6,927
Total assets	<u>\$ 18,889</u>	<u>\$ 6,577</u>	<u>\$ 2,515</u>	<u>\$ 5,705</u>	<u>\$ 68</u>	<u>\$ 1,379</u>	<u>\$ 35,133</u>
LIABILITIES AND FUND EQUITY:							
Current liabilities:							
Accounts payable	\$ 8,607	\$ 151	\$ 196	\$ 499	\$ 6	\$ 727	\$ 10,186
Compensated absences	45	103	25	259	11	298	741
Deferred revenue						4	4
Capitalized leases – current			113	769			882
Total current liabilities	<u>8,652</u>	<u>254</u>	<u>334</u>	<u>1,527</u>	<u>17</u>	<u>1,029</u>	<u>11,813</u>
Noncurrent liabilities:							
Capitalized leases (net of current portion)			242	870			1,112
Total liabilities	<u>8,652</u>	<u>254</u>	<u>576</u>	<u>2,397</u>	<u>17</u>	<u>1,029</u>	<u>12,925</u>
Fund equity:							
Contributed capital	2	4,136	1,597	1,775	19	72	7,601
Retained earnings:							
Unreserved	10,235	2,187	342	1,533	32	278	14,607
Total fund equity	<u>10,237</u>	<u>6,323</u>	<u>1,939</u>	<u>3,308</u>	<u>51</u>	<u>350</u>	<u>22,208</u>
Total liabilities and fund equity	<u>\$ 18,889</u>	<u>\$ 6,577</u>	<u>\$ 2,515</u>	<u>\$ 5,705</u>	<u>\$ 68</u>	<u>\$ 1,379</u>	<u>\$ 35,133</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
OPERATING REVENUES:							
Charges for services	\$ 21,093	\$ 4,843	\$ 3,498	\$ 7,974	\$ 1,161	\$ 21,906	\$ 60,475
Insurance premiums	456						456
Experience rating and refunds	125						125
Total operating revenues	<u>21,674</u>	<u>4,843</u>	<u>3,498</u>	<u>7,974</u>	<u>1,161</u>	<u>21,906</u>	<u>61,056</u>
OPERATING EXPENSES:							
Salaries and wages	2,874	1,260	265	2,588	237	3,604	10,828
Employee benefits	296	383	84	748	76	1,064	2,651
Repairs and maintenance	3	146	1,192	356	3	992	2,592
Utilities						3,208	3,208
Equipment rental		3	50		2	3,216	3,271
Facility rental	164	285	71	168	10		698
Professional services	1,106	14	4	1,851	74	3,148	6,197
Communications	15	19	1,056	245	1		1,473
Operating supplies	36	913	19	257	667	1,408	3,300
Insurance claims and premiums	18,168					48	18,216
Internal support		35	123	20			178
Depreciation	16	1,261	647	1,026	3	61	3,014
Other	266	33	133	169	101	5,250	5,952
Total operating expenses	<u>22,944</u>	<u>4,352</u>	<u>3,644</u>	<u>7,428</u>	<u>1,174</u>	<u>22,036</u>	<u>61,578</u>
Operating income (loss)	<u>(1,270)</u>	<u>491</u>	<u>(146)</u>	<u>546</u>	<u>(13)</u>	<u>(130)</u>	<u>(522)</u>
NONOPERATING REVENUES (EXPENSES):							
Interest revenue	1,004	97	37	137			1,275
Interest expense			(19)	(79)			(98)
Loss on disposal of fixed assets	(2)	(13)		(558)		(261)	(834)
Total nonoperating revenues (expenses)	<u>1,002</u>	<u>84</u>	<u>18</u>	<u>(500)</u>		<u>(261)</u>	<u>343</u>
Net income (loss) before operating transfers	(268)	575	(128)	46	(13)	(391)	(179)
OPERATING TRANSFERS IN				1,403	1	1	1,405
OPERATING TRANSFERS OUT				(79)		(184)	(263)
Net income (loss)	<u>(268)</u>	<u>575</u>	<u>(128)</u>	<u>1,370</u>	<u>(12)</u>	<u>(574)</u>	<u>963</u>
RETAINED EARNINGS, JUNE 30, 1996	10,503	1,612	470	163	44	852	13,644
RETAINED EARNINGS, JUNE 30, 1997	<u>\$ 10,235</u>	<u>\$ 2,187</u>	<u>\$ 342</u>	<u>\$ 1,533</u>	<u>\$ 32</u>	<u>\$ 278</u>	<u>\$ 14,607</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Operating income (loss)	\$ (1,270)	\$ 491	\$ (146)	\$ 546	\$ (13)	\$ (130)	\$ (522)
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided (used) by operating activities:							
Depreciation	16	1,261	647	1,026	3	61	3,014
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	2	(15)	23	(13)	(2)	(29)	(34)
Decrease in due from other funds	1,736						1,736
Increase in inventories		(44)			(19)		(63)
(Increase) decrease in prepaid items	(3)			28		(2)	23
Increase (decrease) in accounts payable	1,200	(197)	(298)	357	2	(342)	722
Decrease in deferred revenue						(2)	(2)
Increase (decrease) in compensated absences	(20)	27	(3)	(17)	3	93	83
Increase in capitalized leases				249			249
Net cash provided (used) by operating activities	<u>1,661</u>	<u>1,523</u>	<u>223</u>	<u>2,176</u>	<u>(26)</u>	<u>(351)</u>	<u>5,206</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Operating transfers in				1,403	1	1	1,405
Operating transfers out				(79)		(184)	(263)
Net cash provided (used) by noncapital financing activities				<u>1,324</u>	<u>1</u>	<u>(183)</u>	<u>1,142</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of fixed assets		(1,606)	(534)	(1,205)		(298)	(3,643)
Principal paid on capitalized leases			(107)	(677)			(784)
Interest paid on capitalized leases			(19)	(79)			(98)
Capital contributed by customers and others		293	4	39			336
Net cash used by capital and related financing activities		<u>(1,313)</u>	<u>(656)</u>	<u>(1,922)</u>		<u>(298)</u>	<u>(4,189)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest on investments	1,004	97	37	137			1,275
Net cash provided by investing activities	<u>1,004</u>	<u>97</u>	<u>37</u>	<u>137</u>			<u>1,275</u>
Net increase (decrease) in cash and cash equivalents	2,665	307	(396)	1,715	(25)	(332)	3,434
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	<u>16,164</u>	<u>2,092</u>	<u>1,216</u>	<u>2,306</u>	<u>32</u>	<u>1,842</u>	<u>23,652</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 1997	<u>\$ 18,829</u>	<u>\$ 2,399</u>	<u>\$ 820</u>	<u>\$ 4,021</u>	<u>\$ 7</u>	<u>\$ 1,010</u>	<u>\$ 27,086</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Disposal of fixed assets, net book value	\$ (2)	\$ (13)		\$ (558)		\$ (261)	\$ (834)
Transfer of fixed assets from General Fixed Assets Account Group, net book value	\$	\$ 168	\$ 4	\$ 39			\$ 211

A capital lease obligation of \$299 was incurred when the Data Processing Fund entered into a lease for printer equipment.

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	<u>Insurance</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Data Processing</u>	<u>Mail/ Distribution</u>	<u>Facilities Management</u>	<u>Total</u>
CONTRIBUTED CAPITAL, JUNE 30, 1996	\$ 2	\$ 3,843	\$ 1,593	\$ 1,736	\$ 19	\$ 72	\$ 7,265
CONTRIBUTIONS:							
Transfer of fixed assets from General Fixed Assets Account Group at estimated market value on date of transfer		168	4	39			211
Transfer of fixed assets from Facilities Management Fund, an Internal Service Fund		125					125
CONTRIBUTED CAPITAL, JUNE 30, 1997	<u>\$ 2</u>	<u>\$ 4,136</u>	<u>\$ 1,597</u>	<u>\$ 1,775</u>	<u>\$ 19</u>	<u>\$ 72</u>	<u>\$ 7,601</u>

MULTNOMAH COUNTY, OREGON
INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental – State	\$ 50	\$ 50	\$
Charges for services	12	17	5
Interest		1,004	1,004
Other:			
Service reimbursements	23,632	21,026	(2,606)
Premiums		456	456
Experience ratings and miscellaneous	74	125	51
Total revenues	23,768	22,678	(1,090)
 BEGINNING FUND BALANCE	 7,439	 10,468	 3,029
Total	\$ 31,207	33,146	1,939
 EXPENDITURES:			
Support Services	\$ 30,441	22,168	8,273
Nondepartmental	766	760	6
Total expenditures	\$ 31,207	22,928	8,279
 ENDING FUND BALANCE		\$ 10,218	\$ 10,218

MULTNOMAH COUNTY, OREGON
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal	\$	\$	\$
State	26	6	(20)
Local	299	300	1
Charges for services	44	83	39
Interest	70	97	27
Other:			
Miscellaneous	20	103	83
Service reimbursements	4,596	4,339	(257)
Total revenues	<u>5,055</u>	<u>4,939</u>	<u>(116)</u>
BEGINNING FUND BALANCE	<u>1,759</u>	<u>2,088</u>	<u>329</u>
Total	<u>\$ 6,814</u>	<u>7,027</u>	<u>213</u>
EXPENDITURES:			
Environmental Services	\$ 6,814	4,404	2,410
ENDING FUND BALANCE		<u>\$ 2,623</u>	<u>\$ 2,623</u>

MULTNOMAH COUNTY, OREGON
TELEPHONE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 1,016	\$ 407	\$ (609)
Interest	33	37	4
Other - Service reimbursements	2,487	3,090	603
Total revenues	3,536	3,534	(2)
 BEGINNING FUND BALANCE	 601	 769	 168
Total	\$ 4,137	4,303	166
 EXPENDITURES:			
Support Services	\$ 4,137	3,653	484
ENDING FUND BALANCE		\$ 650	\$ 650

MULTNOMAH COUNTY, OREGON
DATA PROCESSING FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 240	\$ 223	\$ (17)
Interest	62	137	75
Other – Service reimbursements	<u>7,868</u>	<u>7,751</u>	<u>(117)</u>
Total revenues	8,170	8,111	(59)
 OTHER FINANCING SOURCE:			
Transfer from General Fund	1,403	1,403	
 BEGINNING FUND BALANCE	<u>899</u>	<u>2,130</u>	<u>1,231</u>
Total	<u>\$ 10,472</u>	<u>11,644</u>	<u>1,172</u>
 EXPENDITURES:			
Support Services	<u>\$ 10,472</u>	<u>8,154</u>	<u>2,318</u>
ENDING FUND BALANCE		<u>\$ 3,490</u>	<u>\$ 3,490</u>

MULTNOMAH COUNTY, OREGON
MAIL/DISTRIBUTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental – Local	\$	\$	\$
Other – Service reimbursements	1,224	1,156	(68)
Total revenues	1,224	1,160	(64)
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	32		(32)
Transfer from General Fund	1	1	
Total other financing sources	33	1	(32)
BEGINNING FUND BALANCE			
Total	\$ 1,373	1,217	(156)
EXPENDITURES:			
Environmental Services	\$ 1,373	1,170	203
ENDING FUND BALANCE		\$ 47	\$ 47

**MULTNOMAH COUNTY, OREGON
 FACILITIES MANAGEMENT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1997
 (amounts expressed in thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal, state and local	\$	\$ 823	\$ 823
Charges for services	2,495	1,106	(1,389)
Interest	70		(70)
Other:			
Miscellaneous	1	2	1
Service reimbursements	21,028	19,975	(1,053)
Total revenues	<u>23,594</u>	<u>21,906</u>	<u>(1,688)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	1	1	
BEGINNING FUND BALANCE			
Total	<u>\$ 1,147</u>	<u>795</u>	<u>(352)</u>
	<u>\$ 24,742</u>	<u>22,702</u>	<u>(2,040)</u>
EXPENDITURES:			
Environmental Services	\$ 23,192	22,273	919
OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	1,550	184	1,366
Total	<u>\$ 24,742</u>	<u>22,457</u>	<u>2,285</u>
ENDING FUND BALANCE		<u>\$ 245</u>	<u>\$ 245</u>

TRUST AND AGENCY FUNDS

These funds account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. The modified accrual basis of accounting is used to record transactions in the agency funds. The accrual basis of accounting is used in the Library Retirement Fund (Pension Trust). The funds included are:

- Sundry Taxing Bodies Fund - accounts for the collection of property taxes for all governmental entities located in Multnomah County and the disbursement of the collections to such entities.
- Clearing Fund - accounts for Multnomah County checks outstanding, accrued payroll and payroll deductions payable.
- Department and Offices Agency Fund - accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity.
- Deferred Compensation Fund - accounts for voluntary withholdings from employee's wages on which income taxes are deferred until the time of withdrawal.
- Public Guardian Fund - accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- Library Retirement Fund - this pension trust fund provides pension benefits for former employees of the Library Association of Portland.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
June 30, 1997
 (amounts expressed in thousands)

	Agency Funds	Pension Trust Fund	Total
ASSETS:			
Cash and investments	\$ 92,239	\$ 10,544	\$ 102,783
Receivables:			
Property taxes	29,053		29,053
Accounts	237		237
Total assets	\$ 121,529	\$ 10,544	\$ 132,073
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Payrolls payable	\$ 13,017	\$	\$ 13,017
Accounts payable	6,305		6,305
Due to other governmental units	29,053		29,053
Amounts held in trust	12,974		12,974
Deferred compensation	60,180		60,180
Total liabilities	121,529		121,529
Fund balance:			
Reserved for employees' retirement benefits		10,544	10,544
Total liabilities and fund balances	\$ 121,529	\$ 10,544	\$ 132,073

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 1997
(amounts expressed in thousands)

	Sundry Taxing Bodies	Clearing	Department & Offices Agency	Deferred Compensation	Public Guardian	Total
ASSETS:						
Cash and investments	\$ 4,144	\$ 18,969	\$ 8,151	\$ 60,180	\$ 795	\$ 92,239
Receivables:						
Property taxes	29,053					29,053
Accounts	237					237
Total assets	<u>\$ 33,434</u>	<u>\$ 18,969</u>	<u>\$ 8,151</u>	<u>\$ 60,180</u>	<u>\$ 795</u>	<u>\$ 121,529</u>
LIABILITIES:						
Payrolls payable	\$	\$ 13,017	\$	\$	\$	\$ 13,017
Accounts payable		5,952	353			6,305
Due to other governmental units	29,053					29,053
Amounts held in trust	4,381		7,798		795	12,974
Deferred compensation				60,180		60,180
Total liabilities	<u>\$ 33,434</u>	<u>\$ 18,969</u>	<u>\$ 8,151</u>	<u>\$ 60,180</u>	<u>\$ 795</u>	<u>\$ 121,529</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
SUNDRY TAXING BODIES FUND:				
Assets:				
Cash and investments	\$ 3,926	\$ 690,551	\$ 690,333	\$ 4,144
Property taxes receivable	29,350	520,736	521,033	29,053
Accounts receivable	396	237	396	237
Total assets	<u>\$ 33,672</u>	<u>\$ 1,211,524</u>	<u>\$ 1,211,762</u>	<u>\$ 33,434</u>
Liabilities:				
Accounts payable	\$	\$ 4,999	\$ 4,999	\$
Due to other governmental units	29,350	501,421	501,718	29,053
Amounts held in trust	4,322	690,392	690,333	4,381
Total liabilities	<u>\$ 33,672</u>	<u>\$ 1,196,812</u>	<u>\$ 1,197,050</u>	<u>\$ 33,434</u>
CLEARING FUND:				
Assets:				
Cash and investments	\$ 13,639	\$ 8,070,228	\$ 8,064,898	\$ 18,969
Liabilities:				
Payrolls payable	\$ 10,320	\$ 418,011	\$ 415,314	\$ 13,017
Accounts payable	3,319	2,983,453	2,980,820	5,952
Interest payable		12,483	12,483	
Amounts held in trust		1,405	1,405	
Total liabilities	<u>\$ 13,639</u>	<u>\$ 3,415,352</u>	<u>\$ 3,410,022</u>	<u>\$ 18,969</u>
DEPARTMENT AND OFFICES AGENCY FUND:				
Assets:				
Cash and investments	\$ 8,075	\$ 712,314	\$ 712,238	\$ 8,151
Accounts receivable		17	17	
Total assets	<u>\$ 8,075</u>	<u>\$ 712,331</u>	<u>\$ 712,255</u>	<u>\$ 8,151</u>
Liabilities:				
Accounts payable	\$ 617	\$ 11,697	\$ 11,961	\$ 353
Amounts held in trust	7,458	699,332	698,992	7,798
Total liabilities	<u>\$ 8,075</u>	<u>\$ 711,029</u>	<u>\$ 710,953</u>	<u>\$ 8,151</u>
DEFERRED COMPENSATION FUND:				
Assets:				
Cash and investments	\$ 47,769	\$ 12,411	\$	\$ 60,180
Liabilities:				
Deferred compensation	\$ 47,769	\$ 12,411	\$	\$ 60,180
PUBLIC GUARDIAN FUND:				
Assets:				
Cash and investments	\$ 846	\$ 1,271	\$ 1,322	\$ 795
Liabilities:				
Amounts held in trust	\$ 846	\$ 1,271	\$ 1,322	\$ 795
TOTAL - ALL AGENCY FUNDS:				
Assets:				
Cash and investments	\$ 74,255	\$ 9,486,775	\$ 9,468,791	\$ 92,239
Property taxes receivable	29,350	520,736	521,033	29,053
Accounts receivable	396	254	413	237
Total assets	<u>\$ 104,001</u>	<u>\$ 10,007,765</u>	<u>\$ 9,990,237</u>	<u>\$ 121,529</u>
Liabilities:				
Payrolls payable	\$ 10,320	\$ 418,011	\$ 415,314	\$ 13,017
Accounts payable	3,936	3,000,149	2,997,780	6,305
Interest payable		12,483	12,483	
Due to other governmental units	29,350	501,421	501,718	29,053
Amounts held in trust	12,626	1,392,400	1,392,052	12,974
Deferred compensation	47,769	12,411	\$	60,180
Total liabilities	<u>\$ 104,001</u>	<u>\$ 5,336,875</u>	<u>\$ 5,319,347</u>	<u>\$ 121,529</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is a self-balancing group of accounts used to record the fixed assets of the County except for the assets recorded in the Enterprise and Internal Service funds. Expenditures for the acquisition of general fixed assets are recorded in the various governmental fund types; the costs of such assets are capitalized in this account group. As fixed assets are disposed, the original cost or estimated original cost, is removed from this account group; any receipt from the sale of general fixed assets is accounted for as revenue in the appropriate fund depending on the original funding source.

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL FIXED ASSETS
June 30, 1997
 (amounts expressed in thousands)

GENERAL FIXED ASSETS:	
Land and land improvements	\$ 6,665
Buildings and improvements	187,485
Parksites	261
Work in progress	157
Bridges	34,975
Equipment	25,071
Total general fixed assets	<u>\$ 254,614</u>
Investments in general fixed assets:	
Balance July 1, 1996	<u>\$ 239,671</u>
Additions provided by:	
General Fund	19,298
Road Fund	223
Assessment and Taxation Fund	166
Federal and State Program Fund	635
Corner Preservation Fund	22
Willamette River Bridges Fund	33
Library Fund	441
Justice Services Special Operations Fund	7
Public Safety Levy Fund	34
Justice Bond Project Fund	3
Lease/Purchase Project Fund	2,260
Library Construction/1993 Bonds Fund	1,269
Library Construction/1996 Bonds Fund	716
Contributions from the Insurance Fund	12
Contributions from the Data Processing Fund	551
Total additions	<u>25,670</u>
Deductions:	
Retirements	<u>(10,727)</u>
Total investment in general fixed assets	<u>\$ 254,614</u>
Reconciliation:	
Total capital outlay	<u>\$ 33,716</u>
Contributions to the Fleet Management Fund	(163)
Contributions to the Telephone Fund	(4)
Contributions to the Data Processing Fund	(40)
Repairs and other general maintenance	(282)
Roads and bridge maintenance	(7,514)
Operating supplies	(694)
	<u>(8,697)</u>
Additional items capitalized	651
Total general fixed asset additions	<u>\$ 25,670</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 1997
(amounts expressed in thousands)

	Land and land improvements	Buildings and improvements	Parksites	Work in progress	Bridges	Equipment	Total
FUNCTION AND ACTIVITY:							
General government:							
Legislative	\$ 1	\$ 2,342	\$	\$	\$	\$ 132	\$ 2,475
Administrative	101	4,933				3,573	8,607
Sub-total	<u>102</u>	<u>7,275</u>	<u></u>	<u></u>	<u></u>	<u>3,705</u>	<u>11,082</u>
Health and social services:							
Health	1,292	11,147				2,025	14,464
Social	152	26,617				2,459	29,228
Sub-total	<u>1,444</u>	<u>37,764</u>	<u></u>	<u></u>	<u></u>	<u>4,484</u>	<u>43,692</u>
Public safety:							
Law enforcement	1,666	64,951		157		6,330	73,104
Justice	48	3,615				672	4,335
Sub-total	<u>1,714</u>	<u>68,566</u>	<u></u>	<u>157</u>	<u></u>	<u>7,002</u>	<u>77,439</u>
Community services:							
Community service development	145	1,235				165	1,545
Recreation		77	261			11	349
Library	1,655	33,292				7,706	42,653
Sub-total	<u>1,800</u>	<u>34,604</u>	<u>261</u>	<u></u>	<u></u>	<u>7,882</u>	<u>44,547</u>
Roads and bridges:							
Roads and bridges	383				34,975	1,998	37,356
Bridge shops	39	330					369
Road shops	65	5,439					5,504
Administrative		334					334
Sub-total	<u>487</u>	<u>6,103</u>	<u></u>	<u></u>	<u>34,975</u>	<u>1,998</u>	<u>43,563</u>
External organizations:							
External use	1,118	33,173					34,291
Total general fixed assets	<u>\$ 6,665</u>	<u>\$ 187,485</u>	<u>\$ 261</u>	<u>\$ 157</u>	<u>\$ 34,975</u>	<u>\$ 25,071</u>	<u>\$ 254,614</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	General fixed assets June 30, 1996	Additions	Deductions and reclassifications	General fixed assets June 30, 1997
FUNCTION AND ACTIVITY:				
General government:				
Legislative	\$ 2,477	\$ 24	\$ (26)	\$ 2,475
Administrative	7,473	1,507	(373)	8,607
Sub-total	<u>9,950</u>	<u>1,531</u>	<u>(399)</u>	<u>11,082</u>
Health and social services:				
Health	10,503	2,130	1,831	14,464
Social	28,018	1,206	4	29,228
Sub-total	<u>38,521</u>	<u>3,336</u>	<u>1,835</u>	<u>43,692</u>
Public safety:				
Law enforcement	66,002	7,129	(27)	73,104
Justice	4,006	331	(2)	4,335
Sub-total	<u>70,008</u>	<u>7,460</u>	<u>(29)</u>	<u>77,439</u>
Community services:				
Community service development	1,883	53	(391)	1,545
Recreation	9,592		(9,243)	349
Library	32,766	10,082	(195)	42,653
Sub-total	<u>44,241</u>	<u>10,135</u>	<u>(9,829)</u>	<u>44,547</u>
Roads and bridges:				
Roads and bridges	36,924	1,054	(622)	37,356
Bridge shops	369			369
Road shops	5,363		141	5,504
Administrative	276		58	334
Sub-total	<u>42,932</u>	<u>1,054</u>	<u>(423)</u>	<u>43,563</u>
External organizations:				
External use	34,019	2,154	(1,882)	34,291
Total general fixed assets	<u>\$ 239,671</u>	<u>\$ 25,670</u>	<u>\$ (10,727)</u>	<u>\$ 254,614</u>

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OTHER SCHEDULES

- * Schedule of Property Tax Collections and Outstanding Balances
- * Schedule of Bonds and Bond Interest Coupon Transactions
- * Schedule of Bonds Outstanding
- * Schedule of Loans Outstanding
- * Schedule of Capitalized Lease Purchases Outstanding
- * Schedule of Receipts and Deposits - Elected Officials

MULTNOMAH COUNTY, OREGON
SCHEDULE OF PROPERTY TAX COLLECTIONS
AND OUTSTANDING BALANCES
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

Tax Year	Taxes receivable June 30, 1996	Current levy	Add (deduct) corrections and adjustments	Add interest on delinquent taxes	Deduct discounts allowed	Deduct collections including interest on delinquent taxes	Taxes receivable June 30, 1997
1996-97	\$	\$ 653,822	\$ 1,201	\$ 273	\$ (15,510)	\$ (618,562)	\$ 21,224
1995-96	18,740		(742)	468		(10,664)	7,802
1994-95	8,778		(228)	584		(4,150)	4,984
1993-94 and prior	10,009		(905)	1,682		(6,796)	3,990
	<u>\$ 37,527</u>	<u>\$ 653,822</u>	<u>\$ (674)</u>	<u>\$ 3,007</u>	<u>\$ (15,510)</u>	<u>\$ (640,172)</u>	<u>\$ 38,000</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 1997:

	Current levy	Prior years' levy	Total
General Fund	\$ 3,530	\$ 2,788	\$ 6,318
Library Fund	495	339	834
Public Safety Levy Fund	862	437	1,299
Library Bond Sinking Fund/1993 Bonds	78	68	146
Library Bond Sinking Fund/1996 Bonds	86		86
Public Safety Bond Sinking Fund	240		240
Sundry Taxing Bodies Fund	15,921	13,132	29,053
Sub-total taxes receivable	21,212	16,764	37,976
Special assessments collected through taxes	12	12	24
Total receivables	<u>\$ 21,224</u>	<u>\$ 16,776</u>	<u>\$ 38,000</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF BONDS AND BOND INTEREST COUPON TRANSACTIONS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

	Outstanding June 30, 1996		1996-97 Transactions			Outstanding June 30, 1997	
	Matured	Unmatured	Issued	Matured	Paid	Matured	Unmatured
Dated March 1, 1994		\$ 19,975	\$	\$ 760	\$ 760		\$ 19,215
Dated October 1, 1994		8,735		275	275		8,460
Dated October 1, 1996			108,700				108,700
		<u>\$ 28,710</u>	<u>\$ 108,700</u>	<u>\$ 1,035</u>	<u>\$ 1,035</u>		<u>\$ 136,375</u>

GENERAL OBLIGATION BOND INTEREST COUPONS:

Dated March 1, 1994	\$ 979	\$ 979
Dated October 1, 1994	495	495
Dated October 1, 1996	1,437	1,437
	<u>\$ 2,911</u>	<u>\$ 2,911</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF BONDS OUTSTANDING
June 30, 1997
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

Fiscal Year of maturity	Series 1994 Dated 03/01/94 3.70 to 5.25%		Series 1994B Dated 10/01/94 4.25 to 6.00%		Series 1996A Dated 10/01/96 3.90 to 5.65%		Series 1996B Dated 10/01/96 3.90 to 5.65%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	1998	\$ 785	\$ 923	\$ 285	\$ 471	\$ 3,255	\$ 1,346	\$ 3,580	\$ 4,000	\$ 7,905
1999	820	891	300	458	3,390	1,180	3,725	3,818	8,235	6,347
2000	855	856	315	443	3,535	1,007	3,885	3,627	8,590	5,933
2001	890	819	330	427	3,695	821	4,060	3,423	8,975	5,490
2002	930	778	350	410	3,865	657	4,250	3,243	9,395	5,088
2003	975	735	365	391	510	560	2,735	3,088	4,585	4,774
2004	1,020	688	385	371	535	536	2,870	2,960	4,810	4,555
2005	1,070	639	410	350	565	511	3,010	2,823	5,055	4,323
2006	1,125	586	430	326	590	483	3,160	2,677	5,305	4,072
2007	1,180	528	460	302	620	454	3,320	2,519	5,580	3,803
2008	1,245	467	485	275	655	422	3,495	2,351	5,880	3,515
2009	1,310	401	515	246	690	389	3,680	2,171	6,195	3,207
2010	1,380	332	545	215	725	353	3,885	1,980	6,535	2,880
2011	1,455	257	580	182	765	314	4,100	1,770	6,900	2,523
2012	1,530	179	615	146	810	273	4,325	1,542	7,280	2,140
2013	1,290	105	655	108	855	229	4,570	1,300	7,370	1,742
2014	1,355	36	695	66	905	183	4,830	1,041	7,785	1,326
2015			740	22	955	134	5,105	765	6,800	921
2016					1,010	83	5,400	471	6,410	554
2017					1,070	28	5,715	160	6,785	188
	<u>\$ 19,215</u>	<u>\$ 9,220</u>	<u>\$ 8,460</u>	<u>\$ 5,209</u>	<u>\$ 29,000</u>	<u>\$ 9,963</u>	<u>\$ 79,700</u>	<u>\$ 45,729</u>	<u>\$ 136,375</u>	<u>\$ 70,121</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF LOANS OUTSTANDING
June 30, 1997
(amounts expressed in thousands)

GENERAL LONG-TERM LOANS:

Fiscal Year of maturity	Dated 02/15/96		Dated 07/05/96		Dated 07/05/96		Dated 10/01/96		Dated 12/01/96	
	7.2%		5.65%		5.65%		7.2%		7.2%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1998	\$ 22	\$ 36	\$ 1	\$ 1	\$ 1	\$ 1	\$ 7	\$ 6	\$ 3	\$ 2
1999	24	34	1	1	1	1	7	5	3	2
2000	25	32	1	1	1	1	7	5	3	2
2001	27	30	1	1	1	1	8	4	3	2
2002	29	28	1	1	1	1	9	4	3	1
2003	31	26	1	1	1	1	9	3	4	1
2004	34	24	1	1	1	1	9	2	4	
2005	36	21	1	1	1	1	11	1	4	
2006	39	19	1	1	1	1	11	1	4	
2007	42	16	1	1	1	1	3		2	
2008	45	13	1	1	1					
2009	48	9	1	1	1					
2010	52	6	1		1					
2011	52	3	1		1					
2012			1		1					
2013			1		1					
2014			2		1					
2015			2		1					
2016			2		1					
	<u>\$ 506</u>	<u>\$ 297</u>	<u>\$ 22</u>	<u>\$ 12</u>	<u>\$ 19</u>	<u>\$ 10</u>	<u>\$ 81</u>	<u>\$ 31</u>	<u>\$ 33</u>	<u>\$ 10</u>

Dated 01/15/97			
5.9%		Total	
Principal	Interest	Principal	Interest
\$ 4	\$ 4	\$ 38	\$ 50
4	3	40	46
5	3	42	44
5	3	45	41
5	2	48	37
6	2	52	34
7	1	56	29
7	1	60	25
7	1	63	23
4		53	18
		47	14
		50	10
		54	6
		54	3
		2	
		2	
		3	
		3	
		3	
<u>\$ 54</u>	<u>\$ 20</u>	<u>\$ 715</u>	<u>\$ 380</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CAPITALIZED LEASE PURCHASES OUTSTANDING
June 30, 1997
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 06/01/96		Dated 01/09/96		Dated 03/01/95		Dated 02/01/94		Dated 05/01/93	
	3.75 to 4.60%		6.017%		4.5 to 4.85%		4.5 to 4.75%		2.75% to 7.50%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1998	\$ 350	\$ 58	\$ 63	\$ 11	\$ 301	\$ 38	\$ 92	\$ 9	\$ 845	\$ 827
1999	365	44	67	8	313	23	97	4	875	790
2000	385	27	70	4	329	8			915	750
2001	405	9							955	705
2002									1,005	656
2003									1,045	605
2004									1,100	550
2005									1,160	491
2006									1,215	428
2007									1,275	361
2008									1,345	289
2009									1,415	213
2010									1,120	141
2011									730	87
2012									350	55
2013									370	34
2014									390	11
	<u>\$ 1,505</u>	<u>\$ 138</u>	<u>\$ 200</u>	<u>\$ 23</u>	<u>\$ 943</u>	<u>\$ 69</u>	<u>\$ 189</u>	<u>\$ 13</u>	<u>\$ 16,110</u>	<u>\$ 6,993</u>

TELEPHONE CAPITALIZED LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 03/01/95	
	4.25 to 4.85%	
	Principal	Interest
1998	\$ 113	\$ 14
1999	118	9
2000	124	3
	<u>\$ 355</u>	<u>\$ 26</u>

DATA PROCESSING CAPITALIZED LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 09/01/97		Dated 03/21/96		Dated 03/01/95		Dated 06/15/93		Total	
	0%		4.20 to 4.55%		4.25 to 4.85%		5.35%			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1998	\$ 60	\$	\$ 600	\$ 37	\$ 76	\$ 9	\$ 33	\$ 2	\$ 769	\$ 48
1999	60		520	11	79	6			659	17
2000	60				82	2			142	2
2001	60								60	
2002	9								9	
	<u>\$ 249</u>	<u>\$</u>	<u>\$ 1,120</u>	<u>\$ 48</u>	<u>\$ 237</u>	<u>\$ 17</u>	<u>\$ 33</u>	<u>\$ 2</u>	<u>\$ 1,639</u>	<u>\$ 67</u>

Dated 08/01/92		Dated 07/01/90		Dated 01/22/81		Total	
2.9% to 5.9%		6.00% to 6.80%		6.00% to 7.25%			
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 1,260	\$ 1,771	\$ 50	\$ 13	\$ 134	\$ 198	\$ 3,095	\$ 2,925
1,325	1,709	50	9	146	186	3,238	2,773
1,390	1,641	55	6	159	174	3,303	2,610
1,465	1,566	60	2	172	160	3,057	2,442
1,545	1,486			186	145	2,736	2,287
1,635	1,398			202	129	2,882	2,132
1,730	1,303			220	112	3,050	1,965
1,830	1,201			239	93	3,229	1,785
1,940	1,092			259	73	3,414	1,593
2,055	976			281	50	3,611	1,387
2,180	851			306	26	3,831	1,166
2,315	717					3,730	930
2,460	574					3,580	715
2,610	421					3,340	508
2,775	260					3,125	315
2,945	88					3,315	122
						390	11
<u>\$ 31,460</u>	<u>\$ 17,054</u>	<u>\$ 215</u>	<u>\$ 30</u>	<u>\$ 2,304</u>	<u>\$ 1,346</u>	<u>\$ 52,926</u>	<u>\$ 25,666</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF RECEIPTS AND DEPOSITS – ELECTED OFFICIALS
For the fiscal year ended June 30, 1997
(amounts expressed in thousands)

	Receipts deposited with Treasurer
Sheriff's Office	\$ 11,363
Others	
Total	<u>\$ 11,363</u>

Summary of receipts: Civil process serving fees, record sales, patrolling contracts, room and board for prisoners from other agencies and miscellaneous reimbursements.

STATISTICAL SECTION

This section contains the following tables:

- * General Governmental Expenditures by Function
- * General Governmental Revenues by Source
- * General Governmental Tax Revenues by Source
- * Property Tax Levies and Collections
- * Assessed Value of Taxable Property
- * Consolidated Tax Rates
- * Consolidated Tax Levies
- * Principal Taxpayers
- * Special Assessment Billings and Collections
- * Computation of Legal Debt Margin
- * Construction, Property Value, and Bank Deposits
- * Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita
- * Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures
- * Computation of Direct and Overlapping Debt
- * Insurance In Force
- * Population, Per Capita Income and Unemployment
- * Major Employers in Metropolitan Area
- * Miscellaneous Statistical Data

MULTNOMAH COUNTY, OREGON
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

Fiscal Year	General government	Health and social services	Public safety and justice	Community services	Roads and bridges	Capital outlay	Debt service	Total
1988	\$ 23,569	\$ 59,561	\$ 41,500	\$ 26,959	\$ 18,162	\$ 6,755	\$ 10,079 (2)	\$ 186,585
1989	27,535	74,212	49,314	25,128	21,101	14,799	11,859 (2)	223,948
1990	28,771	84,813	54,317	26,668	24,246	17,224	3,175	239,214
1991	33,957	104,862	57,669	30,290	24,120	16,587	4,677	272,162
1992	31,503	116,629	71,167	30,481	25,613	7,164	4,286	286,843
1993	43,612	133,653	76,324	26,315	27,323	14,872	5,146	327,245
1994	45,648	147,372	82,938	27,481	28,220	25,081	4,472	361,212
1995	36,108	165,239	93,059	32,765	30,200	24,539	9,849	391,759
1996	35,086	181,526	96,519	35,707	32,596	33,069	8,648	423,151
1997	28,298	190,540	113,263	56,913	34,052	33,717	18,363	475,146

(1) All Governmental Fund Types (Budgetary basis)

(2) Includes previously non-budgeted tax anticipation notes

Source: Current and prior years' financial statements.

MULTNOMAH COUNTY, OREGON
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Taxes	Intergovernmental	Licenses and permits	Charges for services	Interest	Special assessments	Other	Total
1988	\$ 99,587	\$ 61,089	\$ 1,790	\$ 6,468	\$ 3,482	\$ 470	\$ 7,708	\$ 180,594
1989	108,880	76,023	6,363	7,405	4,686	351	10,490	214,198
1990	114,806	85,820	1,788	8,269	4,628	321	12,297	227,929
1991	128,642	106,962	2,139	9,307	3,940	155	20,146	271,291
1992	127,545	124,711	2,566	10,023	2,943	47	17,952	285,787
1993	142,569	134,774	2,833	10,763	3,468	45	23,846	318,298
1994	151,617	149,009	2,591	11,280	4,143	21	29,975	348,636
1995	171,068	162,133	2,683	8,880	5,676		28,549 (2)	378,989
1996	185,008	172,031	2,703	12,864	5,476		29,888 (3)	407,970
1997	217,295	184,697	2,751	14,882	9,691		37,244 (4)	466,560

(1) All Governmental Fund Types (Budgetary basis)

(2) Includes \$12 of special assessments revenue.

(3) Includes \$7 of special assessments revenue.

(4) Includes \$14 of special assessments revenue.

Source: Current and prior years' financial statements.

MULTNOMAH COUNTY, OREGON
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Property	Transient lodging	Business income	Gasoline	Motor vehicle rental	Other	Total
1988	\$ 74,373	\$ 2,415	\$ 10,600	\$ 7,103	\$ 3,557	\$ 1,539	\$ 82,864
1989	79,051	2,695	14,600	7,172	4,011	1,351	108,880
1990	82,366	3,699	13,740	6,945	5,386	2,670	114,806
1991	97,881	3,278	14,440	6,616	4,814	1,613	128,642
1992	89,789	3,466	19,920	7,023	4,978	2,369	127,545
1993	99,609	3,962	23,872	6,854	5,926	2,346	142,569
1994	110,239	3,553	22,912	6,926	6,389	1,598	151,617
1995	122,259	4,538	27,048	7,838	7,410	1,975	171,068
1996	131,620	5,032	30,040	7,770	8,694	1,852	185,008
1997	158,877	6,162	33,255	7,411	9,589	2,001	217,295

(1) All Governmental Fund Types (Budgetary basis)

Source: Current and prior years' financial statements.

**MULTNOMAH COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(unaudited)**

Fiscal Year	Tax levy	Current collections	Collections as a % of levy	Prior year collections	Total collections	Total collections as a % of levy	Uncollected taxes	Uncollected taxes as a % of levy
1988	\$ 76,598	\$ 70,522	92.07 %	\$ 3,851	\$ 74,373	97.10 %	\$ 8,988	11.73 %
1989	80,476	74,063	92.03	4,988	79,051	98.23	9,947	12.36
1990	84,647	78,422	92.65	3,944	82,366	97.31	12,228	14.45
1991	100,605	93,536	92.97	4,345	97,881	97.29	11,282	11.21
1992 (2)	91,957	84,838	92.26	4,951	89,789	97.64	10,893	11.85
1993	101,479	95,001	93.62	4,608	99,609	98.16	10,481	10.33
1994	110,598	105,430	95.33	4,809	110,239	99.68	10,035	9.07
1995	123,672	117,051	94.65	5,208	122,259	98.86	8,258	6.68
1996	135,104	128,020	94.76	3,600	131,620	97.42	8,152	6.03
1997	162,985	154,723	94.93	4,155	158,878	97.48	8,924	5.48

(1) All Governmental Fund Types (Budgetary basis)

(2) Property tax limitation Measure #5 went into effect.

Source: Current and prior years' financial statements.

MULTNOMAH COUNTY, OREGON
ASSESSED VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Personal property	Public utility property	Commercial property	Residential property	Total
1988	\$ 1,023,969	\$ 1,288,194	\$ 7,490,818	\$ 8,445,202	\$ 18,248,183
1989	1,004,733	1,303,507	7,499,167	8,464,224	18,271,631
1990	1,032,886	1,417,606	7,631,464	8,579,922	18,661,878
1991	1,131,574	1,517,037	8,164,555	9,362,368	20,175,534
1992	1,130,602	1,426,209	9,761,548	11,007,703	23,326,062
1993	1,236,666	1,530,373	9,880,502	12,879,169	25,526,710
1994	1,203,111	1,628,475	9,941,135	14,727,420	27,500,141
1995	1,218,157	1,576,140	10,740,016	17,177,183	30,711,496
1996	1,330,246	1,647,640	11,938,742	19,766,868	34,683,496
1997	1,517,728	1,794,013	12,768,546	22,380,651	38,460,938

(1) Oregon law requires that assessed value approximate real market value

Source: Multnomah County Division of Assessment and Taxation

**MULTNOMAH COUNTY, OREGON
CONSOLIDATED TAX RATES (1)
LAST TEN FISCAL YEARS
(unaudited)**

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1988	\$ 4.19	\$ 6.37	\$ 0.79	\$ 17.52	\$ 0.01	\$ 0.32	\$ 0.77	\$ 29.97
1989	4.39	6.43	0.76	18.45	0.02	0.37	0.90	31.32
1990	4.54	7.48	0.74	19.22	0.02	0.34	1.05	33.39
1991	4.99	7.54	0.69	18.83	0.01	0.29	1.11	33.46
1992 (2)	3.94	5.87	0.55	15.62	0.01	0.27	0.76	27.02
1993	3.98	5.91	0.71	13.33	0.01	0.22		24.16
1994	4.02	5.92	0.62	10.76	0.01	0.19		21.52
1995	4.03	5.92	0.49	8.12	0.01	0.07		18.64
1996	3.90	5.79	0.68	5.58		0.08	0.07	16.10
1997	4.24	5.47	0.55	6.20		0.07	0.47	17.00

(1) These are average rates and are stated in dollar and cents per \$1,000 of assessed value.

(2) Property tax limitation Measure #5 went into effect.

Source: Multnomah County Division of Assessment and Taxation current and prior years' annual reports.

**MULTNOMAH COUNTY, OREGON
CONSOLIDATED TAX LEVIES
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(unaudited)**

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1988	\$ 76,598	\$ 116,303	\$ 13,983	\$ 319,651	\$ 270	\$ 5,825	\$ 14,091	\$ 546,721
1989	80,476	117,471	15,805	337,013	269	6,785	16,520	574,339
1990	84,647	139,605	13,869	358,770	298	6,266	19,566	623,021
1991	100,605	152,122	13,875	379,882	277	5,852	22,338	674,951
1992 (1)	91,957	136,958	12,780	364,468	260	6,362	17,656	630,441
1993	101,479	150,788	18,124	340,345	273	5,539	23	616,571
1994	110,598	162,870	17,068	295,852	290	5,298	21	591,997
1995	123,672	181,848	15,110	249,441	307	2,145	25	572,548
1996	135,104	200,896	23,515	193,685	155	2,633	2,520	558,508
1997	162,985	210,568	20,970	238,347	169	2,763	18,020	653,822

(1) Property tax limitation Measure #5 went into effect.

Source: Multnomah County Division of Assessment and Taxation current and prior years' annual reports.

MULTNOMAH COUNTY, OREGON
PRINCIPAL TAXPAYERS
June 30, 1997
(amounts expressed in thousands)
(unaudited)

Taxpayer account	Type of business	1997 Assessed Valuation	Percentage of total assessed Valuation (1)
U. S. West Communications	Telephone utility	\$ 420,259	1.1 %
Portland General Electric	Electric utility	216,552	0.6
PacifiCorp (Pacific Power and Light)	Electric utility	186,336	0.5
Boeing Company	Aircraft parts	181,384	0.5
Oregon Arena Corporation	Property management	124,000	0.3
Alaska Airlines, Inc.	Airline	121,041	0.3
United Airlines, Inc.	Airline	118,286	0.3
SI - Lloyd Associates	Property management	108,702	0.3
Delta Airlines, Inc.	Airline	95,270	0.3
US Bancorp	Banking	81,019	0.2
		<u>\$ 1,652,849</u>	<u>4.4 %</u>

(1) The 1997 real market valuation for Multnomah County is \$38,460,938.

Source: Multnomah County Division of Assessment and Taxation.

MULTNOMAH COUNTY, OREGON
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
 (amounts expressed in thousands)
 (unaudited)

Fiscal Year	Assessments outstanding July 1	Assessments billed	Assessments collected	Assessments outstanding June 30
1988	\$ 1,363	\$ 90	\$ 454	\$ 999
1989	999		342	657
1990	657		311	346
1991	346		168	178
1992	178		56	122
1993	122		38	84
1994	84		36	48
1995	48		12	36
1996	36		7	29
1997	29		14	15

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 1997
(amounts expressed in thousands)
(unaudited)

ORS 287.054 provides a debt limit of 2% of the real market value of all taxable property within the County's boundaries.

Real market value (1996-97)	\$ 38,460,938
Debt limit	<u>2.00%</u>
	769,219
Less bonded debt at June 30	<u>136,375</u>
Legal debt margin	<u><u>\$ 632,844</u></u>

MULTNOMAH COUNTY, OREGON
CONSTRUCTION, PROPERTY VALUE, AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Commercial		Residential		Total		Bank deposits in \$(000) (2)
	Number of units (1) (7)	Value in \$(000)	Number of units (1)	Value in \$(000)	Number of units	Value in \$(000)	
1988	2,330	\$ 281,379	3,375	\$ 122,992	5,705	\$ 404,371	\$ 15,565,042
1989 (3)	1,774	153,353	2,517	79,347	4,291	232,700	18,963,486
1990 (4)	1,218	99,052	2,523	92,666	3,741	191,718	8,390,851
1991	2,450	102,805	5,540	208,193	7,990	310,998	11,190,032
1992	2,387	134,681	5,852	281,327	8,239	416,008	9,568,464
1993	2,367	211,211	6,026	254,668	8,393	465,879	11,222,080
1994 (5)	1,106	228,787	2,757	117,655	3,863	346,442	9,536,224
1995	920	323,947	2,273	115,317	3,193	439,264	11,552,255
1996			4,453	320,871	4,453	320,871	11,414,176
1997			(6) 1,705	146,662	1,705	146,662	14,543,385

(1) Information maintained on a calendar year basis

(2) June 30, each year

(3) January through June 1989

(4) January through June 1990

(5) January through June 1994

(6) January through June 1997

(7) Information on commercial properties no longer available as of January 1996

Sources: Center for Population Research & Census, Portland State University and State of Oregon Banking Commission

MULTNOMAH COUNTY, OREGON
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Population (2)	Assessed Value (3)	Gross Bonded Debt	Less Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (3)	Net Bonded Debt per Capita (5)
1994	620,000	\$ 27,500,141	\$ 22,000	\$ 1,935	\$ 20,065	0.07 %	\$ 32
1995	626,500	30,711,496	29,705	7,021	22,684	0.07	36
1996	636,000	34,683,496	28,710	7,905	20,805	0.06	33
1997	636,000	38,460,938	136,375	14,977	121,398	3.16	190

(1) 1994 was the first year in which Multnomah County had general obligation bonded debt in the last ten fiscal years

(2) Population not expressed in thousands

(3) Oregon law requires that assessed value approximate real market value

(4) Amount available for repayment of general obligation bonds

(5) Net Bonded Debt stated in dollars

Source: Current financial statements.

MULTNOMAH COUNTY, OREGON
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS (1)
 (amounts expressed in thousands)
 (unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to General Government Expenditures
1995	\$ 1,295	\$ 1,348	\$ 2,643	\$ 391,759	0.7 %
1996	995	1,474	2,469	423,151	0.6
1997	1,035	2,911	3,946	475,146	0.8

(1) 1995 was the first year that Multnomah County began retiring general obligation bonded debt in the last ten fiscal years

Source: Current financial statements.

MULTNOMAH COUNTY, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 1997
(amounts expressed in thousands)
(unaudited)

Overlapping District	Percent Overlapping	Overlapping	
		Gross (1) Bonded Debt	Net (2) Direct Debt
Mt. Scott Water District	0.89 %	\$ 21	\$ 21
Clackamas County School District 7	0.43	94	94
City of Lake Oswego	6.64	1,256	1,256
City of Milwaukie	0.39	17	17
Scappoose RFPD	7.31	15	15
Columbia County School District 1J	3.51	89	89
Port of Portland	44.61	20,493	20,366
Powell Valley Road Water District	100.00	289	
Metro	48.82	107,505	106,423
Tri-County Metropolitan Transp. Service District	48.64	66,164	66,164
Sauvie Island RFPD 30	100.00	300	300
Multnomah County School District 1J	99.20	261,963	261,963
Multnomah County School District 3	100.00	34,015	34,015
Multnomah County School District 7	100.00	30,990	30,990
Multnomah County School District 19	100.00	280	280
Multnomah County School District 28J	92.09	11,755	11,755
Multnomah County School District 39	100.00	6,850	6,850
Multnomah County School District 40	100.00	18,185	18,185
Multnomah County School District 51J	95.92	10,532	10,532
Multnomah County 10J	80.86	28,866	28,866
Orient School District 6 Bonds	55.26	1,339	1,339
Gresham Grade School District 4 Bonds	100.00	22,185	22,185
Mount Hood Community College	82.73	2,908	2,908
Portland Community College	45.09	23,832	23,832
City of Fairview	100.00	181	
City of Gresham	100.00	11,881	11,510
City of Portland	99.59	230,626	146,651
City of Troutdale	100.00	6,062	2,095
City of Wood Village	100.00	485	485
Unified Sewerage Agency	0.75	30	23
Tualatin Valley Fire and Rescue	2.19	15	15
Washington County School District 48J	0.46	583	583
		\$ 899,806	\$ 809,807

(1) Includes all bonds backed by a general obligation pledge, including Bancroft general obligation improvement bonds and self-supporting general obligation bonds.

(2) Includes all tax-supported bonds.

Source: Municipal Debt Advisory Commission, Oregon State Treasury

**MULTNOMAH COUNTY, OREGON
INSURANCE IN FORCE
June 30, 1997
(unaudited)**

<u>Insurance Company</u>	<u>Coverage</u>	<u>Expiration</u>
American Protection Insurance Co. Policy No. 3ZT746102-06	Buildings and Equipment	10/02/97
American Protection Insurance Co. Policy No. 3ZT746102-06	Comprehensive Boiler and Machinery	10/02/97
American Protection Insurance Co. Policy No. 3ZT746102-06	Hull and Machinery Marine Policy	10/02/97
American Protection Insurance Co. Policy No. 3ZG002026-03	Justice Center Equipment Policy	11/28/97
Lumbermens Mutual Casualty Policy No. 3MF746102-06	Liability Policy	10/02/97
Republic Western Policy No. RWC 38-55407	Excess Workers' Compensation	07/01/97
Hartford Insurance Co. Policy No. PEBZE 67 13	Blanket Faithful Performance Bond	01/01/98
Hartford Insurance Co. Bond No. 5088331	Faithful Performance Bond - Public Official Tax Collector	01/01/98
Hartford Insurance Co. Bond No. 5088332	Finance Director	01/01/98
Hartford Insurance Co. Bond No. 5091060	Treasury Manager	01/01/98
Hartford Insurance Co. Bond No. 5088334	Faithful Performance Bond - Public Guardian	01/01/98
Hartford Insurance Co. Bond No. SUN404213	DEQ License Bond (Multnomah County)	01/01/98
Hartford Insurance Co. Bond No. 5087364	DEQ License Bond (Mechanic/Equipment Operator)	01/01/99
Hartford Insurance Co. Bond No. SUN404214	DEQ License Bond (Mechanic/Equipment Operator/Fleet Inspector)	01/01/98
Hartford Insurance Co. Bond No. 5088391	DEQ License Bond (Mechanic/Equipment Operator)	01/01/99
Hartford Insurance Co. Bond No. SUN403141	DEQ License Bond (Fleet Inspector)	01/01/99

Source: County Insurance Agent

**MULTNOMAH COUNTY, OREGON
POPULATION, PER CAPITA INCOME AND UNEMPLOYMENT
LAST TEN FISCAL YEARS
(unaudited)**

Fiscal Year	Population	Per capita income (1)	Unemployment rate (2)
1988	570,500	\$ 17	4.8 %
1989	581,000	18	4.5
1990	580,029	19	4.2
1991	600,000	19	4.9
1992	605,000	21	6.2
1993	615,000	23	6.0
1994	620,000	24	4.5
1995	626,500	26	3.8
1996	636,000	N/A	4.8
1997	636,000	N/A	4.0 (3)

(1) Amounts expressed in thousands

(2) Portland Metropolitan Statistical Area

(3) Preliminary estimate

N/A means not available at current time

Source: Employment Division, Oregon State Department of Human Resources

MULTNOMAH COUNTY, OREGON
MAJOR EMPLOYERS IN METROPOLITAN AREA
June 30, 1997
(unaudited)

Employer	Product or Service	1996 Employment
Intel Corporation	Semiconductor integrated circuits	9,500
Fred Meyer, Inc.	Grocery and retail variety chain	8,905
Kaiser Permanente	Hospitals and clinics	7,663
Providence Health Care System	Hospitals and clinics	7,250
U. S. Bancorp	Bank and holding company	6,242
Legacy Health System	Hospital and health services	4,900
Freightliner Corporation	Medium and heavy-duty trucks	4,600
Tektronix	Electronic instruments	4,548
Wells Fargo & Co.	Bank	4,000
Safeway Stores	Grocery chain stores	4,000
Nike	Sports shoes and apparel	3,900
U. S. West Communications	Communications utility	3,440
United Parcel Service	Small package transport	3,100
Hewlett-Packard Co.	Computer printers	2,679
Thrifty Payless Inc.	Retail drug stores	2,300
Portland General Corp.	Electric energy	2,250
Pacificorp	Diversified electric utility	2,247
James River Corporation	Pulp and paper packaging	2,150
Precision Castparts	Steel castings	2,120
Blue Cross & Blue Shield of Oregon	Health insurance & HMO	2,105
Consolidated Freightways Inc.	Transportation	2,000
Shari's Management Corp.	Restaurant chain	2,000
Southwest Washington Medical Center	Medical care	2,000
Meier and Frank Company	Department stores	1,985
Horizon Air	Airline	1,800
Nordstrom	Retail specialty stores	1,700
Sequent Computer Systems	Parallel computer systems	1,650
Adventist Medical Center	Health services	1,500
McDonalds Corporation	Restaurants	1,500
SEH America	Silicon wafers	1,450
The Boeing Co.	Aircraft parts	1,400
Red Lion Hotels & Inns	Hotel/motel chain	1,400
Gunderson Inc.	Railroad freight cars	1,300
J.C. Penney Co.	Department stores	1,300
Restaurant Management Northwest	Burger King restaurants	1,300
Federal Government		17,600
State Government		12,700
Portland School District		6,600
City of Portland		5,172
Multnomah County		3,948
Tri - Met		2,230

Source: Chamber of Commerce and Employment Division, State of Oregon

MULTNOMAH COUNTY, OREGON
MISCELLANEOUS STATISTICAL DATA
 June 30, 1997
 (unaudited)

GENERAL	
Date of incorporation	1854
Date present charter adopted	1967
Date present charter amended	1990
Form of government	Home Rule Charter
Area - square miles	465
Multnomah County employees:	
Management and exempt	581
Bargaining units	3,367
MILES OF STREETS (UNINCORPORATED AREA)	
Paved	322
Unpaved	11
FIRE PROTECTION	
Number of stations	38
Number of employees:	
Full-time	850
Part-time	2
Volunteer	105
SHERIFF PROTECTION	
Number of arrests (Parts 1,2 & 3 crimes)	2,523
Vehicular patrol units	28
Number of employees (sworn and civilian)	729
Jails:	
Facilities	5
Population	1,406
RECREATION	
Parks:	
Number of acres	2,089
Number of facilities	28
Number of playgrounds	7
Number of golf courses	1
EDUCATION	
Number of schools:	
Elementary	130
Alternative special	7
Junior/senior high school	2
High schools	17
Colleges	18
Employees:	
Principals and vice principals	247
Administrative and support	3,145
Teachers	4,640
Number of students (estimated)	85,848
Average daily attendance (estimated)	84,227
SEWAGE DISPOSAL	
Number of accounts	553
STREET LIGHTING	
Number of Lights	3,113
ELECTIONS	
Number of registered voters	404,098
Number of votes cast in last general election	273,594
Percentage of registered voters voting in last general election	67.7%

AUDIT COMMENTS AND DISCLOSURES
Required by State Regulations

**MULTNOMAH COUNTY, OREGON
AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

Introduction

Oregon Administrative Rules 162-10-050 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in the preceding sections of this report.

KPMG Peat Marwick LLP's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* is set forth in the following pages.

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Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

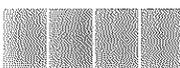
The Board of County Commissioners
Multnomah County, Oregon
Portland, Oregon:

We have audited the general purpose financial statements of Multnomah County, Oregon (the County) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 5, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, including provisions of Oregon Revised Statutes as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The amount and adequacy of collateral pledged by depositors to secure the deposit of public funds.
- The legal requirements relating to debt.
- The legal requirements relating to the preparation, adoption and execution of the annual budget for fiscal 1997 and 1998.
- The legal requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The legal requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the use of road funds.
- The legal requirements pertaining to the investment of public funds.
- The legal requirements pertaining to the awarding of public contracts and the construction of public improvements.



The Board of County Commissioners
Multnomah County, Oregon

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance concerning overexpenditures of budgeted appropriations as described in note 10 to the County's general purpose financial statements.

We considered the aforementioned instances of noncompliance in forming our opinion on whether the County's 1997 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated December 5, 1997 on those general purpose financial statements. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County in a separate letter dated December 5, 1997.

This report is intended for the information of the Board of County Commissioners, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

December 5, 1997
Portland, Oregon

