

ANNOTATED MINUTES

Tuesday, March 18, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

BOARD BRIEFINGS

Chair Beverly Stein convened the meeting at 9:33 a.m., with Commissioners Sharron Kelley, Tanya Collier and Dan Saltzman present, and Vice-Chair Gary Hansen arriving at 9:35 a.m.

- B-1 Discussion of the Truancy Reduction Program, an Intergovernmental Effort Funded by an Edward Byrne Memorial State and Local Formula Grant. Presented by Elyse Clawson, Joanne Fuller, Jimmy Brown and Bill Morris.

Vice-Chair Hansen arrived at 9:35 a.m.

**ELYSE CLAWSON, BILL MORRIS, MICHAEL STARK
AND HELEN TESSELAAR PRESENTATION AND
RESPONSE TO BOARD QUESTIONS, DISCUSSION
AND COMMENTS IN SUPPORT. BOARD
CONSIDERATION OF BUDGET MODIFICATION ON
THURSDAY.**

- B-3 Update on Implementation of Armed Units for Defensive Response Only in Adult Community Justice. Presented by Elyse Clawson, Bob Grindstaff and Michael Haines.

**ELYSE CLAWSON, MICHAEL HAINES, CARRIE
KIRKPATRICK, BOB GRINDSTAFF AND GERARD
WELCH PRESENTATION AND RESPONSE TO
BOARD QUESTIONS AND DISCUSSION. STAFF TO
COME BACK WITH BRIEFING UPDATE AND
RECOMMENDATIONS REGARDING VOLUNTARY
OR MANDATORY ARMING FOR BOARD VOTE ON
THURSDAY, JULY 10, 1997.**

Vice-Chair Hansen was excused at 11:04 a.m.

- B-2 Multnomah County Audit Committee Presentation of Comprehensive Annual Financial Report and Single Audit Report for Fiscal Year Ending June 30, 1996. Presented by Sharon De La Rosa.

DAVE BOYER, SHARON DE LA ROSA AND JEAN UZELAC PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND COMMENTS IN SUPPORT.

Chair Stein was excused at 11:25 a.m.

There being no further business, the meeting was adjourned at 11:35 a.m.

Thursday, March 20, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

REGULAR MEETING

Chair Beverly Stein convened the meeting at 9:32 a.m., with Vice-Chair Gary Hansen and Commissioners Sharron Kelley, Tanya Collier and Dan Saltzman present.

CONSENT CALENDAR

AT THE REQUEST OF CHAIR STEIN AND UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER SALTZMAN, CONSENT CALENDAR ITEMS C-1 AND C-2 AND C-4 THROUGH C-16 WERE UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL

- C-1 Appointment of Kirby Steinhauer to the ANIMAL CONTROL ADVISORY COMMITTEE

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

- C-2 Amendment 2 to Intergovernmental Agreement 100197 with Oregon Health Sciences University, Addictions Treatment and Training Clinic, Extending DUII Information and Rehabilitation Programs through June 30, 1997

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-4 ORDER Authorizing Execution of Replacement Deed D971414 for Certain Tax Acquired Property to John E. McKibben

ORDER 97-39.

- C-5 ORDER Authorizing Execution of Replacement Deed D971415 for Certain Tax Acquired Property to Jamal Tarhuni

ORDER 97-40.

- C-6 ORDER Authorizing Execution of Replacement Deed D971416 for Certain Tax Acquired Property to Jamal Tarhuni

ORDER 97-41.

- C-7 ORDER Authorizing Execution of Deed D971419 Upon Complete Performance of a Contract to Charles Washington

ORDER 97-42.

- C-8 ORDER Authorizing Execution of Deed D971421 Upon Complete Performance of a Contract to Richard Williams and Janette Williams

ORDER 97-43.

- C-9 ORDER Authorizing Execution of Deed D971422 for Certain Tax Acquired Property to Hubbard Construction Corp.

ORDER 97-44.

- C-10 ORDER Authorizing Execution of Deed D971423 for Certain Tax Acquired Property to King T. and Mei S. Ha

ORDER 97-45.

- C-11 ORDER Authorizing Execution of Deed D971425 for Certain Tax Acquired Property to Fish Construction NW, Inc.

ORDER 97-46.

C-12 ORDER Authorizing Execution of Deed D971426 for Certain Tax Acquired Property to Alemseged Gebrehiwot and Getachew Gebrehiwot

ORDER 97-47.

C-13 ORDER Authorizing Execution of Deed D971427 for Certain Tax Acquired Property to King T. and Mei S. Ha

ORDER 97-48.

C-14 ORDER Authorizing Execution of Deed D971428 for Certain Tax Acquired Property to Fish Construction NW, Inc.

ORDER 97-49.

DISTRICT ATTORNEY'S OFFICE

C-15 Amendment 1 to Intergovernmental Revenue Agreement 500447 with the State Office for Services to Children and Families, Providing Additional Funding to the CAMI Child Abuse Program for the Period Ending December 31, 1996

C-16 Renewal of Intergovernmental Revenue Agreement 500447 with the State Office for Services to Children and Families, Providing Funding to the CAMI Child Abuse Program for the Period Ending December 31, 1997

REGULAR AGENDA

DEPARTMENT OF ENVIRONMENTAL SERVICES

C-3 CU 7-96/SEC 33-96 Report the Hearings Officer Decision Regarding Denial of a Conditional Use Permit for a Template Dwelling and a Significant Environmental Concern Permit for Property in the Commercial Forest District, Located at 10220 NW 160th AVENUE

AT THE REQUEST OF CHAIR STEIN WHO ADVISED AN APPEAL WAS FILED, AND UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER SALTZMAN, IT WAS UNANIMOUSLY APPROVED THAT A DE NOVO HEARING BE SCHEDULED FOR 9:30 AM, TUESDAY, APRIL 1, 1997, WITH TESTIMONY LIMITED TO 20 MINUTES PER SIDE.

PUBLIC COMMENT

- R-1 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

NO ONE WISHED TO COMMENT.

NON-DEPARTMENTAL

- R-2 Presentation of the Multnomah County Central Citizen Budget Advisory Committee 1996 Dedicated Fund Review Report by Jack Pessia, Chair

***JACK PESSIA PRESENTATION. CHAIR STEIN
COMMENTS IN APPRECIATION.***

DEPARTMENT OF HEALTH

- R-3 RESOLUTION Regarding Transfer of CareOregon, a Division of the Multnomah County Health Department, to CareOregon, Inc.

***COMMISSIONER SALTZMAN MOVED AND
COMMISSIONER KELLEY SECONDED, APPROVAL
OF R-3. MARY LOU HENNRICH EXPLANATION
AND RESPONSE TO BOARD QUESTIONS AND
COMMENTS IN APPRECIATION. RESOLUTION 97-
50 UNANIMOUSLY APPROVED.***

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-4 RESOLUTION Authorizing Condemnation and Immediate Possession of Certain Real Properties Necessary to Complete Permanent Slide Damage Repairs to SW Scholls Ferry Road

***COMMISSIONER KELLEY MOVED AND
COMMISSIONER SALTZMAN SECONDED,
APPROVAL OF R-4. JOHN THOMAS
EXPLANATION, ADVISING THE PARTIES WOULD
BE ENTERING MEDIATION ON APRIL 16, 1997 AND
THE ISSUE WOULD COME BACK BEFORE THE
BOARD MAY 1, 1997 IF NECESSARY. RESOLUTION
97-51 UNANIMOUSLY APPROVED.***

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE

- R-5 Budget Modification DJJS 4 Appropriating \$250,000 in Criminal Justice
Truancy Diversion Program Grant Dollars to Fund Staff and Contracted Services
to Youth

**COMMISSIONER SALTZMAN MOVED AND
COMMISSIONER HANSEN SECONDED, APPROVAL
OF R-5. ELYSE CLAWSON EXPLANATION AND
RESPONSE TO BOARD QUESTIONS.
COMMISSIONER COLLIER MOVED, SECONDED BY
COMMISSIONER KELLEY, TO ELIMINATE THE
INCENTIVE PROPOSAL FROM THE BUDGET
MODIFICATION. COMMISSIONER COLLIER
COMMENTS IN SUPPORT OF HER MOTION. MS.
CLAWSON AND HELEN TESSELAAR RESPONSE TO
BOARD QUESTIONS. COMMISSIONER HANSEN
COMMENTS IN SUPPORT OF AMENDMENT.
COMMISSIONER SALTZMAN AND CHAIR STEIN
COMMENTS IN SUPPORT OF INCENTIVE
PROGRAMS. FOLLOWING BOARD DISCUSSION,
AMENDMENT THAT NO FUNDS WILL BE SPENT
ON PROGRAM INCENTIVES APPROVED, WITH
COMMISSIONERS KELLEY, COLLIER AND
HANSEN VOTING AYE, AND COMMISSIONERS
SALTZMAN AND STEIN VOTING NO. BUDGET
MODIFICATION UNANIMOUSLY APPROVED, AS
AMENDED.**

*There being no further business, the regular meeting was adjourned at 10:40
a.m. and the briefing convened at 10:44 a.m.*

Thursday, March 20, 1997 - 10:15 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

BOARD BRIEFING

- B-4 Discussion of the Oregon Domestic Violence Council Publication of "A
Collaborative Approach to Domestic Violence, Oregon Protocol Handbook".
Presented by Joanne Fuller and Chiquita Rollins.

**JOANNE FULLER, CHIQUITA ROLLINS, ROD
UNDERHILL AND ROSEMARY LIONS
PRESENTATION AND RESPONSE TO BOARD
QUESTIONS AND DISCUSSION.**

Commissioner Collier was excused at 11:17 a.m.

There being no further business, the meeting was adjourned at 11:20 a.m.

BOARD CLERK FOR MULTNOMAH COUNTY, OREGON

Deborah L. Bogstad



MULTNOMAH COUNTY OREGON

BOARD CLERK

OFFICE OF BEVERLY STEIN, COUNTY CHAIR
1120 SW FIFTH AVENUE, SUITE 1515
PORTLAND, OREGON 97204
TELEPHONE • (503) 248-3277
FAX • (503) 248-3013

BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN •	CHAIR	•248-3308
DAN SALTZMAN •	DISTRICT 1	• 248-5220
GARY HANSEN •	DISTRICT 2	•248-5219
TANYA COLLIER •	DISTRICT 3	•248-5217
SHARRON KELLEY •	DISTRICT 4	•248-5213

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

AGENDA

FOR THE WEEK OF

MARCH 17, 1997 - MARCH 21, 1997

Tuesday, March 18, 1997 - 9:30 AM - Board Briefings..... Page 2

Thursday, March 20, 1997 - 9:30 AM - Regular Meeting.....Page 2

Thursday, March 20, 1997 - 10:15 AM - Board Briefing.....Page 5

*Thursday Meetings of the Multnomah County Board of Commissioners are *cable-cast* live and taped and can be seen by Cable subscribers in Multnomah County at the following times:*

Thursday, 9:30 AM, (LIVE) Channel 30

Friday, 10:00 PM, Channel 30

Sunday, 1:00 PM, Channel 30

Produced through Multnomah Community Television

INDIVIDUALS WITH DISABILITIES MAY CALL THE BOARD CLERK AT (503) 248-3277, OR MULTNOMAH COUNTY TDD PHONE (503) 248-5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

AN EQUAL OPPORTUNITY EMPLOYER

Tuesday, March 18, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
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BOARD BRIEFINGS

- B-1 *Discussion of the Truancy Reduction Program, an Intergovernmental Effort Funded by an Edward Byrne Memorial State and Local Formula Grant. Presented by Elyse Clawson, Joanne Fuller, Jimmy Brown and Bill Morris. 1 HOUR REQUESTED.*
- B-2 *Multnomah County Audit Committee Presentation of Comprehensive Annual Financial Report and Single Audit Report for Fiscal Year Ending June 30, 1996. Presented by Sharon De La Rosa. 30 MINUTES REQUESTED.*
- B-3 *Update on Implementation of Armed Units for Defensive Response Only in Adult Community Justice. Presented by Elyse Clawson, Bob Grindstaff and Michael Haines. 1 HOUR REQUESTED.*
-

Thursday, March 20, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
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REGULAR MEETING

CONSENT CALENDAR

NON-DEPARTMENTAL

- C-1 *Appointment of Kirby Steinhauer to the ANIMAL CONTROL ADVISORY COMMITTEE*

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

- C-2 *Amendment 2 to Intergovernmental Agreement 100197 with Oregon Health Sciences University, Addictions Treatment and Training Clinic, Extending DUII Information and Rehabilitation Programs through June 30, 1997*

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-3 CU 7-96/SEC 33-96 Report the Hearings Officer Decision Regarding Denial of a Conditional Use Permit for a Template Dwelling and a Significant Environmental Concern Permit for Property in the Commercial Forest District, Located at 10220 NW 160th AVENUE
- C-4 ORDER Authorizing Execution of Replacement Deed D971414 for Certain Tax Acquired Property to John E. McKibben
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- C-14 ORDER Authorizing Execution of Deed D971428 for Certain Tax Acquired Property to Fish Construction NW, Inc.

DISTRICT ATTORNEY'S OFFICE

- C-15 Amendment 1 to Intergovernmental Revenue Agreement 500447 with the State Office for Services to Children and Families, Providing Additional

*Funding to the CAMI Child Abuse Program for the Period Ending
December 31, 1996*

- C-16 *Renewal of Intergovernmental Revenue Agreement 500447 with the State
Office for Services to Children and Families, Providing Funding to the
CAMI Child Abuse Program for the Period Ending December 31, 1997*

REGULAR AGENDA

PUBLIC COMMENT

- R-1 *Opportunity for Public Comment on Non-Agenda Matters. Testimony
Limited to Three Minutes Per Person.*

NON-DEPARTMENTAL

- R-2 *Presentation of the Multnomah County Central Citizen Budget Advisory
Committee 1996 Dedicated Fund Review Report by Jack Pessia, Chair*

DEPARTMENT OF HEALTH

- R-3 *RESOLUTION Regarding Transfer of CareOregon, a Division of the
Multnomah County Health Department, to CareOregon, Inc.*

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-4 *RESOLUTION Authorizing Condemnation and Immediate Possession of
Certain Real Properties Necessary to Complete Permanent Slide
Damage Repairs to SW Scholls Ferry Road*

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE

- R-5 *Budget Modification DJJS 4 Appropriating \$250,000 in Criminal Justice
Truancy Diversion Program Grant Dollars to Fund Staff and Contracted
Services to Youth*

Thursday, March 20, 1997 - 10:15 AM
(OR IMMEDIATELY FOLLOWING REGULAR MEETING)
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

BOARD BRIEFING

*B-4 Discussion of the Oregon Domestic Violence Council Publication of
"A Collaborative Approach to Domestic Violence, Oregon Protocol
Handbook". Presented by Joanne Fuller and Chiquita Rollins. 20
MINUTES REQUESTED.*



MULTNOMAH COUNTY OREGON

BOARD CLERK

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SHARRON KELLEY •	DISTRICT 4	•248-5213

MEMORANDUM

TO: *Multnomah County Agenda Subscribers*

FROM: *Deb Bogstad, Board Clerk*

DATE: *March 13, 1997*

RE: *New Location for County Commission Meetings*

Effective April 1, 1997, the Multnomah County Board of Commissioners will turn hearing room 602 and room 604 in the County Courthouse over to the State Judicial System for operation of District and Circuit Courts.

In cooperation with the Portland City Council and Mayor, the Board of Commissioners will hold its weekly meetings in the auditorium on the second floor of the Portland Building, 1120 SW Fifth, Portland, Oregon, beginning the first week of April, 1997.

MEETING DATE: March 18, 1997
AGENDA #: B-1
ESTIMATED START TIME: 9:30 am

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Truancy Reduction Program Briefing

BOARD BRIEFING: DATE REQUESTED: Tuesday, March 18, 1997
REQUESTED BY: Chair Beverly Stein
AMOUNT OF TIME NEEDED: 1 hour

REGULAR MEETING: DATE REQUESTED: _____
AMOUNT OF TIME NEEDED: _____

DEPARTMENT: DJACJ DIVISION: Juvenile Community Justice

CONTACT: Joanne Fuller TELEPHONE #: 306-5599
BLDG/ROOM #: 311

PERSON(S) MAKING PRESENTATION: Elyse Clawson, Joanne Fuller, Jimmy Brown
and Bill Morris

ACTION REQUESTED:

☒ INFORMATIONAL ONLY ☒ POLICY DIRECTION ☐ APPROVAL ☐ OTHER

SUGGESTED AGENDA TITLE:

*Discussion of the Truancy Reduction Program,
an Intergovernmental Effort Funded by an Edward Byrne Memorial
State and Local Formula Grant*

SIGNATURES REQUIRED:

ELECTED
OFFICIAL: _____
(OR)
DEPARTMENT
MANAGER: _____

Beverly Stein

BOARD OF
COUNTY COMMISSIONERS
97 MAR 14 AM 8:59
MULTNOMAH COUNTY
OREGON

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277

BOGSTAD Deborah L

From: STEIN Beverly E
Sent: Wednesday, March 12, 1997 12:33 PM
To: FARVER Bill M; SCHOLLES Rhys R
Cc: FARRELL Delma D; BOGSTAD Deborah L; ROJO DE STEFFEY Maria R
Subject: FW: "Truancy Project" - Department of Juvenile and Adult Community Justice Update

delma, note the need to set a briefing for next week. my thought was that the briefing would be part of the regular meeting because the meeting would be considering the bud mods to implement this.

From: BROWN Jimmy D
Sent: Tuesday, March 11, 1997 5:29 PM
To: STEIN Beverly E; SALTZMAN Dan R; HANSEN Gary D; KELLEY Sharron E; COLLIER Tanya D
Subject: "Truancy Project" - Department of Juvenile and Adult Community Justice Update

Members of the Department's Small Management Team met today to discuss the Byrne Memorial Grant Project, also know as "the Truancy Project". In attendance at the meeting were Elyse Clawson, Joanne Fuller, Bill Morris/Counseling Services Manager, Mike Stark, Director, Program Design & Evaluation Section/State of Oregon Health Division, Helen Tesslar, Program Evaluator/State of Oregon Health Division, Boaz Herzog, Oregonian Staff Writer and myself.

The purpose of the meeting was to provide the Department with a discussion and update of program implementation efforts and to review the research methodology. In addition, the discussion centered on the multi-modal interventions (Case Management, Family Services, Truancy Outreach, Transition Classroom) and the incentive methodology.

Bill Morris was able to provide a brief history on the development of this project. Highlights included:

1. The project was an outgrowth of a year long series of discussions with a group of Portland Public Schools Administrators, Community Based Service Providers, Family Resource Staff on how to impact truant behavior in the Roosevelt cluster, and use of the new Parental Accountability Statutes brought forth by legislative action;
2. The Byrne Grant Application was a fortuitous opportunity to provide resources to an issue that was gaining national and state attention, i.e. how to bring chronically truant children in to the school house, and impact juvenile crime figures that indicate high numbers of clients had truancy problems as part of their risk profile;
3. The issue of truant children, school completion and juvenile crime had become an issue of concern to business leaders, law enforcement, educators and juvenile corrections officials.
4. The initial discussions focused on providing services to high school students, but changed to an early intervention approach to "get in front of the problem, before students reached high school."
5. A multi-modal approach was deemed most appropriate to focus on 1) truancy outreach, 2) Use of Resource Specialists at the North Portland Family Center, 3) Use of Community and Family Services, Family Resource staff, to provide additional family services as needed, 4) Transition Classroom using the Ruth Herman Well's classroom skill building approach;

Mike Stark was able to provide a discussion on the research methodology and history of incentives to change parental and student behavior. Highlights included:

1. Community partnerships involving government, CBO's, Schools, et.al. are well supported in the

research;

2. Multi-modal approaches are well accepted in research literature; Student mentoring, which is a part of this project, is supported by the research literature.
3. Given the research nature of this project how do we determine the efficacy (i.e. does it work) and the effectiveness (i.e. how to implement it in the short-term)? This became a central part of the research design.
4. The type of incentive proposed for this project can be varied, that is vouchers, tokens, etc. could easily be substituted.
5. Focusing on younger aged students, i.e. 3,4,5th graders makes for a good research project;
6. The current research project is tracking attendance of non-truant youth, attendance of siblings across several different schools, in addition to the schools mentioned in the news media.

Elyse was able to discuss the manner in which incentives were provided and to ask the question: "Can we do a non-cash incentive without interrupting the research design/methodology?" The answer was yes we can.

Toward this end the following was agreed upon:

1. The Department will explore the involvement of private businesses in assisting with the non-cash incentive approach. Vouchers can be explored, certificates for family recreation, food, toys, etc.
2. The Department will delay implementation of the incentive approach, which in effect will bring about a shorter (less than the proposed 10 week) incentive period;
3. The Department will conduct Focus Group discussions with parents, teachers, et.al. to determine if the incentive approach had a positive impact on behavior. This will occur after this current school year ends;
4. The Department would look to implement a different type of research component in the next school year that focuses on comparing a) attendance only interventions, and b) attendance and improvement in student performance (i.e. classroom behavior, school work completion, etc.)

It is the Departments plan to conduct the following, as soon as possible:

1. Provide the Board of Commissioners with a full briefing on the Truancy Project, thereby allowing the Board to view the full range of activities planned, and to decide whether to go forward with an incentive plan;
2. Provide the necessary budget modification documents for the Board to review;
3. Recognizing the manner in which this came to the Board's attention, implement quality control procedures that ensure this will not happen in the future.

The Chair's Office has indicated that they will try to schedule a Board briefing on these matters next week.

Elyse and Joanne will contact each of you individually tomorrow.

Thanks!

**CITIZENS
CRIME
COMMISSION**

July 16, 1996

Mr. Greg Peden
Director, State of Oregon
Criminal Justice Services Division (CJSD)
400 Public Service Building
Salem, OR 97310

RE: Multnomah County Department of Juvenile Justice Services
Edward Byrne Memorial State and Local Formula Grant Concept Paper

Dear Mr. Peden:

The Citizens Crime Commission is supportive of the concept paper developed by the Multnomah County Department of Juvenile Justice Services.

The Crime Commission has been a strong advocate for public safety measures throughout the region. It is our contention that intervention with juvenile offenders should occur at the first sign of problems. That involvement should take the form of a cooperative network of family service providers working on behalf of the child and family at the earliest symptom of problems. Truancy and lack of commitment to school represent pathways to delinquent behavior. Programs that work to intervene in such behavior, such as described in this concept paper, may well give us an opportunity to save young people and families from the harshness of the criminal justice system.

The Crime Commission has expressed an interest in developing a community needs assessment process with downtown Portland businesses, social and human services agencies, law enforcement and the juvenile department, in order to define the scope of truant and delinquent behavior in the downtown core area. The support of Byrne Grant funds would allow this to occur and could well lead to developing funding streams for a similar project impacting the downtown community.

Again, it is with the strongest support that the Citizens Crime Commission sends this notice to your office. We look forward to hearing from you upon completion of the review process.

Sincerely,



M. Ray Mathis
Executive Director



Beverly Stein, Multnomah County Chair

Room 1515, Portland Building
1120 S.W. Fifth Avenue
Portland, Oregon 97204

Phone: (503) 248-3308
FAX: (503) 248-3093
E-Mail: MultChair@aol.com

July 21, 1996

VIA FAX AND REGULAR MAIL

Mr. Greg Peden
Director
Criminal Justice Service Division
Department of State Police
400 Public Service Building
Salem, OR 97310

Re: Multnomah County Byrne Grant Applications

Dear Greg:

As we agreed during our telephone conversations over the past two months, I am writing this letter on behalf of the Executive Committee of Multnomah County's Public Safety Coordinating Council. We wish to express our support for the Byrne Grant applications listed below, and to offer the Council's assistance in implementing any of the projects proposed.

As of the date of this letter, we have received the following applications from agencies or private service providers in Multnomah County:

- An application by the Multnomah County Circuit Court for continuation of S.T.O.P. II, a judicially supervised diversion and drug treatment program for a high risk population of drug offenders currently on probation or parole;
- An application from the County's Department of Juvenile Justice to support interventions designed to reduce criminal behavior, school truancy and dropout rates among 4th to 6th graders and beginning high school students;
- An application from the Oregon Youth Authority to support a special Minority Youth Transition Project to study the effect of culturally-



appropriate aftercare transition services on African-American males paroled to Multnomah County;

- An application from Self-Enhancement, Inc., the Urban League of Portland, and the Portland House of Umoja to strengthen a network of agencies, including the applicant agencies, known as the "Northeast Rescue Plan Action Committee." NERPAC's objective is to eliminate the compartmentalized nature of current services for families involved in violent behavior through the use of a "holistic, relation-based" approach to family and youth violence prevention;
- Application for a "youth outreach worker" to develop case loads from high school and middle schools for participation in the Southeast Portland Youth Outreach Program. The program provides focused intervention for youth involved in gangs by closely monitoring youth behavior, activities and needs and by connecting youths with appropriate programs and services;
- An application from the Multnomah County District Attorney's Office, along with 20 other district attorneys and the Willamette Criminal Justice Council, to complete the development of a computerized case management system for district attorneys;
- An application coordinated by the Portland Police Bureau to strengthen the statewide, multi-jurisdictional Enhanced Safety Properties Program to make rental properties safer and less attractive to criminal behavior; and
- An application from the Gresham Police Department to establish a "Safe Haven" program to promote the reporting of domestic violence.

As a result of my review of these applications on behalf of our Executive Committee, we have concluded that each of these programs fits well within the program areas outlined in Governor Kitzhaber's April 15, 1996 letter accompanying the Byrne Grant Application Kit. Furthermore, the proposed projects are designed to facilitate the kind of program outcomes and evaluations emphasized by the Governor in this March 12, 1996 letter to 1995 Byrne Grant recipients, and by our Public Safety Coordinating Council since its inception in January of this year.

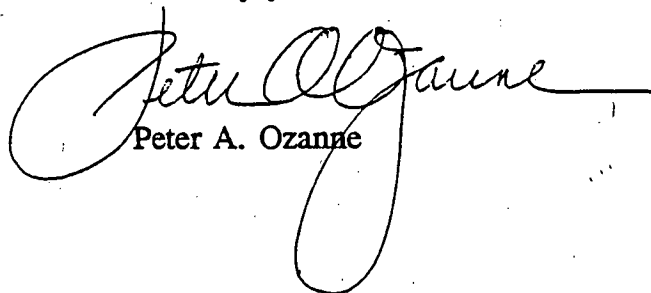
As you know, our Public Safety Coordinating Council has just embarked on its own long-range planning process, and is currently developing a Vision and Value Statement to guide that planning process. As a result, the Council is at this time unable to review and approve the substance of each of the foregoing applicants in the context of the local adult correction and juvenile crime prevention plan contemplated by the Governor. Nevertheless,

Mr. Greg Peden
July 21, 1996
Page 3

we endorse each of these applications as consistent with the Public Safety Coordinating Council's proposed plans and anticipated policy directions.

The Council is also prepared to offer its assistance in coordinating any of the applicant programs with other public safety programs and activities now taking place in Multnomah County. Furthermore, we are available to assist the applicants in designing outcome evaluations to determine the effectiveness of their projects in reducing crime and increasing public safety. We look forward to working with any or all of these projects under the Governor's 1996 Byrne Grant program.

Sincerely yours,



Peter A. Ozanne

PAO:wpc

cc: PSSC Executive Committee
Public Safety Coordinating Council
1996 Byrne Grant applicants

JOHN A. KITZHABER
GOVERNOR



Yummy B.

RECEIVED
SEP 11 1996

MULTNOMAH COUNTY
JUVENILE DIVISION

September 5, 1996

Elyse Clawson, Director
Multnomah County Department of
Juvenile Justice Services
1404 NE 68th
Portland, OR 97213

Dear Ms. *Elyse* Clawson.

It is my pleasure to inform you that \$250,000 in federal funds have been allocated to the Truancy Diversion Program. These funds have been made available to the State of Oregon through the Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program, which is administered by the Criminal Justice Services Division of the Oregon State Police.

This notice does not constitute a legally binding grant agreement for these funds. Staff from the Criminal Justice Services Division will contact you within the next two weeks to schedule a time to assist you in finalizing the grant agreement for your project. It is not until the grant agreement has been approved by the Director of Criminal Justice Services Division will the funds be available for expenditure by the program.

This award places the Truancy Diversion Program in the forefront of Oregon's efforts to fight drug abuse and violent crime. I look forward to hearing of your accomplishments.

Sincerely,

John A. Kitzhaber, M.D.

JAK:osp:gp

s:cjsc/bonita/letters/brh96144

**Multnomah County Department of Juvenile and Adult
Community Justice**

MULTNOMAH COUNTY BOARD BRIEFING

March 13, 1997

ROOSEVELT CLUSTER TRUANCY PROJECT

This project is designed to test the effectiveness of three models of intervention with kids who are truant from school. The three program components were developed by the project partners based on research into the most promising practices in addressing truancy. This research also indicates that increasing school attendance and high school completion will decrease juvenile delinquency. This project is funded by a \$250,000 federal grant.

The partners: Multnomah County Department of Juvenile and Adult Community Justice, Portland Public Schools, North Portland Family Center, Roosevelt Community and Family Resource Center, Columbia Villa Family Resource Center, Multnomah County Health Department and the State Health Division.

Multimodal Intervention: (\$230,000) This approach involves families in a variety of interventions.

When a youth is identified as having difficulties attending school a Multnomah County Truancy Outreach Worker goes out to the home to return the child to school and investigate what factors in this home are contributing to the child's school attendance problem.

The child and family can receive community wrap around services which purchase specific services for the family as needed. The child and family can receive counseling, parenting skills development and support through the Community Family Resource Center at Roosevelt High School and/or the North Portland Family Center.

Fourth, fifth or sixth graders who are identified as unable to return to their regular classroom due to poor attendance, behavior problems in school and/or falling behind in their school work can be placed in the Alternative Classroom located at Portsmouth Middle School.

If these interventions are unsuccessful, this program can refer the child and family to a Juvenile Court Counselor who will proceed with adjudication of the child or parents.

Page 2

Department of Community Justice
Truancy Board Briefing

Mentor Project: (\$11,000) This program will identify and train 20 Roosevelt High School juniors to serve as mentors for 40 Portsmouth 8th graders who are identified as having attendance problems and at risk in the transition from middle school to high school. These youth will spend some time together this summer and into next school year.

Incentive Program: (\$8,000 or less) This program will provide incentives to the parents of 4th, 5th, and 6th graders at James John School who have attendance problems.

The incentives will be provided for 10 weeks as an experiment to ascertain whether these incentives make a difference in school attendance. If the incentives are determined to make a difference, the families may continue to get monthly incentives next school year.

The incentives originally designed as money will now be coupons redeemable for food, movies and other family activities. The Department is beginning to solicit these items.

REVIEW OF BYRNE GRANT DEVELOPMENT ROOSEVELT CLUSTER TRUANCY PROJECT

PPS calls re: truancy problem and new Parental responsibility law

11/95 - Following legislative session where Parental Responsibility Laws were created, Bill Beck and Ron Reilly of Portland Public Schools call to ask if the Juvenile Department will help with truancy problems in Roosevelt cluster.

North Portland Truancy Group forms

11/95 - A group forms and meets monthly to discuss ways of implementing the parental responsibility law. The group consists of Ron Reilly, Director of Roosevelt Lincoln Cluster, Portland Public Schools; Diane Feldt, Director, North Portland Family Center; Chet Edwards, Coordinator of Alternative Education, Portland Public Schools; Judy Mayor, Coordinator of Roosevelt Community and Family Resource Center; Bill Morris, Manager Counseling and Court Services, Juvenile Justice.

Two primary themes develop during these conversations: 1) school professionals believe non attendance issues must be addressed very early in a student's career and 2) transferring from grade school to middle school and from middle school to high school exacerbate non attendance problems.

Byrne Grant becomes available/ model developed

Spring 1996 - Juvenile Justice is advised \$750,000 of Edward Byrne Grant money for crime prevention is going to be made available to Multnomah County. As the Truancy Group had already conceptualized programs it believed would deter non-attendance, it was suggested a pilot project be initiated in North Portland to study truancy intervention. The model included outreach, community based wrap around services, case management, an alternative classroom, and ultimately Juvenile Court intervention if other efforts failed. Based on our discussions, it was decided to confine our efforts to the fourth, fifth and sixth grades, to reach truant youth early and during their transition from grade school to middle school.

This model was agreed to, but it was suggested we look at interventions for high school students too, as a model dealing with those students was more directly related to reducing crime.

From that suggestion, the Truancy Group proposed a Mentoring Model, where eighth grade students with poor attendance would be chosen to be mentored by Roosevelt High School Seniors. The model called for the mentors to receive mentoring training as Juniors, work with the incoming students during the spring and summer before they enter Roosevelt and follow them through their ninth grade year.

Byrne Grant written

June - July 1996 - Byrne Research grant is written by Jimmy Brown, with technical assistance from Dr. Mike Stark from Oregon State Health Department. As grant is being developed the RAND CORPORATION STUDY is published and Dr. Stark points out the favorable findings regarding incentives discovered by Rand study. He suggests it is important to include incentives as part of our study. Incentives are discussed by the Truancy Group. The school officials are skeptical of incentives, having tried other models before. However, the evidence is compelling and the incentive proposal is accepted as part of the project. The Management team at Juvenile Justice is briefed regarding the entire Byrne Grant effort.

PPS applies for Dept. of Education grant

July 1996 - Days after the Byrne Grant is submitted, Portland Public Schools calls Juvenile Justice to announce they are considering applying for a two year, \$1 million dollar Department of Education grant designed to keep youth in school. They seek to collaborate with Juvenile Justice regarding our recent effort. Working in a limited time frame, a grant writer is contracted who uses much of the Byrne Grant model to design a grant for the Department of Education. That application essentially replicates much of the Byrne Grant in two separate Portland Public Schools.

September 1996 - Multnomah County receives letter that Byrne Grant will be awarded in full.

Multnomah County receives formal notice of Byrne Grant award.

October 1996 - Juvenile Division staff begins meeting with Roosevelt Cluster schools and planning and developing program implementation.

November 1996 - The formal notification of award of the Byrne Grant is received by Multnomah County Juvenile Justice. A few days later the Department of Education awards \$1 million to Portland Public Schools to fund truancy project in Jefferson and Marshall clusters.

December 1996 - Project Manager for PPS grant is selected

December 1996 - The Community Resource Specialists from the North Portland Family Center begin providing case management services to truant youth and their families.

January 1997 - Alternative Classroom begins in Roosevelt Truancy Project. Truancy Outreach workers for PPS grant begin visiting homes of truant youth and their families.

February 1997 - Mentoring program established list of mentors and initiates training. PPS truancy program completes staffing; alternative classroom in place in Jefferson cluster..

March 1997 - Incentive plan is slated to begin,

**Procedures for Truancy Diversion Project-- Incentive intervention
Reinforcement of the parents. 12/29/96**

This proposal is based on several principles.

1. Most truant students in the 4th and 5th grades who qualify don't get to school because of the parents.
2. We will conduct this part of the study only in the 4th and 5th grades.
3. Frequent reinforcement for school attendance.
4. We want to keep this part of the program as resource unintensive as possible, to contrast its cost and effectiveness with the resource intensive multi-modal intervention.
5. A family will be eligible only once for the duration of the study. Otherwise parents may be tempted to keep their kids at home to qualify for the study sometime later during the year, or in subsequent years, or with other siblings.
6. Deliver the incentive for a long enough period (10 weeks) to develop a pattern of good attendance and to assess its effectiveness.
7. We are concerned that the family may keep a child other than the targeted student at home for the duration of the incentive to care for other children, perform household chores, etc. However, we have decided to not make the incentive conditional upon other siblings of the targeted student maintaining a certain level of attendance. Attendance of the other siblings will be monitored over this 10 week period to detect possible problems with the program.

Schools for the incentive condition: James John Elementary and Rigler Elementary Schools.

Proposal for year 1 of the study:

The parents qualify for and will be assigned to this "special" program based on our criteria for their child having unexcused absences (at the time of the second letter of the standard procedures for the Roosevelt Cluster). The parent(s) will be enrolled in the study at the time they meet with the principal of the school and sign the contract for the incentive program (the Family Attendance Support Plan (FASP)). If no FASP takes place, the students will be counted as assigned but not enrolled; no further programmatic action will be taken. The principal will use a standardized script explaining the program, covering the one time enrollment for the family, and the amount, frequency, duration, and location of the payment. The principal will conduct an observational assessment of some topics of interest (see "referral" form).

Procedures:

The attendance reinforcement schedule will be activated on the day the contract is signed and be in force for a 10 week period; breaks are excluded and the reinforcement stops at the end of the school year. The parent will receive \$1 for every half day of their kid's school attendance, \$3 for a full day attendance, and \$20 for a whole week attendance. A tardy is counted as non-attendance, and absences, whether excused or unexcused, will be counted as non-attendance. The only exception is an illness verified by the school nurse, which will be counted as attendance. The fiscal specialist of DJJS will pay the parents, based on their child's attendance for that week, every Friday. After the 10 weeks of weekly payment for attendance, the reinforcement will continue as follows: families whose child attends a minimum of 90% of all possible (half) days every week for all weeks of the month will receive a \$25 bonus per month until the end of the school year. For every week that the student is in school for less than 90 percent, \$8 will be subtracted from the \$25.

Duration of the incentive program: February through Mid-June '97.

Incentive program procedures, step by step:

Step 1. **Identification** of truant students (15% unexcused absences/3 weeks)

Step 2. Principal sends **Letter 1** to parents

Recommended content of letter 1:

The school has a concern about the absences
The student should return to school immediately
Reminder that school serves breakfast for free, if applicable
If the family has any concerns or may need extra help, a list of resources is enclosed (see end of document).

It is further recommended that the school sends the letter through US mail directly.

After the next unexcused absence:

Step 3. The principal sends **letter 2** to the family

The principal adds the name of the truant student to the **summary referral sheet**
The principal fills out the **referral sheet**
The principal meets with the family to set up a **family attendance support plan**.

Recommended content of letter 2:

The number of absences the child has had to date (attendance report)
The student should return to school immediately
The parent(s) should contact the school to set up a family attendance support plan, which includes information about an incentive for attendance
List of resources (see below)
If your child does not show immediately, further steps will be taken
The school may add information about the truancy diversion project which provides unique opportunities for services

Family Attendance Support Plan (FASP):

This plan consists of an explanation of the incentive program, the conditions for earning money, the duration, amount of payment, and place and time of payment.
The family signs a contract in which these details of the program are written.

Step 4. The school tracks **daily attendance for each truant student for 10 weeks**, starting the day after the FASP meeting. **Weekly attendance** for each truant student needs to be communicated to the fiscal specialist of Juvenile Justice, who will pay the families once a week.

After the 10 week period:

Step 5. The school monitors weekly attendance and communicates this attendance to the fiscal specialist of Juvenile Justice on a monthly basis, who will pay the families once a month.

If continued truancy occurs after the 10 week period:

Step 6. PPS refers the family to the **Juvenile Court Counselor**

The principal will send a **letter to the Region Director (RD) with supporting documentation.**

The RD will send **letter 3 to the family**

The RD refers the family to the **Juvenile Court** with supporting documentation.

Recommended content of letter 3

The family is referred to Juvenile Court due to attendance problems and/or failure to comply with the family attendance support plan.

Step 7. Juvenile Court will either **recommend community intervention or will prosecute.**

Step 8. **Documentation of all activities and absences.**

Community Resource List (to be added to letters 1 and 2 to the parents):

--School counselor.

--Columbia Villa Family Resource Center

Antoinette Edwards--306-5717

Sarah Smith--286-1236

--Roosevelt Community Family Resource Center

Joslyn Baker or Patricia Curry--248-3909

--North Portland Youth and Family Center

Steve Cooper--counseling and parenting--285-0627

Other information

Need for documentation:

Good documentation of activities (what happened) and dates (when it happened) is important for evaluation of the effectiveness of the intervention components.

Good communication between all parties involved is essential.

Documents and documentation, nuts and bolts:

(1) The **Summary referral** sheet is used to document every student the school has referred to the truancy diversion project.

Please send/fax a copy of the sheet on a monthly basis to the evaluator (see card in front pocket).

(2) Multnomah County Department of Juvenile Justice Services & Portland Public Schools Truancy Project sheet is used to document pertinent information about truant students to the project and is called the **referral sheet**.

The school fills out the shaded portions and as much of the non-shaded portion as possible.

(3) The **Absence and Activity Calendar** is used to track the attendance of the students referred to the Project and the actions (i.e., letters, support plan, suspensions, etc.) the school has taken. This is used for the evaluation of the effectiveness of the intervention.

The school fills out a calendar for every student referred to the project. Please give the attendance and dates of any activities that have taken place. If an action would normally have taken place but did not, please enter 'none' under the date. For example, letter 1 did not go out (usual procedure), enter 'none' under the date 'Letter 1 was sent.'

We are collecting attendance data for every student who is referred from the beginning of the school year through one year after the date of the family attendance support plan to evaluate short and long-term impact.

You can also use this calendar to communicate attendance with the fiscal specialist of the Juvenile Court, who will pay the parents.

Please send/fax a copy of the calendar per student on a monthly basis to the evaluator, up to one year after first referral to the project.

Please call the Helen Tesselaar (evaluator, at 731-4291 x545) if you have any questions in filling out these papers.

Maximum expected costs: \$10,000.

Maximum 10 week costs projection: If 40 students per school will have attendance problems of this magnitude and all the students have perfect attendance, the maximum costs will be $1(\text{school}) \times 40(\text{students}) \times 10(\text{weeks}) \times \$20 = \$8,000$.

Maximum bonus cost projection: If all 40 students enroll at the beginning of January and all maintain a 90% weekly average attendance per month, the costs will be: $40(\text{students}) \times \$25 \times 2(\text{months}) = 2,000$.

Evaluation:

The students' actual attendance over the potential total attendance will be calculated at:

- 1) 30 days after enrollment
- 2) 10 weeks after enrollment (excluding breaks)
- 3) the end of the semester following the end of the incentive period
- 4) one year after the date of the enrollment.

In addition, the attendance of siblings will be monitored during the 10 week incentive program.

Data for students who enrolled at the time with less than 10 weeks of the school year left will be analyzed separately.

Further, the evaluators will consider the effect of the school breaks on attendance. Attendance of those who were assigned but not enrolled will also be calculated and compared to those who enrolled.

The use of positive reinforcement or reward to motivate behavior is a fundamental principle of learning and applied education. Rewards are widely used by families and schools to shape children's behavior, and by employers to inspire better work performance. Many educators have called for the use of rewards to encourage attendance among children and families with truancy problems. In Fall 1996, The National School Safety Center News Service suggested using meaningful incentives for parental responsibility as one of five key truancy prevention strategies¹.

Several programs have used monetary reward as an effective and cost-effective way to ameliorate school attendance problems. Almost everybody is familiar with the "I Have a Dream" program, in which students are promised college tuition if they graduate from high school². The Ford Foundation-funded "Quantum Opportunity Program"³ used modest cash and graduation incentives along with intensive case management to encourage better attendance and academic performance among students with school difficulties. Results of an evaluation of this program indicated that participants had a significantly better high school graduation rate, compared to high risk youth in a control group. From 1987-1989, New Jersey⁴ implemented a major incentive-based program, where students in academic difficulty received \$25 a week contingent upon meeting certain criteria for attendance, academic work, and behavior. Some state welfare reform initiatives, such as Ohio's Learning Earning And Parenting program⁵ (LEAP), use financial incentives to increase school attendance among teen parents. As of 1995, LEAP has enrolled over 20,000 participants. Teens in LEAP who met attendance criteria received a bonus of \$62---those who did not meet the criteria had that much deducted from their monthly welfare checks.

A study was conducted in New England⁶ in which 120 adolescent girls at risk of school failure were randomly divided into three groups: 1) pay only, 2) case management, or 3) no intervention (control). The pay only participants were given \$50 per month contingent upon a 15% improvement in their attendance or in the average grade of the three subjects in which they were performing most poorly. Results indicate that girls in the pay only and the case management groups had better attendance than those in the control group, and that there were no significant differences in attendance between the pay only and case management girls. No cost-effectiveness analyses were conducted in this study.

Additional research is needed to determine if using incentives alone is a cost effective strategy to improve attendance among truant children. Further, we are not aware of any data regarding the effectiveness of any interventions for reducing truancy among students in elementary school. Discussion with local school staff suggest that it is important to deal with truancy in elementary school, before kids fall far behind their peers and loose hope of success. These discussions also indicate that parental behavior is the most important factor in insuring that kids get to elementary school. Thus, it seems that there is sufficient reason to believe that

the provision of incentives for families of elementary school children is worth studying as a potentially inexpensive and effective way to increase attendance among chronic elementary school truants.

¹ The National School Safety Center News Service. 'School Safety Update: Truancy reduction in America's communities.' November, 1996.

² Lacey, R. "I Have A Dream" for Dropout Prevention.' National Center on Effective Secondary Schools Newsletter.(1989)

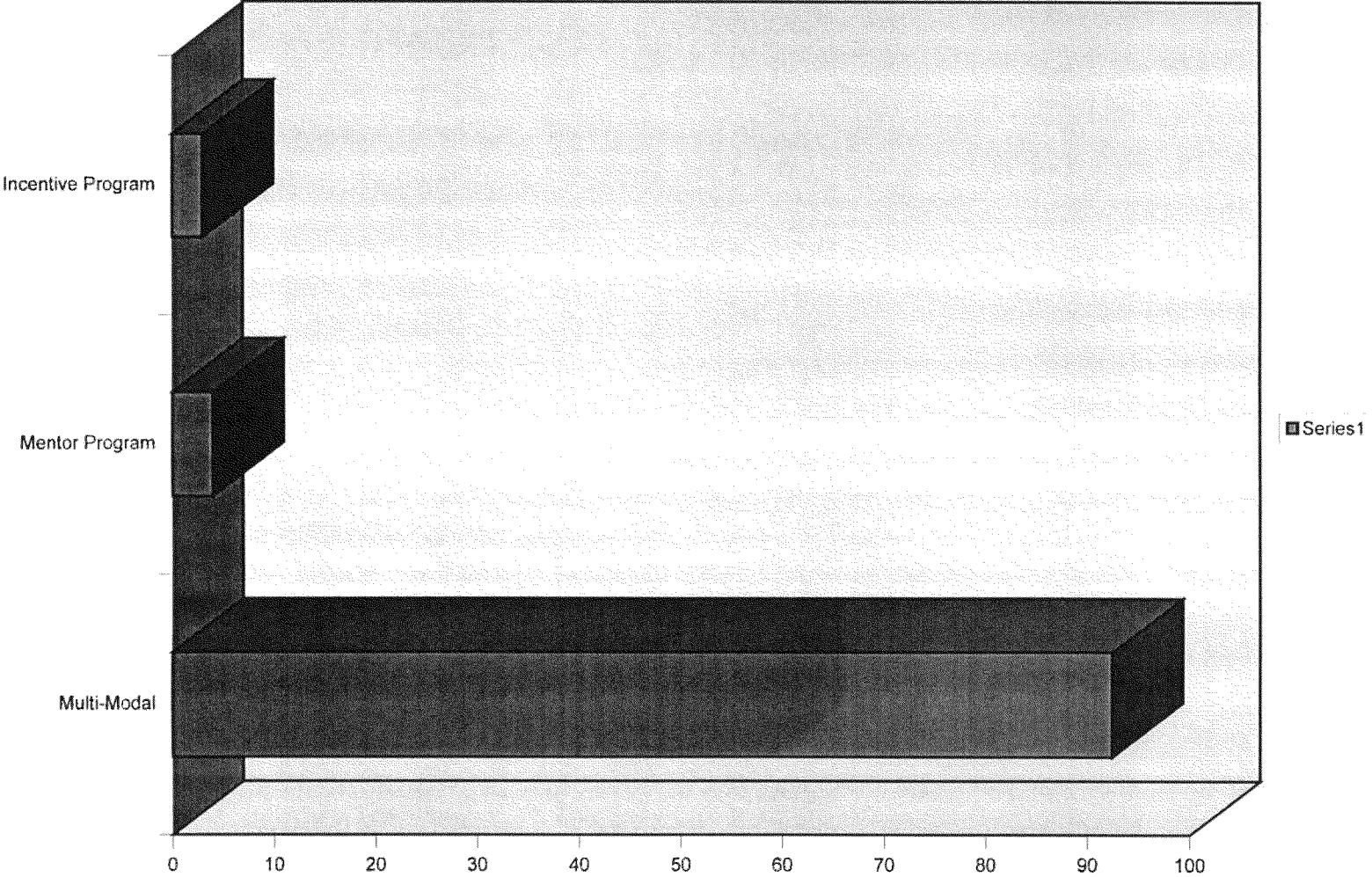
³ Hahn, A, Leavitt, T, and Aaron, P. 'Evaluation of the Quantum Opportunities Program (QOP): Did the Program Work? A report on the Postsecondary Outcomes and Cost-Effectiveness of the QOP Program (1989-1993).' Waltham, Mass: Brandeis University, 1994.

⁴ Fishbein, D. 'Student Monetary Incentive Programs: An Evaluation (Dropout Prevention, Motivation).' Doctoral dissertation. Columbia University Teachers College, 1992.

⁵ Bloom, D, Kopp, H, Long, D, and Polit, D. 'Implementing a Welfare Initiative to Improve School Attendance Among Teenage Parents.' Manpower Demonstration Research Corporation 1991.

⁶ Reid, W, and Bailey-Dempsey, C. 'The Effects of Monetary Incentives on School Performance.' Families and Society: The Journal of Contemporary Human Services. 1995.

Byrne Grant Truancy Programs - \$250,000/year



Meeting Date: MAR 18 1997
Agenda No: B-2
Estimated Start time: 10:30am

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Multnomah County Audit Fiscal Year Ending June 30, 1996

BOARD BRIEFING Date Requested: March 18, 1997

Requested by: Jean Uzelac

Amount of Time Needed: 30 minutes

REGULAR MEETING: Date Requested: _____

Amount of Time Needed: _____

DEPARTMENT: Support Services DIVISION: Finance

CONTACT: Jean Uzelac TELEPHONE #: Ext. 22766

BLDG/ROOM #: #106/1430

PERSON(S) MAKING PRESENTATION: Sharon De La Rosa, Multnomah County Audit Committee Chair

ACTION REQUESTED:

[X] INFORMATIONAL ONLY [] POLICY DIRECTION [] APPROVAL [] OTHER

SUGGESTED AGENDA TITLE:

Multnomah County Audit Committee presentation of Comprehensive Annual Financial Report and Single Audit Report.

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____

OR

DEPARTMENT MANAGER: DB Vickie L. Jones

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the board Clerk 248-3277/248-5222

BOARD OF
COUNTY COMMISSIONERS
97 MAR - 7 AM 8:45
MULTNOMAH COUNTY
OREGON



MULTNOMAH COUNTY OREGON

BEVERLY STEIN
COUNTY CHAIR

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FINANCE
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PORTLAND, OREGON 97202

BOARD OF COUNTY COMMISSIONERS AGENDA ITEM BRIEFING

TO: Board of County Commissioners

FROM: Sharon De La Rosa, Chair
Multnomah County Audit Committee
David Boyer, Finance Director
Jean Uzelac, Accounting Manager

DATE: March 5, 1997

REQUESTED PLACEMENT DATE: March 18, 1997

SUBJECT: June 30, 1996 Comprehensive Annual Financial
Report and Single Audit Report

- I. Recommendation/Action Requested: None. Board Briefing.
- II. Background/Analysis: We are pleased to submit to you our Multnomah County Comprehensive Annual Financial Report and Single Audit Report for the fiscal year ended June 30, 1996.

The Audit Committee met with KPMG Peat Marwick on January 22, 1997 to discuss the aforementioned reports. The following are the highlights of this meeting:

1. The County received an unqualified opinion on the general purpose financial statements (see page 23).
2. The auditors and management did not encounter any disagreements.
3. The financial report was prepared according to generally accepted accounting principles.
4. The auditors did not determine any material audit adjustments.

5. The County complied with:
 - The legal requirements relating to debt.
 - The appropriate laws pertaining to programs funded by other governmental agencies.
 - ORS 279 regarding the awarding of public contracts.
 - Cost accounting guidelines.
 - ORS 295 relating to collateral requirements.
 - ORS 294 relating to preparation, adoption, and execution of its budget.
6. The County was not in compliance concerning overexpenditures in several budgetary line items (see page 152 and Note 9 on page 42). Attached is the explanation from the respective departments for the reason for these overexpenditures.
7. The County received an unqualified opinion on the Single Audit Report.
8. The County did not have any material instances of noncompliance with the Federal Government's OMB Circular A-128 relating to Grant monies.
9. Pages 15 through 23 detail the Schedule of Findings and Questioned Costs.
10. Report to Management - Action to be taken is noted in the report.

This information is being provided to you to gain a more complete understanding of the County's financial condition. If you have any questions, please contact either Sharon De La Rosa at 227-1272 or David Boyer at 248-3903. Thank you for the opportunity you have provided us to present these documents to you.

- III. Financial Impact: None.
- IV. Legal Issues: Oregon Revised Statutes included above.
- V. Controversial Issues: N/A
- VI. Link to Current County Policies: Is consistent with County policy.
- VII. Citizen Participation: Three members of the Audit Committee are citizens.
- VIII. Other Government Participation: N/A



MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
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GARY HANSEN
TANYA COLLIER
SHARRON KELLEY

BUDGET & QUALITY
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PHONE (503)248-3883

TO: Audit Committee
Jean Uzelac

FROM: Dave Warren *DCW*

DATE: March 5, 1997

SUBJECT: Overexpenditures in 1995-96

General Fund

Health Department – Materials and Services overexpenditure \$10,000.

Corrections Health had unanticipated expenditures in Drugs (pharmaceuticals) for inmates that exceeded the appropriation by over \$20,000.

Community Corrections – Personal Services overexpenditure \$9,156.

Community Corrections overspent both its General Fund and Federal / State Fund personal services appropriation. \$8,294 of charges came after the close of the fiscal year to account for the book value of uncompensated absences. This presents a problem for all departments in estimating their year end expenditures. Jean Uzelac and I are trying to find a way to estimate this early enough in the year for departments to take it into account and take action to prevent an inadvertent overexpenditure.

In addition, unbudgeted Temporary, Overtime, and Premium costs were incurred in many organizations. The department intends to budget higher appropriations for these costs in the coming fiscal year to cover these costs.

Sheriff – Personal Services overexpenditure - \$460,074

The Sheriff's Office was involved in major restructuring throughout 1995-6 as the newly elected Sheriff, who took office in May 1995, worked to establish his organizational structure to his satisfaction. As a result, it was difficult to track expenditures against budget. In addition, positions were held vacant for extended periods while they were being reallocated between budgets. This contributed to an increased use of overtime as the 24 hour a day facilities had to cover the vacancies by asking other employees to work longer hours. Of the total overexpenditure, \$94,599 came from the value of uncompensated absences that the Sheriff's Office could not have predicted. Finally, to compound the difficulties, the Sheriff's Office projection model did not account for three days in June so that it consistently returned estimates of expenditures that were lower than the actual numbers turned out to be. In June, in fact, the Sheriff's Office secured increased spending authorization based on estimates of how much they were going to overrun their budget. Unfortunately, the problem with estimating the amount they were going to run over left

March 5, 1997

them short at year end. This also affected the Federal / State Fund. The Sheriff's Office is aware of these problems and has taken action to be able to stay within budget in 1996-7.

Federal / State Fund

Health Department – Materials and Services overexpenditure - \$64,000

This overexpenditure resulted from billings to the Ryan White grant that took place in July for services delivered in June. The expenditure level was not foreseen. The grant itself was not overspent, and sufficient grant revenues were available to cover the costs. The difficulty was in the timing of the services.

Community Corrections – Personal Services overexpenditure - \$64,000

See the description of the Community Corrections General Fund overexpenditure. The same story covers both funds. Of the overexpenditure, \$52,744 resulted from the charge for the value of uncompensated absences.

Sheriff – Personal Services overexpenditure - \$43,000

Of this amount, \$4,350 was from uncompensated absence charges. The balance is consistent with the explanation in the General Fund overexpenditure for the Sheriff's Office.

Library Fund

Library – Materials and Services overexpenditure \$195,569 :

This overexpenditure had three components: Building Management charges which exceeded budget by \$130,888, Supplies costs which were \$180,591 more than the appropriation, and Professional Services which were \$110,773 over budget. Obviously, there were a number of other M&S object codes that were underspent.

The Building Management overexpenditure came during period 13 and was a surprise to the Library where staff had thought they had taken the unbilled monthly charges into account in estimating their spending. The TransCentral Library, however, was far more expensive than Facilities Management had estimated. By the time the billings hit the system, there was no opportunity to adjust the budget to reflect the actual costs.

Supplies costs were more than budgeted both because operations at TransCentral were difficult to predict and because a sizable number of computer purchases, budgeted in Capital Outlay, ended up being below a \$2,000 unit price and were charged to supplies.

The Professional Service overexpenditure was start up support for the Library Foundation. Support included professional consultation and other contracted services the Foundation could access in pursuit of the donation drive for capital enhancements of the new Central Library. The resulting donations exceed three million dollars. The Library had expected these expenditures to be offset by other underspending in the 95-6 budget but did not monitor them closely enough to request budgetary adjustments. In 96-7 budgetary transfers will be made if a similar overexpenditure seems likely and the ongoing level of support will be much lower than the 1995-6 level.

Public Safety Levy Fund

Community Corrections – Materials and Services overexpenditure \$9,000

March 5, 1997

The department negotiated 2% cost of living increases to the Alcohol and Drug program contractors, but did not budget for a cost of living increase.

Sheriff – Personal Services overexpenditure \$23,000

The value of uncompensated absences was \$22,378. Another unbudgeted expenditure of \$125 resulted from charges that were flood related.

Sheriff – Materials and Services overexpenditure \$1,000

The Sheriff's Office believes that an erroneous indirect cost was charged to the fund, and intended to produce a correcting journal voucher but did not complete it.

Road Fund

Environmental Services - Materials & Services overexpenditure -\$537,203

Bob Thomas gave KPMG the following explanation.

"Road Fund FY95-96 Adopted Budget included Supplements of \$16, 788,761. We budgeted \$16,375,211 to be paid to the City of Portland under the terms of our IGA with them. The Portland payment is based upon a formula that factors in combined Portland and Multnomah County State Shared Motor Vehicle Revenue, County Gas Tax Receipts, Forest Receipts, and road mileage. This budgeted Portland payment was based upon revenue estimates provided by the Association of Oregon Counties in January 1995. Nineteen months later (August 1996) we made our final FY95-96 quarterly payment to the City of Portland. That final payment pushed the total Supplements for the year to \$17,662,645, over budget by \$873,884. This expenditure is driven purely by revenue and is out of our control. However, we failed to recognize that we were going to push over the limit in total Road Fund expenditures for Materials and Services early enough to take the matter before the Board for a Supplemental Budget."

Recreation Fund

The County has a contractual agreement with Metro to transfer Recreation Vehicle License Fee revenue from the State to Metro to support the Metro parks system. In 1995-6 the estimated revenue from the State was \$249,400. The actual revenue, passed through to Metro as the contract requires, was \$290,876. Transferring this amount exceeded the total appropriation of the Fund, even though other revenue sources were lower than anticipated.

Afterword

Note that of the overexpenditures above, all but the Community Corrections and Sheriff General Fund overexpenditures were spending in excess of categories of appropriation, but not spending in excess of the total authorized for the department. Had the 1995-96 appropriations been at the appropriation level in 1996-97 – a single total by department by fund – only two of the violations would have occurred.

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Portland, OR 97204

Telephone 503 221 6500

Telefax 503 796 7650

December 2, 1996

CONFIDENTIAL

The Board of County Commissioners
Multnomah County, Oregon

Ladies and Gentlemen:

We have audited the general purpose financial statements of Multnomah County, Oregon (the County) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996. In planning and performing our audit of the general purpose financial statements of the County we considered internal control 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 internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

WEATHERIZATION PROGRAM

The County administers a federally funded "Weatherization Program" (the Program). As part of this Program, the County properly complies with the requirement to notify applicants of their rejection for Program assistance. Under the grant specifications, applicants who are rejected are entitled to a formal hearing. Currently, neither the Program's application or rejection notification indicate to the applicant that they are entitled to a hearing.

We recommend that applicants be made aware of their right for a hearing.

County Response

The Weatherization Program rejection notice will be modified to include information to the applicant regarding the right to a formal hearing.

The Board of County Commissioners
Multnomah County, Oregon
December 2, 1996
Page 2

FEDERAL FUNDING SOURCE AND SUBRECIPIENTS

Fiscal administration personnel are responsible for certain aspects of grant compliance monitoring. Effective grant monitoring requires thorough knowledge of the type of funding (i.e., which program) and the specific funding source (i.e., federal or state). In several instances, we noted that fiscal administration personnel were not aware of the specific funding source which caused miscommunications with subrecipients, subcontractors and other related entities.

The communications between grant administration and fiscal administration personnel should be improved to ensure that all parties understand the type of funding source and the numerous requirements of the grant. This improvement will help to ensure that all aspects of grant compliance are properly handled.

County Response

During fiscal year 1995-96, the Budget and Fiscal Unit went through a complete reorganization and numerous staff changes with more than fifty percent of the staff either new to the unit or in different positions performing new tasks. Communication systems between the budget and grants section and the fiscal section have improved significantly and continue to improve as the new structure becomes operational.

To improve grant compliance and monitoring, the grant accountants and fiscal personnel will perform periodic reviews of funding sources to ensure proper assignment of CFDA numbers to the funds extended to subrecipients, subcontractors and other related entities. Using a relational database, a system has been developed to link the CFDA numbers with the source of funds and the name of the subrecipients or subcontractors that receive that funding. This database will be updated as changes occur and information regarding CFDA numbers and funding source data will be maintained in the grant files. With this updated information, subrecipients and subcontractors will be properly notified of their reporting requirements.

The Board of County Commissioners
Multnomah County, Oregon
December 2, 1996
Page 3

POPULAR REPORTING

Popular reporting has gained substantial acceptance in governmental reporting. Annual popular financial reports are reader-friendly summaries of audited financial reports and are often colorful and picturesque. They are more graphic and less technical than those governed by complex generally accepted accounting principles. No set format must be followed in preparing a popular report. Indeed, many different formats have been used. The essential characteristics of a popular report are readability and brevity. Popular reports provide a practical, simple, and inexpensive method of communicating financial data.

The value of a popular financial report is dependent on the target audience, which in the County's case would be the citizens of Multnomah County. In general:

- Citizens have an interest in the County but have minimal familiarity with financial reports; and
- Citizens are, in marketing terms, low-involvement consumers of information. They are unlikely to initiate a search for information or to study the information available.

The feature that often distinguishes popular reports from other financial reports is the similarity of the popular reports to private sector corporate annual reports. These reports begin with an extensive management review and outlook for the future and tend to be presented in magazine fashion with glossy paper, photographs, and lots of color. The management discussion in corporate-style reports is generally focused on a mixture of economic data, demographics, and operating results rather than on financial statements.

The County may want to consider popular financial reporting as a way to communicate the many accomplishments of the County to its citizenry. It is one approach to get citizens more involved and interested in County operations and programs. We would be pleased to discuss and assist you in implementing popular financial reporting.

County Response

We agree that this report would be beneficial to the County. A report of this type was prepared in the early 1980's but was cut from the budget due to fiscal constraints. Due to limited funding, this is not a high priority.

The Board of County Commissioners
Multnomah County, Oregon
December 2, 1996
Page 4

CAREOREGON

During the fiscal year ended June 30, 1996, there were journal entries made by County personnel affecting the account balances applicable to CareOregon without appropriate notification to CareOregon personnel. This situation caused unreconciled differences between CareOregon's accounting records and the County's accounting records.

We recommend that a formal policy be implemented in which all journal entries made by the County be communicated in writing to CareOregon and vice versa. This change will facilitate the reconciliation process between the two accounting systems.

County Response

The County agrees with this recommendation. Copies of all journal entries will be sent to CareOregon.

INFORMATION RISK MANAGEMENT

KPMG performed a general controls review of the management information systems at the Information Services Division and the Aging Services Division. This high level review, which consisted primarily of conducting interviews with appropriate levels of staff (i.e., Network Services, Scheduling and Control, Voice/Data Communication, Technical Service, Data Administration and MIS Manager), was performed over certain aspects of the County's information systems including: organizational structure and segregation of duties; physical access and security of the data center; logical access to the mainframe computer and network environments; disaster recovery; computer operations; personal computers; internet access; and networks.

The Board of County Commissioners
Multnomah County, Oregon
December 2, 1996
Page 5

Specific recommendations for improvement are as follows:

- All system users at the County should be set up with one individual user ID and password, versus the shared ID's used by certain departments.

County Response

Our policy is to assign individual user ID's. Currently, we make only a few exceptions to this policy, and then only with management approval from the client agency. We can certainly increase our vigilance in this area.

- County personnel should be advised to use the same password for all logins and the passwords should be changed frequently.

County Response

Generally, we work with a user coordinator in the client area who requests user ID's and notifies their staff when they are available and assists with the initial sign-on. We certainly recommend that passwords be the same in all areas.

- There should be proper segregation of duties over program changes, testing and implementation into the system.

County Response

Information Services Division (ISD) agrees that segregation of duties is the desired process. ISD Computer Operations is responsible for implementing all systems and programming changes to the applications. It is ISD policy to have the customer perform final testing and review. This testing does not always occur for minor maintenance modifications and when there are personnel shortages at ISD or at the customers. We will be reviewing our procedures for a more formal process for testing and for approval turnover.

The Board of County Commissioners
Multnomah County, Oregon
December 2, 1996
Page 6

- All Aging Services Department's (ASD) LAN servers and routers should be secured in restricted areas.

County Response

In the two newest ASD locations, computers are located in rooms that could easily be secured. ASD will review the location and security of equipment in the other four locations. However, moving equipment and wiring or, alternatively, constructing a more secure location, may prove to not be cost-beneficial.

- The Aging Services Department should determine if they have any critical applications in the department and explore the need for a disaster recovery plan.

County Response

Equipment and application back-ups were already in the ASD MIS work plan for fiscal year 1997. Exploring the need for a disaster recovery plan has been added to the ASD MIS work plan.

- The Aging Services Department should explore storing all back-ups at the same location as Information Services Division's back-ups.

County Response

ASD currently has policies and practices in place to store back-up off-site. ASD will review off-site back-up locations in order to maximize system functions.

- Policies and procedures should be documented for all employees relating to proper use of the internet for work purposes only.

The Board of County Commissioners
Multnomah County, Oregon
December 2, 1996
Page 7

County Response

The policies and procedures for the proper use of the internet will be constructed for the County using the sample policy and standards document currently being used by the State of Oregon Employment Department.

Our audit procedures are designed primarily to enable us to form an opinion on the general purpose financial statements and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the County's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the Board of County Commissioners, management, and others within the organization.

Very truly yours,

KPMG Peat Marwick LLP



MULTNOMAH COUNTY OREGON



THE SINGLE AUDIT REPORT
Fiscal Year Ended June 30, 1996



About the Cover

The cover is a reproduction of Dennis Cunningham's *Sauvie Island*, a linocut print that was produced in 1987. *Sauvie Island* is part of the Regional Arts & Culture Council's Visual Chronicle of Portland collection and they graciously permitted us to use it on our budget document cover. The Visual Chronicle of Portland documents the changing face of the city as it is perceived through the eyes of its artists. The Chronicle is a collection of paintings, drawings, prints and photographs that portray some aspect of Portland, and each year new works on paper are solicited from the community. The collection forms a vivid historical portrait of the city, one that is intended to continue and grow indefinitely. The first three years of the collection were made possible by a test grant from the National Endowment for the Arts. Since the expiration of the test grant, the Regional Arts & Culture Council has enthusiastically continued to fund the Visual Chronicle's annual acquisitions.

About the Artist

DENNIS CUNNINGHAM

American, born 1949

Dennis Cunningham's linoleum block prints graphically communicate his interest in the complex relationships between people and the natural environment. His images are often narrative, telling us a story in symbols, diagrams, maps and pictures, about people, and animals, and places, and points of view.

His work in printmaking has been shown in solo and group exhibitions in the United States, Canada, Mexico, Argentina, Germany, Japan and Australia. His graphic works are in the permanent collections of many state and city art commissions, as well as in museum, corporation and private art collections throughout the western United States.

His familiar black and white prints have been published and distributed nationally in a variety of books, magazines and posters. He has collaborated as an artist on many public art projects including Central Square Subway Station in Boston, Massachusetts and the Oregon Convention Center in Portland.

He is the recipient of several awards and honors including the Western States/National Endowment for the Arts Regional Fellowship in Printmaking (1988) and the Oregon Individual Fellowship in the Arts (1992). He is represented by the Jamison/Thomas Gallery in Portland and by Davidson Galleries in Seattle, Washington. He is currently an instructor of design, drawing and printmaking at Marylhurst College.

Sauvie Island

"Growing up in the Portland area, I visited Sauvie Island as a boy to catch it's plentiful and lively sunfish. I continue to visit as an adult, but now to explore it's abundant scenic beauty. The island is a special place and unusual wild place to recreate, right at the edge of a metropolis."

D.L. Cunningham
1995



Peat Marwick LLP

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

MULTNOMAH COUNTY, OREGON

Independent Auditors' Reports in Accordance
with the Single Audit Act of 1984

June 30, 1996



Member Firm of
KPMG International

MULTNOMAH COUNTY, OREGON

Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report on the Schedule of Federal Financial Assistance	1
Schedule of Federal Financial Assistance	2 - 5
Notes to Schedule of Federal Financial Assistance	6
Independent Auditors' Report on Compliance Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	7
Independent Auditors' Report on Compliance with General Requirements Applicable to Federal Financial Assistance Programs	8 - 9
Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	10 - 11
Attachment to the Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	12 - 13
Independent Auditors' Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	14
Schedule of Findings and Questioned Costs for the Year Ended June 30, 1996	15 - 19
Update of the Schedule of Findings and Questioned Costs for the Year Ended June 30, 1995 Relating to Programs Audited for the Year Ended June 30, 1996	20 - 23
Independent Auditors' Report on the Internal Control Structure Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	24 - 25
Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	26 - 29

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on the
Schedule of Federal Financial Assistance

The Board of 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, 1996, and have issued our report thereon dated December 2, 1996. These general purpose financial statements are the responsibility of the management of the County. 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 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the County, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG Peat Marwick LLP

December 2, 1996

MULTNOMAH COUNTY, OREGON

Schedule of Federal Financial Assistance

Year ended June 30, 1996

Grantor and program title	Federal CFDA Number	Program Award Amount	Receivable (Advance) at July 1 1995	Receipts	Expenditures	Receivable (Advance) at June 30 1996
<u>U.S. Department of Agriculture</u>						
Passed through State Department of Human Resources:						
Food Distribution	10.550	\$ 367,860	-	367,860	367,860	-
National School Lunch Program	10.555	109,793	8,546	109,395	109,793	8,944
Special Supplemental Food Program for Women, Infants, and Children	10.557 *	1,826,881	8,000	1,823,665	1,826,881	11,216
State Administrative Matching Grants for Food Stamp Program	10.561	179,114	37,583	197,810	179,114	18,887
Total Department of Agriculture		2,483,648	54,129	2,498,730	2,483,648	39,047
<u>U.S. Department of Health and Human Resources</u>						
Direct Programs:						
Special Programs for the Aging - Title IV Training, Research, and Discretionary Projects and Programs	93.048	99,940	26,558	84,392	99,878	42,044
Linking Community - Based Primary Care, Substance Abuse, HIV/AIDS and Mental Health Treatment Services	93.109	524,871	42,629	477,629	477,505	42,505
Maternal and Child Health Federal Consolidated Programs (SPRANS)	93.110	676,918	31,918	332,816	331,574	30,676
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	1,468,885	74,374	711,895	658,617	21,096
Project Grants for Health Services to the Homeless	93.151	2,011,880	163,365	1,082,721	1,023,871	104,515
Community Health Centers	93.224 *	5,614,404	518,660	3,088,070	2,788,890	219,480
Drug Abuse Research Programs	93.279	1,466,438	82,718	719,657	659,623	22,684
Family Support Centers and Gateway Demonstration Program	93.578	250,000	289,889	342,833	52,944	-
Social Services Block Grant	93.667 *	2,950,000	-	-	291,472	291,472
Medicare - Supplementary Medical Insurance	93.774	244,491	13,041	221,246	244,491	36,286
HIV Emergency Relief Project Grants	93.914	2,411,552	-	1,807,542	1,615,223	(192,319)
HIV Emergency Relief Formula Grants	93.915	1,387,649	392,005	1,457,728	1,314,803	249,080
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	1,036,760	(102,044)	500,000	602,044	-
Special Projects of National Significance (SPNS)	93.928	500,589	20,296	190,628	184,777	14,445
Passed through Oregon Commission on Children and Families:						
Child Care and Development Block Grant	93.575	219,616	111,663	329,741	206,520	(11,558)
Social Services Block Grant	93.667 *	1,811,688	-	1,014,349	1,716,391	702,042
Passed through Oregon Housing and Community Services Division:						
Family Support Payments to States - Assistance Payments	93.560	25,000	-	25,000	25,000	-
Low-income Home Energy Assistance	93.568 *	6,091,968	342,487	2,899,634	2,946,672	389,525
Passed through Oregon Health Sciences University:						
Community Services Block Grant Discretionary Awards - Demonstration Partnerships	93.573	71,091	-	71,091	71,091	-
Passed through State Department of Human Resources:						
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation of Older Individuals	93.041	15,887	(145)	2,817	1,943	(1,019)
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	95,973	(10,002)	60,475	77,832	7,355
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	919,911	69,440	790,269	706,785	(14,044)
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	913,527	(158,198)	845,561	859,037	(144,722)
Special Program for the Aging - Title III, Part D - In Home Services for the Frail Older Individuals	93.046	72,704	(4,229)	3,164	28,483	21,090
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	11,972	8,225	117,752	119,772	10,245
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	654,669	92,333	702,012	641,262	31,583
Projects for Assistance in Transition From Homelessness (PATH)	93.150	231,250	-	231,250	231,250	-
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	93.196	1,599,086	-	1,599,086	1,599,086	-
Balances carried forward		33,378,719	2,004,983	19,709,358	19,576,836	1,872,461

(Continued)

MULTNOMAH COUNTY, OREGON

Schedule of Federal Financial Assistance, Continued

<u>Grantor and program title</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Receivable (Advance) at July 1 1995</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Receivable (Advance) at June 30 1996</u>
Balance brought forward		\$ 33,378,719	2,004,983	19,709,358	19,576,836	1,872,461
Childhood Lead Poisoning Prevention Projects - State and Community - Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children (CLPPP)	93.197	200,509	21,185	163,256	195,756	53,685
Family Planning - Services (Umbrella Councils)	93.217	304,235	1,583	248,235	304,235	57,583
Childhood Immunization Grants	93.268	481,333	(193,813)	464,913	519,446	(139,280)
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	93,730	-	58,335	72,404	14,069
Child Support Enforcement (Title IV-D)	93.563	1,045,362	295,953	1,046,024	1,045,362	295,291
Refugee and Entrant Assistance - State Administered Programs	93.566	1,225,000	86,208	505,358	435,400	16,250
Community Services Block Grant	93.569	1,388,324	128,596	836,899	931,641	223,338
Medical Assistance Program (Medicaid; Title XIX)	93.778 *	14,467,503	1,274,796	15,095,158	14,467,503	647,141
HIV Care Formula Grants	93.917	403,978	40,706	353,227	403,978	91,457
Cooperative Agreements for State - Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	412,639	(56,963)	215,828	305,893	33,102
HIV Prevention Activities - Health Department Based	93.940	160,453	-	105,059	160,453	55,394
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	88,353	4,361	77,047	88,353	15,667
HIV/AIDS and Related Diseases Among Substance Abusers: Community-Based Outreach and Intervention Demonstration Program	93.949	230,823	-	230,823	230,823	-
Block Grants for Community Mental Health Services	93.958	453,531	-	453,531	453,531	-
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959 *	2,627,187	-	2,627,187	2,627,187	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	123,000	10,192	110,277	123,000	22,915
Health Programs for Refugees	93.987	40,546	3,899	43,504	40,546	941
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	24,416	-	17,500	24,416	6,916
Preventive Health and Health Services Block Grant	93.991	237,948	20,266	238,396	237,948	19,818
Maternal and Child Health Services Block Grant to the State Passed through City of Portland:	93.994	1,190,382	98,000	1,074,743	1,057,785	81,042
Community Prevention Coalitions (Partnership) Demonstration Grant	93.194	390,211	165,413	481,815	501,361	184,959
Passed through University of Minnesota: Drug Abuse Research Programs	93.279	127,760	79,849	79,849	46,224	46,224
Total Department of Health and Human Resources		59,095,942	3,985,214	44,236,322	43,850,081	3,598,973
<u>Corporation for National and Community Service</u>						
Passed through Oregon Commission for National and Community Service:						
Americorps	94.006	232,917	-	232,917	92,907	(140,010)
Passed through Oregon Housing and Community Services Division: Americorps	94.006	22,506	-	22,506	22,506	-
Total Corporation for National and Community Service		255,423	-	255,423	115,413	(140,010)
<u>U.S. Department of Housing and Urban Development</u>						
Direct Programs:						
Community Development Block Grants/ Entitlement Grants	14.218 *	5,187,000	481,661	1,360,683	1,258,211	379,189
Supportive Housing Program	14.235	4,216,598	-	102,545	861,004	758,459
Passed through City of Gresham:						
Community Development Block Grants/Entitlement Grants	14.218 *	86,542	-	-	84,805	84,805
Passed through Oregon Housing and Community Services Division:						
Supportive Housing Program	14.235	183,600	-	120,048	174,849	54,801
Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)	14.236	474,076	25,098	163,967	215,343	76,474
Passed through State Department of Human Resources:						
Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)	14.236	795	-	795	795	-
Passed through State Executive Department:						
Emergency Shelter Grants Program (ESG)	14.231	15,050	31,111	46,161	15,050	-
Passed through City of Portland:						
Bureau of Community Development:						
Community Development Block Grants/Entitlement Grants	14.218 *	804,320	657,488	726,082	774,345	705,751
Emergency Shelter Grants Program (ESG)	14.231	326,040	199,580	199,580	323,340	323,340
Passed through Housing Authority of Portland:						
Public and Indian Housing:						
Comprehensive Improvement Assistance Program	14.852	241,915	-	277,269	277,269	-
Total Department of Housing and Urban Development		11,535,936	1,394,938	2,997,130	3,985,011	2,382,819

(Continued)

MULTNOMAH COUNTY, OREGON
Schedule of Federal Financial Assistance, Continued

<u>Grantor and program title</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Receivable (Advance) at July 1 1995</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Receivable (Advance) at June 30 1996</u>
<u>U.S. Department of Justice</u>						
Direct Programs:						
Law Enforcement Assistance - Narcotics and Dangerous Drugs - Lab Analysis	16.001	\$ -	(14,378)	-	-	(14,378)
Drug Control and System Improvement - Formula Grant	16.579	-	20,912	20,912	-	-
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	566,666	13,661	250,504	270,695	33,852
Drug Court Discretionary Grants Program	16.585	512,055	-	-	47,055	47,055
Public Safety Partnership and Community Policing Grants	16.710	18,169	-	4,624	4,624	-
Passed through State Department of Justice:						
Crime Victim Assistance	16.575	73,000	9,390	31,875	33,717	11,232
Drug Control and System Improvement - Formula Grant	16.579	235,000	203,252	347,117	234,925	91,060
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	406,000	-	155,612	346,008	190,396
Total Department of Justice		1,810,890	232,837	810,644	937,024	359,217
<u>U.S. Department of Transportation</u>						
Passed through Oregon State Marine Board:						
Boating Safety Financial Assistance	20.005	135,600	-	135,600	135,600	-
Passed through State Public Utility Commission:						
Motor Carrier Safety Assistance Program (MCSAP)	20.218	175,500	-	40,931	40,931	-
Passed through State Department of Transportation:						
State and Community Highway Safety	20.600	100,000	-	25,428	25,428	-
Total Department of Transportation		411,100	-	201,959	201,959	-
<u>U.S. Department of Energy</u>						
Passed through Oregon Housing and Community Services Division:						
Weatherization Assistance for Low-Income Persons	81.042	643,719	205,500	502,590	297,090	-
Total Department of Energy		643,719	205,500	502,590	297,090	-
<u>Federal Emergency Management Agency</u>						
Direct Programs:						
Disaster Assistance - FEMA Flood	83.516	504,146	-	-	504,146	504,146
Emergency Management Institute - Training Assistance	83.527	696	-	696	696	-
Passed through State Executive Department:						
Civil Defense - State and Local Emergency Management Assistance	83.503	-	21,624	21,624	-	-
Emergency Management - State and Local Assistance	83.534	58,223	-	38,871	58,223	19,352
Passed through United Way:						
Civil Defense - State and Local Emergency Management Assistance	83.503	-	124,023	124,023	-	-
Emergency Management - State and Local Assistance	83.534	288,896	-	247,390	288,896	41,506
Total Federal Emergency Management Agency		851,961	145,647	432,604	851,961	565,004
<u>U.S. Department of Education</u>						
Direct Programs:						
Literacy Programs for Prisoners	84.255	-	55,614	55,614	-	-
Passed through State Department of Human Resources:						
Public Library Services (LSCA)	84.034	325,777	-	171,452	193,266	21,814
Safe and Drug Free Schools - State Grants	84.186	71,529	-	71,529	71,529	-
Passed through Portland Public Schools:						
Drug-Free Schools and Communities-Emergency Grants	84.233	95,153	6,296	47,923	49,990	8,363
Total Department of Education		492,459	61,910	346,518	314,785	30,177

(Continued)

MULTNOMAH COUNTY, OREGON

Schedule of Federal Financial Assistance, Continued

Grantor and program title	Federal CFDA Number	Program Award Amount	Receivable (Advance) at July 1 1995	Receipts	Expenditures	Receivable (Advance) at June 30 1996
<u>Other Federal Assistance</u>						
Department of Agriculture:						
U.S. Forest Service - Patrol Contract		\$ 74,297	-	38,487	38,487	-
Department of Energy:						
Youth Employment and Empowerment		283,000	51,026	115,401	64,375	-
U.S. Environmental Protection Agency:						
EPA Pest Control		19,067	-	-	5,222	5,222
Federal Bureau of Investigation:						
FBI Space Rental		420	-	420	420	-
Passed through Department of Housing and Community Development:						
VAHON		544,169	-	110,611	300,950	-
Department of Interior:						
O & C Grant		826,660	-	826,360	826,360	190,339
Sale/Lease Federal Land		605	-	605	605	-
Passed through State Executive Department:						
Forest Reserve Yield (PILT)		749,373	-	749,373	749,373	-
Department of Justice:						
U.S. Marshall - Forfeitures		7,983	-	7,983	7,983	-
Department of Transportation:						
Passed through State Department of Transportation:						
FAU Engineering Contracts		347,796	133,413	481,209	347,796	-
State Highway - Flood Relief		493,407	-	531,201	493,407	(37,794)
Total Other Federal Assistance		<u>3,346,777</u>	<u>184,439</u>	<u>2,861,650</u>	<u>2,834,978</u>	<u>157,767</u>
Total Federal Assistance		\$ <u>80,927,855</u>	<u>6,264,614</u>	<u>55,143,570</u>	<u>55,871,950</u>	<u>6,992,994</u>

* Represents a major program.

MULTNOMAH COUNTY, OREGON

Notes to Schedule of Federal Financial Assistance

June 30, 1996

(1) General

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of Multnomah County, Oregon (the County) for the year ended June 30, 1996. The County's reporting entity is defined in note 1 to the County's June 30, 1996 general purpose financial statements.

(2) Basis of Accounting

The accompanying Schedule of Federal Financial Assistance is presented using a basis of accounting which is consistent with the general purpose financial statements, as described in note 1 to the County's general purpose financial statements.

(3) Relationship to Combined Financial Statements

As described in note 2 to the general purpose financial statements, federal financial assistance revenues reported in the County's general purpose financial statements are included with intergovernmental revenues.

(4) Noncash Awards

The accompanying Schedule of Federal Financial Assistance includes a noncash award from the Department of Health and Human Resources in the form of vaccines (CFDA #93.268 - Childhood Immunization Grants). The value of the Childhood Immunization Grant award of \$481,333 was determined by the granting agency. The amount expended and advanced at June 30, 1996 is calculated on a proportionate basis.

Suite 2000
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Portland, OR 97204

Independent Auditors' Report on Compliance
Based on an Audit of the General Purpose Financial
Statements Performed in Accordance with
Government Auditing Standards

The Board of Commissioners of
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, 1996, and have issued our report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the County is the responsibility of the management of the County. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners and the management of the County, its cognizant agent, and other federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

December 2, 1996

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on Compliance
with General Requirements Applicable to
Federal Financial Assistance Programs

The Board of Commissioners of
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, 1996, and have issued our report thereon dated December 2, 1996.

We have applied procedures to test the County's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance for the year ended June 30, 1996:

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Workplace Act
- Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

To the Board of Commissioners
Multnomah County, Oregon
Page 2

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners and the management of the County, its cognizant agent, and federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

December 2, 1996

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on Compliance
with Specific Requirements Applicable to Major
Federal Financial Assistance Programs

The Board of Commissioners of
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, 1996, and have issued our report thereon dated December 2, 1996.

We have also audited the County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; monitoring of subrecipients; special tests and provisions as identified in the attachment to this report; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the County is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of the County's compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

To the Board of Commissioners
Multnomah County, Oregon
Page 2

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the County complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; monitoring of subrecipients; special tests and provisions as identified in the attachment to this report; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of the Board of Commissioners and management of the County, its cognizant agent, and other federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

December 2, 1996

MULTNOMAH COUNTY, OREGON

Attachment to the Independent Auditors' Report
on Compliance with Specific Requirements Applicable
to Major Federal Financial Assistance Programs

Year ended June 30, 1996

Special Tests and Provisions:

Program: CFDA #93.224 Community Health Centers

Compliance requirements: Multnomah County, Oregon (the County), is required to prepare its audited financial statements in accordance with generally accepted accounting principles.

The County must secure payments from patients for services in accordance with the schedule of fees and discounts which has been adjusted on the patient's ability to pay.

The County must comply with certain restrictions placed upon the use of excess program income.

Program: CFDA #14.218 Community Development Block Grants/Entitlement Grants (CDBG)

Compliance requirements: With certain exceptions, the County cannot obligate or expend CDBG funds before receipt of HUD's approval of a Request for Release of Funds (RROF) and environmental certification.

With certain exceptions, the County must obtain environmental reviews for projects.

The County must accurately account for any program income generated from the use of CDBG funds and must treat such income as additional CDBG funds subject to all program rules.

The County is required to enter into written agreements with its subrecipients that meet certain criteria before disbursing funds to the subrecipients.

Program: CFDA #93.778 Medical Assistance Program (Medicaid; Title XIX)

Compliance requirements: The County must pay for a portion of the Medicaid expenditures in accordance with the approved state plan.

Program: CFDA #93.667 Social Services Block Grant

Compliance requirements: No special tests and provisions applicable at the County level.

MULTNOMAH COUNTY, OREGON

Attachment to the Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs, Continued

Special Tests and Provisions, Continued:

Program: CFDA #10.557 Special Supplemental Food Program for Women, Infants and Children (WIC Program)

Compliance requirements: No special tests and provisions applicable at the County level.

Program: CFDA #93.568 Low-income Home Energy Assistance (LIHEAP)

Compliance requirements: The County is required to conduct outreach to ensure that eligible households, particularly those with elderly and handicapped individuals, are aware of the assistance provided through the program.

The County is required to treat both homeowners and renters equitably.

In certain instances the County must establish procedures to:

- Notify recipient households of the amount of assistance paid on their behalf;
- Ensure that the home energy supplier will charge the household, in the normal billing process, the difference between the actual costs of the energy supplied and the amount of the payment made by the grantee;
- Ensure that no household will be treated adversely because of the assistance; and
- Ensure that the home energy supplier does not discriminate against the eligible household.

The County must establish procedures to ensure households which are denied assistance or are not receiving prompt assistance have an opportunity for a hearing.

Program: CFDA #93.959 Block Grants for Prevention and Treatment of Substance Abuse (Prevention and Treatment SAPT Block Grant)

Compliance requirements: No special tests and provisions applicable at the County level.



Peat Marwick LLP

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Independent Auditors' Report on Compliance with
Specific Requirements Applicable to Nonmajor Federal
Financial Assistance Program Transactions

The Board of Commissioners of
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, 1996, and have issued our report thereon dated December 2, 1996.

In connection with our audit of the general purpose financial statements of the County, and with our consideration of the County's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; cost allocation; monitoring subrecipients; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners and management of the County, its cognizant agent, and other federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

December 2, 1996



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MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs

Year ended June 30, 1996

Program:	CFDA #93.224 Community Health Centers.
Finding:	Reporting and recordkeeping requires state that all grantees must submit a final financial status report 90 days after the end of the project period. In the current fiscal year the financial status report was prepared 91 days after the end of the project period.
Recommendation:	The Health Department should implement procedures to ensure that reports are issued in a timely manner and within grant determined requirements.
Questioned Costs:	None.
Multnomah County response:	The Department requests an extension from the Grantor when it knows it will be unable to file a timely report. The Grantor (in this case the cognizant Federal agency), was consulted and allowed the Health Department to file its report a day late.

MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs, Continued

Program:	CFDA #93.224 Community Health Centers.
Finding:	The Office of Management and Budget issued a revised Circular A-87 on May 4, 1995. This Circular was effective for all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995. The revised Circular increased the requirements related to time distributions, stating that unless a statistical sampling system or other substitute system had been approved by the cognizant Federal agency, time distributions for employees working on multiple grants must be supported by personnel activity reports. The reports must be prepared at least monthly and must coincide with one or more pay periods. KPMG noted in its sample of ten (10) payroll records that the salary and wage distribution was based on a quarterly review of one week's performance rather than a pay period (semimonthly or bi-weekly).
Recommendation:	The Health Department should base its time distributions on random time surveys four times a year which each cover at least one pay period (this approach was approved by the County's cognizant agency). All other aspects of the new Circular A-87 should be followed as appropriate.
Questioned costs:	None.
Multnomah County response:	Management agrees with the recommendation and has begun redesigning the time distribution system to serve dual purposes: (1) comply with revised OMB Circular A-87, and (2) provide additional management information not currently available.

MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs, Continued

Program: CFDA #93.778 Medical Assistance Program (Medicaid; Title XIX).

Finding: Specific requirements for eligibility determination for the Developmental Disabilities program states that if the recipient qualifies for the Title XIX waived services, a Title XIX waiver form must be completed and updated on an annual basis by case managers.

Ten client files were examined for updated Title XIX waiver forms. All of the files had the form in them but four of the forms were not updated.

Recommendation: We recommend personnel responsible for the Developmental Disabilities program develop a file checklist which tracks each recipient, the update deadline, and the date the update was performed.

Questioned costs: \$-0-

Multnomah County response:

Currently, a listing of approved Title XIX waivers is maintained and updated by a service coordinator assistant. The listing identifies when a Title XIX waiver needs to be reviewed by a service coordinator (case manager). In the month prior to a review the service coordinator is provided a form with names of individuals who need Title XIX waivers completed. Forms are returned to the service coordinator assistant with a signature and date. This indicates that reviews have been completed/updated. The updated forms are then filed in the client files.

Two additional steps will be added to the process to ensure that reviews occur within the appropriate time period and that files contain updated documentation. The service coordinator assistant will now notify the supervisor if forms are not reviewed and returned before the end of the month that the review is due. The supervisor will then follow up with the service coordinator to ensure the review is completed.

In addition, in situations where individuals previously waived are no longer eligible for waiver, the service coordinator will make a written notation on the last waiver form that the individual is no longer eligible for a waiver. This should eliminate the problem of old Title XIX waiver forms being in the file and mistakenly appearing to be valid, but not updated.

MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs, Continued

Program:	CFDA #93.914 HIV Emergency Relief Project Grants.
Finding:	<p>The cash management general requirement prescribes that grantee financial management systems shall include procedures to minimize the time elapsed between the transfer of funds from the U.S. Treasury and the disbursement of funds by the grantee.</p> <p>During the fiscal year, the Health Services Department improperly billed the federal government twice for the same services. The error resulted in the County owing the federal government \$192,319 at June 30, 1996; a violation of the aforementioned cash management requirement.</p>
Recommendation:	The County's Health Services Department should develop and implement procedures to compare expenditures against reimbursement requests. This procedure should be reviewed by at least one individual in a supervisory position. This procedure will decrease the Department's risk of processing improper bills.
Questioned costs:	\$192,319
Multnomah County response:	<p>The Department has addressed the auditors' recommendation with the following procedures: (1) monthly expenditure reports are prepared by the grants accounting manager and are reviewed by both the program manager and the Department director. (2) grant revenues are shown on the expenditure reports. (3) activity codes are used to identify the grant period for approved expenditures.</p>

MULTNOMAH COUNTY, OREGON

Schedule of Findings and Questioned Costs, Continued

Program:	CFDA #93.568 Low-income Home Energy Assistance.
Finding:	The weatherization program uses client application forms to determine applicant eligibility. The forms are reviewed and authorized by County personnel. In a sample of 25 recipient files, 6 did not contain an authorizing signature on the client application.
Recommendation:	All reviewed applications should contain an authorized signature of acceptance or rejection of the application. During the internal review of the client's file, the reviewers should ensure that proper authorization of the application was documented.
Questioned costs:	\$-0-
Multnomah County response:	Division of Community Action and Development agrees with the recommendation. A staff position has recently been reassigned to provide administrative oversight of client files. This person will review files to ensure appropriate documentation of each application and applicant eligibility.

MULTNOMAH COUNTY, OREGON

Update of the Schedule of Findings
and Questioned Costs for the Year Ended
June 30, 1995 Relating to Programs Audited
for the Year Ended June 30, 1996

Program: CFDA #10.557 Special Supplemental Food Program for Women, Infants, and Children (WIC).
CFDA #93.224 Community Health Centers.

Finding: Federal statutes require grantees receiving federal funds to comply with the administrative requirements of the "Common Rule". The "Common Rule" requires a grantee to adopt procedures that permit the tracing of funds to a level sufficient to establish that funds have not been used in violation of restrictions and prohibitions of applicable statutes. Procedures adopted must provide for records to be maintained which adequately identify the source and application of funds provided for financially assisted activities.

Federal expenditures as reported in the Financial Status Report (FSR) by the County's Department of Health Services (Department) to the U.S. Department of Health and Human Services are not supported in sufficient detail to differentiate federally assisted expenditures from non-federally assisted expenditures. Federal expenditures are not specifically identified within the Department's accounting system. For purposes of preparing the FSR, federal expenditures are deemed to be equal to federal receipts.

Recommendation: The Health Department should implement procedures that would enable the Department to adequately distinguish between expenditures made from federal sources and those made from non-federal sources. This repeats a recommendation from the prior year.

Questioned cost: Not determinable

MULTNOMAH COUNTY, OREGON

Update of the Schedule of Findings and
Questioned Costs, Continued

Multnomah County
response:

The Community Health Centers project is funded by a variety of resources. The three largest sources of support are local funds, Medicaid Fee For Service revenue, and the Public Health Services Community Health Centers (CHC) grant. The CHC grant makes up approximately 12% of the project.

The Department believes it would serve no programmatic, financial, or managerial purpose to create a segregated accounting of these expenditures. Assignment of these expenditures to the CHC, the County, or to fees generated by the CHC and/or the County, would only serve the purpose of compliance with the Common Rule.

The Department had responded to the auditors' prior recommendation and modified its FSR accounting procedures to now allow the tracing of expenditures from the FSR to line item detail in the County's general ledger system. The Department believes this modification allows a level of detail sufficient to establish that funds have not been used in violation of any applicable statutes or grant requirements.

The Department will seek clarification from Region X of the Public Health Service regarding the federal government's expectations of a proper accounting of the CHC project.

1996 update:

In the current year the Health Department installed new software that allowed them to track expenditures more effectively. Adequate supporting detail was produced in the current year to support federal grant expenditures. This finding will not be repeated in the current year's Schedule of Findings and Questioned Costs.

MULTNOMAH COUNTY, OREGON

Update of the Schedule of Findings
and Questioned Costs, Continued

Program: CFDA #10.557 Special Supplemental Food Program for Women, Infants, and Children (WIC)

Finding: Office of Management and Budget (OMB) Circular A-87, requires that salaries and wages of employees which are chargeable to more than one grant program or cost objective be supported by appropriate time distribution records. The County did not keep adequate time and effort records for the period April 1993 - October 1994. In the period from October 1994 - June 30, 1995, adequate reports were found to be on file and completed in a timely manner.

Recommendation: The County should continue to complete the time and effort reports on a periodic basis which is acceptable to its cognizant agent.

Questioned cost: \$-0-

Multnomah County response: Management agrees with the recommendation and will maintain time and effort reports which are completed in a manner acceptable to its cognizant agent.

1996 update: Current year procedures did not detect similar non-compliance. This finding will not be repeated in the current year's Schedule of Findings and Questioned Costs.

MULTNOMAH COUNTY, OREGON

Update of the Schedule of Findings
and Questioned Costs, Continued

Program:	CFDA #14.218 Community Development Block Grants/ Entitlement Grants
Finding:	<p>The Single Audit Act requires a primary recipient to monitor its subrecipients to ensure federal financial assistance is expended in accordance with applicable laws and regulations.</p> <p>One Community Development Division file did not contain documentation that the County had appropriately monitored a subrecipient.</p>
Recommendation:	The Community Development Division should monitor all of its subrecipients on a regular basis.
Questioned costs:	\$-0-
Multnomah County response:	Management agrees with the finding and will review its procedures to ensure that all subrecipients are appropriately monitored.
1996 update:	Current year procedures did not detect similar non-compliance. This finding will not be repeated in the current year's Schedule of Findings and Questioned Costs.

Suite 2000
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Independent Auditors' Report on the Internal Control
Structure Based on an Audit of the General Purpose Financial Statements
Performed in Accordance with Government Auditing Standards

The Board of 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, 1996, and have issued our report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of the County is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the County as of and for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

To the Board of Commissioners
Multnomah County, Oregon
Page 2

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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 structure and its operation that we considered to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to management of the County in a separate letter dated December 2, 1996.

This report is intended for the information of the Board of Commissioners and management of the County, its cognizant agent, and other federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

December 2, 1996

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on the Internal
Control Structure Used in Administering
Federal Financial Assistance Programs

The Board of Commissioners of
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, 1996, and have issued our report thereon dated December 2, 1996. We have also audited the County's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 2, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the County complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the County in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the County and on the County's compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 2, 1996.

The management of the County is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Accounting Applications

- Purchases and Disbursements
- Grant Revenue and Receipts
- Payroll

General Requirements

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug-Free Workplace
- Administrative Requirements

Specific Requirements

- Types of Services Allowed
- Eligibility
- Matching, Level of Effort, or Earmarking
- Reporting
- Monitoring of Subrecipients
- Special Tests and Provisions
 - Preparation of Financial Statements
 - Securing of Payments
 - Use of Excess Program Income
 - Obligation of Funds
 - Environmental Reviews
 - Agreements with Subrecipients
 - Payment of Medicaid Expenditures
 - Outreach Programs
 - Treatment of Homeowners and Renters
 - Procedures Over Direct Energy Payments
 - Assistance Hearings

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the County expended 52 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the major federal financial assistance programs of the County which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

To the Board of Commissioners
Multnomah County, Oregon
Page 4

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to management of the County in a separate letter dated December 2, 1996.

This report is intended for the information of the Board of Commissioners and management of the County, its cognizant agent, and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

December 2, 1996



MULTNOMAH COUNTY OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 1996



About the Cover

The cover is a reproduction of Dennis Cunningham's *Sauvie Island*, a linocut print that was produced in 1987. *Sauvie Island* is part of the Regional Arts & Culture Council's Visual Chronicle of Portland collection and they graciously permitted us to use it on our budget document cover. The Visual Chronicle of Portland documents the changing face of the city as it is perceived through the eyes of its artists. The Chronicle is a collection of paintings, drawings, prints and photographs that portray some aspect of Portland, and each year new works on paper are solicited from the community. The collection forms a vivid historical portrait of the city, one that is intended to continue and grow indefinitely. The first three years of the collection were made possible by a test grant from the National Endowment for the Arts. Since the expiration of the test grant, the Regional Arts & Culture Council has enthusiastically continued to fund the Visual Chronicle's annual acquisitions.

About the Artist

DENNIS CUNNINGHAM

American, born 1949

Dennis Cunningham's linoleum block prints graphically communicate his interest in the complex relationships between people and the natural environment. His images are often narrative, telling us a story in symbols, diagrams, maps and pictures, about people, and animals, and places, and points of view.

His work in printmaking has been shown in solo and group exhibitions in the United States, Canada, Mexico, Argentina, Germany, Japan and Australia. His graphic works are in the permanent collections of many state and city art commissions, as well as in museum, corporation and private art collections throughout the western United States.

His familiar black and white prints have been published and distributed nationally in a variety of books, magazines and posters. He has collaborated as an artist on many public art projects including Central Square Subway Station in Boston, Massachusetts and the Oregon Convention Center in Portland.

He is the recipient of several awards and honors including the Western States/National Endowment for the Arts Regional Fellowship in Printmaking (1988) and the Oregon Individual Fellowship in the Arts (1992). He is represented by the Jamison/Thomas Gallery in Portland and by Davidson Galleries in Seattle, Washington. He is currently an instructor of design, drawing and printmaking at Marylhurst College.

Sauvie Island

"Growing up in the Portland area, I visited Sauvie Island as a boy to catch it's plentiful and lively sunfish. I continue to visit as an adult, but now to explore it's abundant scenic beauty. The island is a special place and unusual wild place to recreate, right at the edge of a metropolis."

D.L. Cunningham
1995

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1996



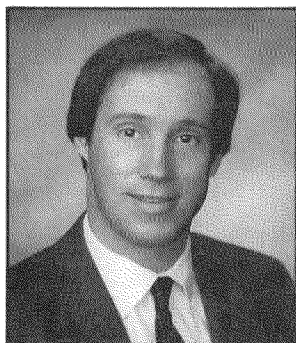
Prepared by:

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



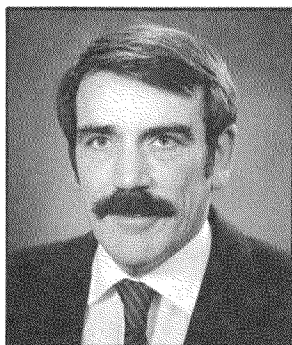
BEVERLY STEIN
Chair



DAN SALTZMAN
Commissioner



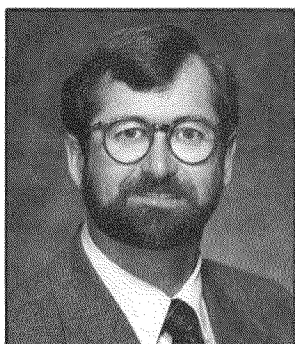
SHARRON KELLEY
Commissioner



GARY HANSEN
Commissioner



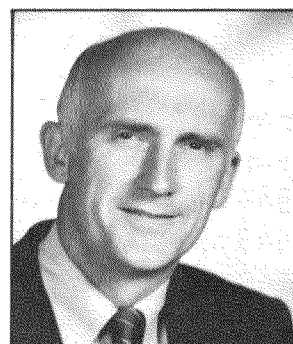
TANYA COLLIER
Commissioner



GARY BLACKMER
Auditor



DAN NOELLE
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1996

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page(s)</u>
Organization Charts	1-2
Principal Officers	3
Letter of Transmittal	4-21
Certificate of Achievement for Excellence in Financial Reporting	22

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	23
GENERAL PURPOSE FINANCIAL STATEMENTS ("Liftable" Combined Financial Statements):	
Combined Balance Sheet - All Fund Types and Account Groups	24-25
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	26
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	27-28
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance - All Proprietary Fund Types and Similar Trust Funds	29
Combined Statement of Cash Flows - All Proprietary Fund Types	30
Notes to the Combined Financial Statements	31-56
ADDITIONAL INFORMATION (Combining and Individual Fund and Account Group Statements and Schedules):	

**MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)**

Page(s)

FINANCIAL SECTION (Continued)

General Fund:

Schedule of Revenues and Expenditures - Budget and Actual	57-58
---	-------

Special Revenue Funds:

Combining Balance Sheet	59-60
-------------------------	-------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	61-62
---	-------

Schedules of Revenues and Expenditures - Budget and Actual:

Strategic Investment Program Fund	63
-----------------------------------	----

Road Fund	64
-----------	----

Emergency Communications Fund	65
-------------------------------	----

Assessment and Taxation Fund	66
------------------------------	----

Bicycle Path Construction Fund	67
--------------------------------	----

Federal and State Program Fund	68-69
--------------------------------	-------

County School Fund	70
--------------------	----

Corner Preservation Fund	71
--------------------------	----

Tax Title Land Sales Fund	72
---------------------------	----

Animal Control Fund	73
---------------------	----

Willamette River Bridges Fund	74
-------------------------------	----

Recreation Fund	75
-----------------	----

Library Fund	76
--------------	----

Justice Services Special Operations Fund	77
--	----

County Fair Fund	78
------------------	----

Inmate Welfare Fund	79
---------------------	----

**MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)**

Page(s)

FINANCIAL SECTION (Continued)

Convention Center Fund	80
Assessment District Operating Fund	81
Natural Areas Acquisition and Protection Fund	82
Jail Levy Fund	83
Debt Service Funds:	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Schedules of Revenues and Expenditures - Budget and Actual:	
Capital Lease Retirement Fund	86
Library Bond Sinking Fund	87
Revenue Bond Sinking Fund	88
Capital Projects Funds:	
Combining Balance Sheet	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	90
Schedules of Revenues and Expenditures - Budget and Actual:	
Equipment Lease/Purchase Fund	91
Lease/Purchase Project Fund	92
Capital Improvement Fund	93
Library Construction Fund	94
Edgefield Children's Center Fund	95

**MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)**

Page(s)

FINANCIAL SECTION (Continued)

Enterprise Funds:

Combining Balance Sheet	96
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)	97
Combining Statement of Cash Flows	98
Combining Schedule of Changes in Contributed Capital	99
Schedules of Revenues and Expenditures - Budget and Actual:	
Dunthorpe-Riverdale Service District No. 1 Fund	100
Mid County Service District No. 14 Fund	101
Library Enterprise Fund	102
CareOregon Fund	103

Internal Service Funds:

Combining Balance Sheet	104
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)	105
Combining Statement of Cash Flows	106
Combining Schedule of Changes in Contributed Capital	107
Schedules of Revenues and Expenditures - Budget and Actual:	
Insurance Fund	108
Fleet Management Fund	109
Telephone Fund	110
Data Processing Fund	111

**MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)**

Page(s)

FINANCIAL SECTION (Continued)

Mail/Distribution Fund 112

Facilities Management Fund 113

Trust and Agency Funds:

Combining Balance Sheets:

All Fiduciary Fund Types 114

Agency Funds 115

Combining Statement of Changes in Assets and Liabilities -
Agency Funds 116

General Fixed Assets Account Group:

Schedule of General Fixed Assets 117

Schedule of General Fixed Assets - By Function and Activity 118

Schedule of Changes in General Fixed Assets - By Function
and Activity 119

OTHER SCHEDULES

Schedule of Federal Financial Assistance 120-122

Schedule of Property Tax Collections and Outstanding Balances 123

Schedule of Bonds and Bond Interest Coupon Transactions 124

Schedule of Bonds Outstanding 125

Schedule of Loans Outstanding 126

Schedule of Capitalized Lease Purchases Outstanding 127-128

Schedule of Receipts and Deposits - Elected Officials 129

**MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)**

Page(s)

STATISTICAL SECTION

General Governmental Expenditures by Function - Last Ten Fiscal Years	130
General Governmental Revenues by Source - Last Ten Fiscal Years	131
General Governmental Tax Revenues by Source - Last Ten Fiscal Years	132
Property Tax Levies and Collections - Last Ten Fiscal Years	133
Assessed Value of Taxable Property - Last Ten Fiscal Years	134
Consolidated Tax Rates - Last Ten Fiscal Years	135
Consolidated Tax Levies - Last Ten Fiscal Years	136
Principal Taxpayers	137
Special Assessment Billings and Collections - Last Ten Fiscal Years	138
Computation of Legal Debt Margin	139
Construction, Property Value, and Bank Deposits - Last Ten Fiscal Years	140
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years	141
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Fiscal Years	142
Computation of Direct and Overlapping Debt	143
Insurance in Force	144
Population, Per Capita Income and Unemployment - Last Ten Fiscal Years	145
Major Employers in Metropolitan Area	146
Miscellaneous Statistical Data	147

**MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)**

Page(s)

AUDIT COMMENTS AND DISCLOSURES

Audit Comments and Disclosures Required by State Regulations

Introduction 148

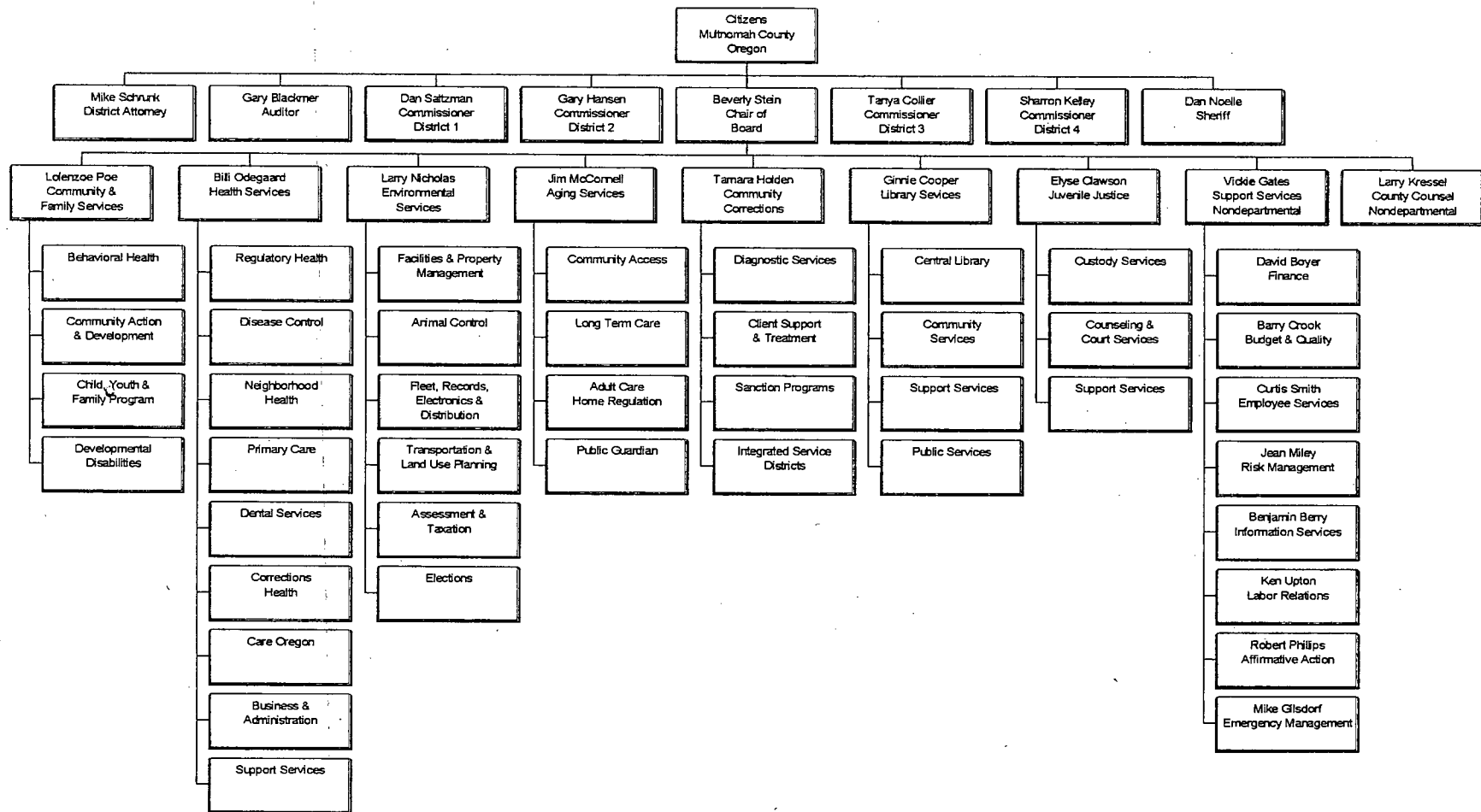
Independent Auditors' Report on the Internal Control Structure
Based on an Audit of the General Purpose Financial Statements Performed in
Accordance with Government Auditing Standards 149-150

Independent Auditors' Report on Compliance Based on an Audit
of the General Purpose Financial Statements Performed in Accordance with
Government Auditing Standards 151-152

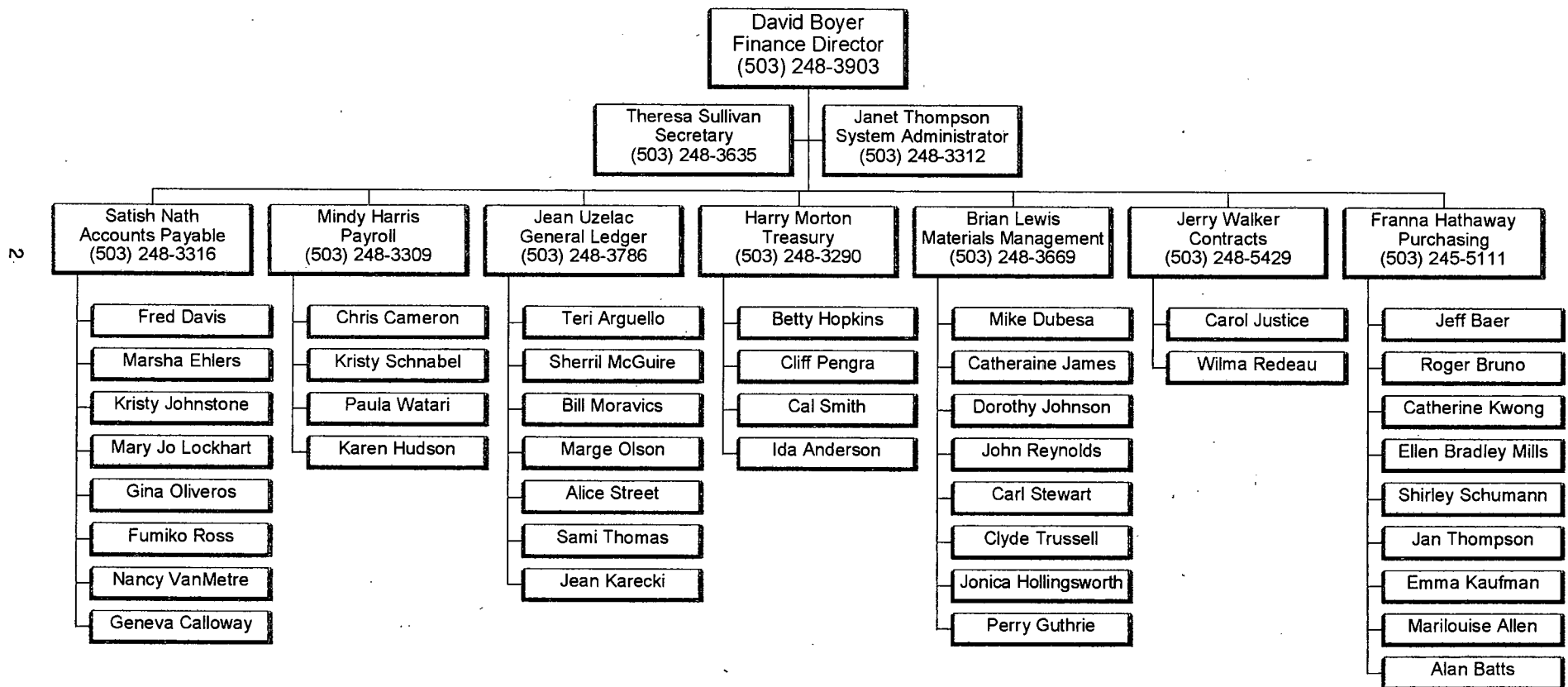
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INTRODUCTORY SECTION

MULTNOMAH COUNTY, OREGON



MULTNOMAH COUNTY, OREGON
Finance Division



**MULTNOMAH COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 1996**

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
--------------	-------------	---------------------

Board of County Commissioners

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

Other Elected Officers

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

Other Appointed Officers

Finance Director	David A. Boyer, CCM	Not elected
Accounting Manager	Jean M. Uzelac	Not elected
County Counsel	Laurence Kressel	Not elected

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MULTNOMAH COUNTY, OREGON

**BOARD OF COUNTY
COMMISSIONERS**

Beverly Stein, Chair
Tanya Collier
Gary Hansen
Sharron Kelley
Dan Saltzman

Directors Office
Accounts Payable
General Ledger
Payroll
Treasury

FINANCE DIVISION

Portland Building
1120 SW Fifth Avenue Suite 1430
PO Box 14700
Portland, OR 97293-0700
Phone (503) 248-3312
Fax (503) 248-3292

Contracts
Materials Management
Purchasing
Phone (503) 248-5111
Fax (503) 248-3252
TDD (503) 248-5170

Ford Building
2505 SE 11th
Portland, OR 97202

December 2, 1996

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, 1996, together with the unqualified opinion thereon of our independent certified public accountants, 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 Single Audit Act of 1984, OMB Circular A-128 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 applicable Federal laws and regulations related to the Single Audit Act of 1984 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 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 the Governmental Accounting Standards Board (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, which are reported as enterprise activities and presented as blended component units in the financial statements.

ECONOMY AND FINANCIAL OUTLOOK

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 Tualatin 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 1995 population of 626,500. The cities of Portland, with a population of 497,600, and Gresham, with a population of 77,240, 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 economy of 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, remained strong during fiscal year 1996. Total wage and salary employment rose with most of the increase coming from the non-manufacturing sector. The Portland PMSA's total employment rose from 942,900 employees at June 30, 1995 to 980,800 employees at June 30, 1996. The area's preliminary unemployment rate was 4.2% at June 30, 1996 compared to 3.8% at June 30, 1995. The Portland-Vancouver Consumer Price Index (CPI) (1982-84= 100) was 153.9 at December 1995. This represents an increase of 2.9% from December 1994.

The financial outlook for the County has been dimmed by the passage of Ballot Measure 47. Management is in the process of working with other taxing jurisdictions to address the implementation of this measure. See the subsequent events section of this letter for further details.

The Oregon Economic and Revenue Forecast reported that personal income in the state has reached it's highest rate of growth in the past decade. The 1995 growth of 7.6% was almost one third higher than the rest of the nation. Personal income is forecast to grow faster in Oregon than the nation. Over the next five years, personal income in Oregon is expected to grow faster than the national average. Increases in personal income are a strong indicator of a healthy economy and have a direct correspondence to new business development and job growth. This growth in businesses continues to be reflected in our increased business income tax collections.

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 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: The Department offers the following services:

- 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 Aging Services: The Department offers the following services to senior citizens:

- Services through information and referral, gatekeepers and twenty-four hour access;
- Case management/need 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 Justice Services: The Department offers the following services:

- 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 intervening in gang behavior;
- Advice to the court on needs of children and families involved in alleged child abuse and neglect; and
- Partnerships with the community to educate the public regarding juvenile delinquency and to develop interventions for troubled youth and their families.

Department of Health Services: The Department offers the following services:

- Primary health care and dental services at primary health care centers, dental clinics, school based health centers and correctional facilities;
- Home visits to high risk families, 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 and disenfranchised.

Department of Community Corrections: The Department offers the following services:

- Management and coordination of community corrections activities with other criminal justice and social agencies;
- 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.

Sheriff: The Sheriff's office offers the following services:

- Intensive enforcement programs to assist in empowering the residents of high risk neighborhoods to deal with crime and other social problems;
- 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 of 97 miles of waterways within the boundaries of the County; and
- Secure incarceration of inmates and the transportation of inmates both inter and intrastate.

District Attorney: The District Attorney's Office provides the following:

- Felony prosecution;

- Targeted crimes prosecution (Regional Organized Crime Narcotics "ROCN" task force, gang unit, forfeiture, domestic violence);
- Misdemeanor and violation prosecutions (DUI, traffic crimes);
- Multidisciplinary child abuse teams;
- Juvenile prosecutions (delinquency and dependency cases);
- Child support enforcement; and
- Victims assistance.

Department of Library Services: The Department offers the following services:

- Checks books and other library material out at the Central Library, fourteen branch libraries and through outreach services;
- Assists patrons in finding books and information;
- Selects, acquires, organizes and processes a wide variety of books and other materials on numerous subjects expressing wide-ranging points of view for people of all ages;
- Provides age appropriate materials and services for children and young adults; and
- Provides materials and services to those county residents not able to come to county libraries or use conventional materials.

Department of Environmental Services: The Department provides the following services:

- 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, clerical support of the Board of Equalization and Tax Title Fund management;
- Elections is responsible to perform all functions relating to the conduct of all elections for governmental jurisdictions in Multnomah County;
- Facilities and property management are responsible for facilities operations and maintenance, property management, tax foreclosed property maintenance, and capital improvement projects;
- Fleet, records, electronics and distribution are responsible for providing operational support services in the areas of county vehicles, records management, electronic equipment maintenance and interoffice and US mail processing; and
- Transportation and land use planning is responsible for road, bridge and bikeway maintenance and capital projects, and to regulate planning activities in Multnomah County.

Nondepartmental: Support Services is responsible for the operations of the internal centralized support services. The Department provides the following services:

- 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, for financial forecasting, providing technical assistance in grant writing and administering the Strategic Investment Program;
- Employee services is responsible for the areas of personnel, training and employee benefits;
- Information Services is responsible for data processing and telecommunications;
- Labor negotiations is responsible 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.

Functions which are outside the scope of the aforementioned are also categorized as Nondepartmental. They include the following:

- 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, 1996, the County had 3,932 employees not including temporary employees. There are nine bargaining units representing 3,363 employees as listed below. In addition, there are 569 management and exempt employees.

<u>Bargaining Unit</u>	<u>Employees</u>
General Employees (Local 88)	2,399
Electricians (Local 48)	18
Operating Engineers (Local 87)	12
Paint Makers (Local 55)	3
Corrections (Teamsters 223)	373
Deputy Sheriffs Association	101
Oregon Nurses Association	289
Juvenile Group Workers (Local 86)	88
Prosecuting Attorneys Association	80
Total	<u>3,363</u>

MAJOR INITIATIVES

In fiscal year 1996 the County continued the RESULTS campaign. RESULTS stands for Reaching Excellent Service Using Leadership and Team Strategies and is Multnomah County's program for reinventing and 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 guarantee quality service. To achieve these goals, the RESULTS Roadmap was developed by County officials, union leaders, and managers. The RESULTS Roadmap is a vision document to guide the County in implementing quality in Multnomah County.

The County adopted benchmarks for fiscal year 1995. These benchmarks are connected to the Oregon Benchmarks and the community benchmarks adopted by the Portland-Multnomah Progress Board. Of the 86 Multnomah County benchmarks, the leadership team of the County chose 12 as focal points for urgent action in fiscal year 1995. The benchmarks were updated in fiscal year 1996 and performance measures and key results for programs are being tracked to monitor the progress and are now a part of the budgetary process.

In fiscal year 1994 the County completed negotiations with Metro, a regional government, that gave Metro responsibility for the operations of the Expo Center and park operations. The transfer of operations was effective January 1, 1994, and certain assets, and liabilities were transferred to Metro. The final negotiations for the transfer of the real property associated with the operations of Expo and the parks was completed in fiscal year 1996 and the property will be transferred to Metro in fiscal year 1997.

During the year the County completed a Strategic Plan for Information Technology. The plan identified five strategic goals that will move the County toward achieving its vision for information technology. The goals are; (1) Improve access to County Information to the public; (2) Improve the quality of service delivery; (3) Improve public involvement in County processes that formulate County ordinances, policies and budget priorities; (4) Improve the quality of County decision making by making current and accurate data and information available; (5) Improve the efficiency and effectiveness of internal County business processes through the effective use of information technology.

The Board of County Commissioners approved for submittal to the voters on May 21, 1996 two separate three-year, rate based serial levies, one for library services which would raise an average of about \$16,353 per year and one for jail operations which would raise about \$29,933 per year. In addition the voters approved two general obligation bond measures. A library general obligation bond in the amount of \$29,000 was approved 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 and construction of public safety facilities and equipment.

Multnomah County was one of several municipalities in western Oregon and Washington State that were declared federal disaster areas due to flooding of the Columbia and Willamette rivers and various tributaries in February 1996. The County's public facilities and road damage estimate as of June 30, 1996 is \$1,035. The County has filed damage claims with the Federal Emergency Management Agency (FEMA) for \$570 and the Federal Highway Administration has reimbursed the County \$365 for a total of \$935 of the costs related to the flood damage.

For the future. The County is working on prioritizing programs and evaluating its services to begin implementing the effects of Ballot Measure 47. It is too early to determine the long term financial

impact of this measure. See the subsequent events section of this letter for more information on Ballot Measure 47.

The County is in the process of implementing the information systems strategic plan for information technology that was developed in fiscal year 1996. The County has provided for funding the conversion to a standard office software suite in its 1996-97 budget.

Multnomah County has developed a nationally known system of primary health care clinics. The system has been augmented with a variety of public health and primary care programs in neighborhoods, schools and in conjunction with other services. With the advent of the Oregon Health Plan and the increasingly managed care environment of local health care, maintaining the traditional mission of safety net health care in the County's clinics is becoming very difficult. Over the next few years the County anticipates bringing additional County services into a managed care environment as the County implements children's mental health and as alcohol and drug treatment services are brought into the Oregon Health Plan. Aging services will be exploring the possibilities for using managed care for long term care of the elderly and people with disabilities.

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 need to balance their 1996-97 budgets. The County will transfer \$10,000 in one-time-only funds to the school districts in fiscal year 1997.

The County will 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 the 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, 1996 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 thirty-nine funds of which twenty-nine are governmental fund types, and ten 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.

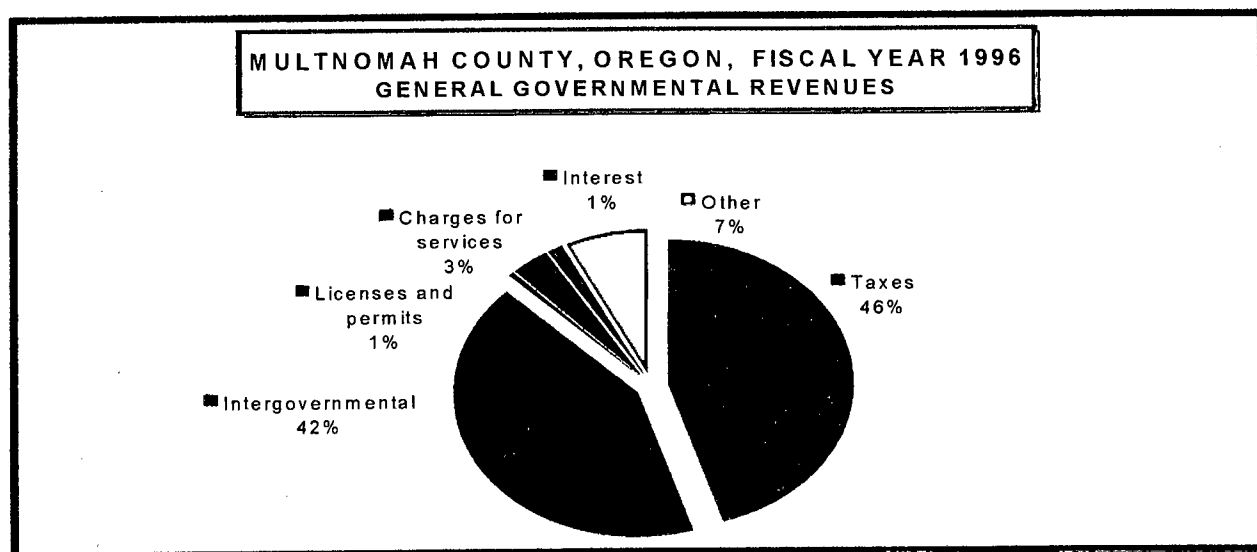
INTERNAL ACCOUNTING CONTROLS AND BUDGETARY PROCESS

Multnomah County maintains, and management relies upon, a system of internal controls designed to provide reasonable assurance that assets are safeguarded and 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 expenditure categories, i.e., personal services, materials and services, capital outlay, cash transfers and contingency 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 the legal categories. The appropriation transfers must be approved by the Board of County Commissioners in public meetings. During the fiscal year, two supplemental budgets were adopted.

FINANCIAL SUMMARY OF GENERAL GOVERNMENT FUNCTIONS

Governmental Fund Type Revenues: Revenues accounted for in the Governmental Fund Types totaled \$407,970 for fiscal year 1996, an increase of 7.6% over fiscal year 1995. The revenues, percent of total revenues by source and changes from 1995 are shown in the following chart and table:



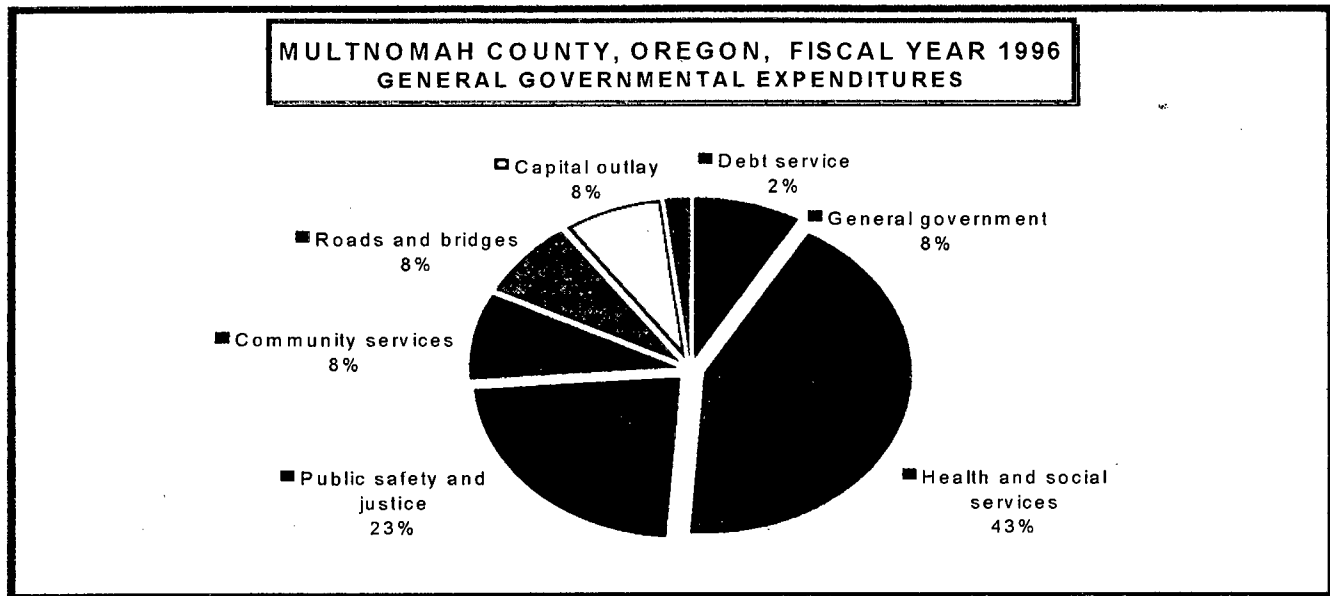
	1996 Amount	1995 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$ 185,008	\$ 171,068	\$ 13,940	8.1%
Intergovernmental	172,031	162,133	9,898	6.1%
Licenses and permits	2,703	2,683	20	0.7%
Charges for services	12,864	8,880	3,984	44.9%
Interest	5,476	5,676	(200)	(3.5)%
Other	29,888	28,549	1,339	4.7%
Total	\$ 407,970	\$ 378,989	\$ 28,981	7.6%

The major increases are:

- The increase of 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 taxes due to a healthy business economy.

- The increase of intergovernmental revenues is due to an increase in Federal and State funded programs.
- The increase in charges for services is due to an increase in rates for many of these charges for services.

Governmental Fund Type Expenditures: Expenditures accounted for in the Governmental Fund Types totaled \$423,151 for fiscal year 1996, an increase of \$31,392 over fiscal year 1995. The expenditures, percent of total by function and changes from the previous fiscal year are shown in the following chart and table.



	1996 Amount	1995 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
General government	\$ 35,086	\$ 36,108	\$ (1,022)	(2.8)%
Health and social services	181,526	165,239	16,287	9.9%
Public safety and justice	96,519	93,059	3,460	3.7%
Community services	35,707	32,765	2,942	9.0%
Roads and bridges	32,596	30,200	2,396	7.9%
Capital outlay	33,069	24,539	8,530	34.8%
Debt service	8,648	9,849	(1,201)	(12.2)%
Total	<u>\$ 423,151</u>	<u>\$ 391,759</u>	<u>\$ 31,392</u>	<u>8.0%</u>

The major increases (decreases) are:

- Health and social services, and community services increased due to cost of living increases and an increase in Federal and State funded programs.
- Capital outlay increased due to the construction of the Central Library, Midland Branch Library and expansion of the Juvenile Justice Complex.
- Debt service decreased due to the library general obligation bonds having a principal and interest payment reduction.

PROPRIETARY OPERATIONS

Operating revenues accounted for in the Proprietary Funds, exclusive of the pension trust fund, for the fiscal year ended June 30, 1996, were \$100,290, an increase of \$15,591 over fiscal year 1995. This represents an increase of 18.4%. Operating expenses totaled \$96,406 for the fiscal year ended June 30, 1996, an increase of \$16,173 or 20.2% from fiscal year 1995. The net income for the year ended June 30, 1996 was \$4,126 compared to the net income of \$5,100 for fiscal year 1995.

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 note.

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.

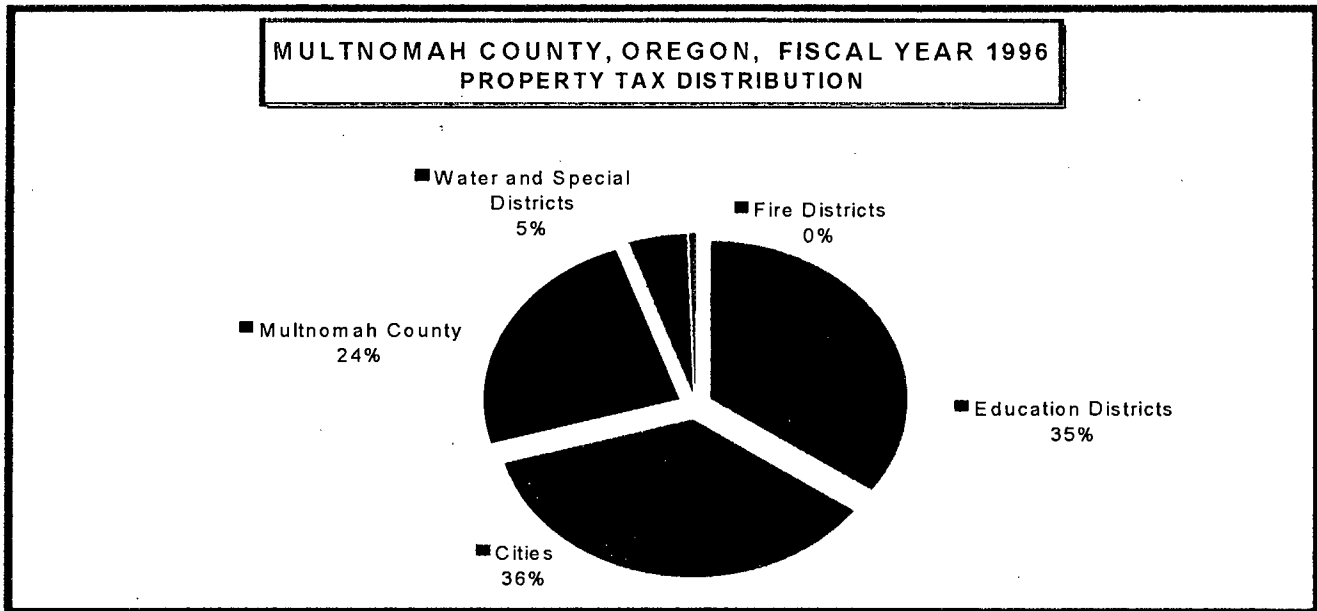
GENERAL FIXED ASSETS

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, 1996, the general fixed assets of the County amounted to \$239,671. 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 \$558,508 for fiscal year 1996, a decrease of \$14,040 from fiscal year 1995. The major levying entities, amounts and changes from the previous year are displayed in the following chart and table:



	1996 Amount	1995 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Education Districts	\$ 193,685	\$ 249,441	\$ (55,756)	(22.4)%
Cities	200,896	181,848	19,048	10.5%
Multnomah County	135,104	123,672	11,432	9.2%
Water and Special Districts	26,190	15,442	10,748	69.6%
Fire Districts	2,633	2,145	488	22.8%
Total	<u>\$ 558,508</u>	<u>\$ 572,548</u>	<u>\$ (14,040)</u>	<u>(2.5)%</u>

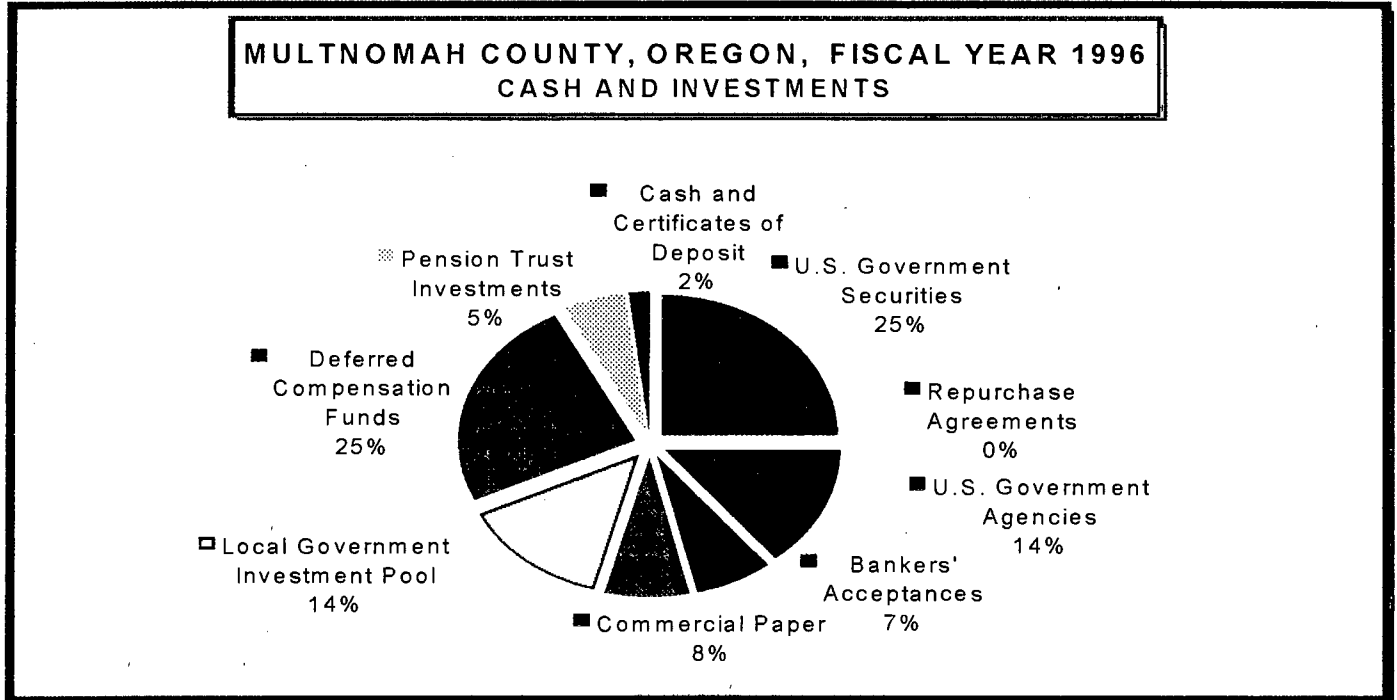
CASH AND INVESTMENTS

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 1996 was \$140,095 and the average yield on these investments was 5.79%, as compared to the fiscal year 1995 average balance of \$131,352 and average yield of 5.74%. Investment interest earnings on all funds,

excluding trust funds, for fiscal year 1996 was \$5,476 as compared to \$5,676 in fiscal year 1995. Cash and Investments at June 30, 1996, totaled \$188,533 as compared to \$178,790 at June 30, 1995.

The investments are displayed in a note to the financial statements disclosing the carrying amounts and market values. The note also discloses the "level of credit risk" associated with the investment types. The following table and chart represents the various cash and investment types, changes from fiscal year 1995 and percent of total:



	1996 Amount	1995 Amount	Amount Increase (Decrease)
U.S. Government Securities	\$ 46,901	\$ 18,080	\$ 28,821
U.S. Government Agencies	26,789	24,895	1,894
Repurchase Agreements	-	31,500	(31,500)
Bankers' Acceptances	13,836	13,961	(125)
Commercial Paper	14,366	21,599	(7,233)
Local Government Investment Pool	26,321	16,756	9,565
Deferred Compensation Funds	46,312	37,000	9,312
Pension Trust Investments	10,290	9,925	365
Cash and Certificates of Deposit	3,718	5,074	(1,356)
Total	\$ 188,533	\$ 178,790	\$ 9,743

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, 1996, this limit was \$693,670 and the County had \$28,710 in voter approved general obligation bonds outstanding. In addition, the County had \$108,700 of voter approved general obligation bonds authorized but not issued. These bonds were issued on October 1, 1996. See the

subsequent events section of this letter for more details on these issues. 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, 1996, \$19,975 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, 1996, \$8,735 was outstanding.

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

Tax and Revenue Anticipation Notes: On July 1, 1995, the County issued \$11,000 in Tax and Revenue Anticipation Notes "TRANS". The notes had a stated interest rate of 4.50% and a yield of 3.55%. The notes matured on June 28, 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):

	Values	Per Capita	Percent of RMV
Population June 30, 1995	626,500		
1995-96 real market value (RMV)	\$ 34,683,496	\$ 55,361	
Gross G. O. bonded debt	\$ 28,710	\$ 46	0.08%
Net direct debt (G. O. only)	\$ 28,710	\$ 46	0.08%
Net direct debt (G. O.) and overlapping debt	\$ 649,843	\$ 1,037	1.87%

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, 1996, the total amount payable in the General Long-Term Obligations Account Group is \$61,295, \$2,067 in the Data Processing Fund, and \$462 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, 1996, \$2,428 was outstanding.

Loans: On December 12, 1995, the County entered into an agreement with the Wells Fargo Bank, previously First Interstate Bank, to obtain a \$7,000 line of credit to provide interim financing for the expansion of the Juvenile Justice Complex. At June 30, 1996 the County had borrowed \$4,853. 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.

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, 1996, \$526 was outstanding.

Lease/Purchase Contracts: On September 4, 1990, the County entered into a lease/purchase contract in the amount of \$115 with the Wang Corporation to purchase word processing equipment for the Sheriff's Office. The contract was paid in full in fiscal year 1996.

On November 19, 1990, the County entered into a lease/purchase contract in the amount of \$403 with U.S. National Bank to purchase data processing equipment. The contract was paid in full in fiscal year 1996.

On December 14, 1992, the County entered into a lease/purchase contract in the amount of \$319 with IBM to purchase data processing equipment. The contract was paid in full in fiscal year 1996.

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, 1996, \$64 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, 1996, \$309 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, 1996, \$260 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, 1996, \$1,694 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 the following 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, 1996, \$260 was outstanding. The certificates mature each July through July 2000.

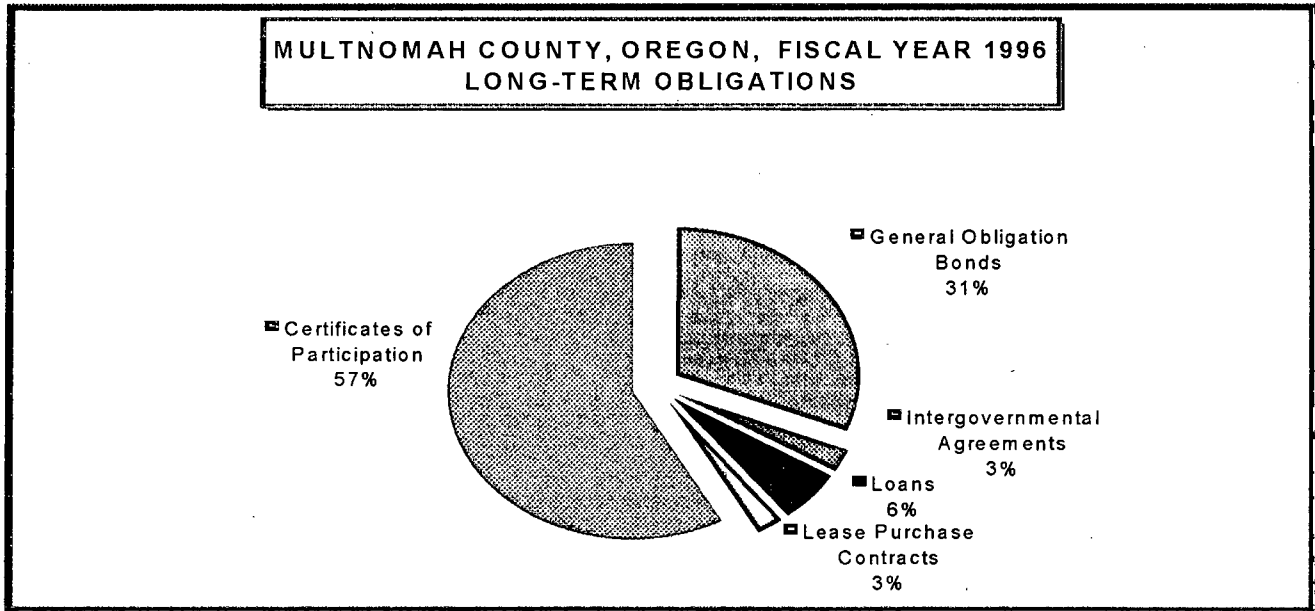
On August 1, 1992, the County issued Certificates of Participation "Series 1992A" in the amount of \$36,000 to construct the Juvenile Justice Complex. At June 30, 1996, \$32,665 was outstanding. The certificates mature each August through August 2012.

On May 1, 1993, the County advance refunded three certificates of participation issues and issued additional certificates for the purpose of financing the acquisition and improvement 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, 1996, \$16,920 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, 1996, \$2,000 was outstanding. \$1,229 is recorded in the General Long-Term Obligations Account Group and \$771 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, 1996, \$1,845 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 1996 and 1995, changes from the previous fiscal year and percent of total are shown in the following chart and table:



	1996 Amount	1995 Amount	Amount Increase (Decrease)
General Obligation Bonds	\$ 28,710	\$ 29,705	\$ (995)
Intergovernmental Agreements	2,428	2,542	(114)
Loans	5,379		5,379
Lease Purchase Contracts	2,327	663	1,664
Certificates of Participation	53,690	54,275	(585)
Total	<u>\$ 92,534</u>	<u>\$ 87,185</u>	<u>\$ 5,349</u>

SUBSEQUENT EVENTS

On July 1, 1996, 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 November and other revenues received after November. The stated interest rate is 4.75% with a yield of 3.85%. The notes mature on June 30, 1997, and are rated MIG1 by Moody's Investors Service.

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

total interest cost is 5.12%. The bonds mature each October through October 2016 and are rated Aa1 by Moody's Investors Service.

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 total interest cost is 5.32%. The bonds mature each October through October 2016 and are rated Aa1 by Moody's Investors Service.

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. In addition to limiting the amount of property taxes that can be collected, the measure requires voter approval for new or increased property taxes and restricts other means by which the State and local governments can raise revenue in lieu of property taxes. The measure also prohibits the assessment of property at greater than the property's real value. For fiscal year 1998, Ballot Measure 47 will reduce the amount of property tax that is imposed to the lesser of 90% of the property tax levied for the fiscal year 1996 or 100% of the property tax levied in fiscal year 1995. For tax years following fiscal year 1998, the measure limits the amount by which property taxes can increase each year to 3%. The County is currently working with other taxing districts within the County to develop a collaborative fiscal response to this measure.

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 combined financial statements have been audited and have received an "unqualified opinion" from KPMG Peat Marwick LLP, the independent accountants. See the Financial Section for the full text of the 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, 1995. 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 twelve 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, 1995. 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.

SUMMARY

Multnomah County's financial position continues to remain strong. As of June 30, 1996, the fund balances in the Governmental Fund Types was \$63,473, a decrease of 10.7% from the June 30, 1995, balance of \$70,278. The decrease in the fund balances was a result of capital projects financed by bonds or certificates of participation being completed. At June 30, 1996, \$7,905 of the fund balances is

reserved for debt retirement, \$15,180 is reserved for capital projects, \$1,392 is reserved for inventories, \$406 is reserved for prepaid items, \$1,008 is reserved for foreclosed property and \$250 is reserved for the Oregon Medical Assistance Program.

ACKNOWLEDGMENTS

I wish to express my sincere appreciation to the employees in the Finance Division who maintained the records and assisted in the preparation of this report. Special thanks are extended to Jean Uzelac, Accounting Manager, and the General Ledger Staff who were instrumental in preparing this report. Appreciation is also extended to the Chair of the Board, Board of County Commissioners, Department Managers, Budget & Quality Office, 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,

A handwritten signature in cursive script, appearing to read "David A. Boyer".

David A. Boyer, CCM
Finance Director

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, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Report of Independent Certified Public Accountants

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, 1996 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 *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

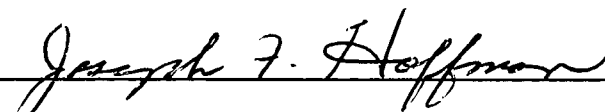
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 1996 on our consideration of the County's internal control structure and a report dated December 2, 1996 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group statements and 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 presented 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, Partner

December 2, 1996

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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, 1996
(amounts expressed in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Cash and investments	\$ 17,983	\$ 21,105	\$ 7,871	\$ 20,182
Receivables:				
Taxes	6,248	1,748	157	
Accounts	6,006	20,565	3	14
Loans	138	1,966		
Notes	45			
Interest	798	4	15	
Special assessments	41			
Contracts		1,834		1,952
Due from other funds				9
Inventories	715	677		
Prepaid items	20	386		
Foreclosed properties		1,008		
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	\$ 31,994	\$ 49,293	\$ 8,046	\$ 22,157
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Payrolls payable	\$ 2,082	\$ 14,587	\$ 4	\$ 4,354
Accounts payable		1,736		9
Due to other funds		2,367		
Assistance receipts unapplied		4,912		25
Compensated absences	3,103	6,535	137	2,589
Deferred revenue	5,577			
Due to other governmental units				
Amounts held in trust				
General obligation bonds payable				
Capitalized leases				
Loans payable				
Deferred compensation				
Total liabilities	10,762	30,137	141	6,977
Equity and other credits:				
Investment in general fixed assets				
Contributed capital				
Retained earnings:				
Unreserved				
Fund balances:				
Reserved for capital projects				15,180
Reserved for debt service			7,905	
Reserved for employees' retirement benefits				
Reserved for inventories	715	677		
Reserved for foreclosed properties		1,008		
Reserved for prepaid items	20	386		
Reserved for Oregon Medical Assistance Program		250		
Unreserved, undesignated	20,497	16,835		
Total equity and other credits	21,232	19,156	7,905	15,180
Total liabilities, equity and other credits	\$ 31,994	\$ 49,293	\$ 8,046	\$ 22,157

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	
\$ 13,195	\$ 23,652	\$ 84,545	\$	\$	\$ 188,533
		29,350			37,503
890	366	396			28,240
					2,104
					45
12					817
					53
	1,736				3,786
	398				1,745
1	282				1,790
					689
					1,008
1,195	7,132		239,671		247,998
				7,905	7,905
				83,630	83,630
<u>\$ 15,293</u>	<u>\$ 33,566</u>	<u>\$ 114,291</u>	<u>\$ 239,671</u>	<u>\$ 91,535</u>	<u>\$ 605,846</u>
\$ 11,354	\$ 9,464	\$ 10,320	\$	\$	\$ 10,320
		3,936			45,781
					1,745
61	658				2,367
	6			1,530	10,289
		29,350			14,844
		12,626			29,350
					12,626
	2,529			28,710	28,710
				55,916	58,445
				5,379	5,379
		47,769			47,769
<u>11,415</u>	<u>12,657</u>	<u>104,001</u>		<u>91,535</u>	<u>267,625</u>
			239,671		239,671
2,793	7,265				10,058
1,085	13,644				14,729
					15,180
					7,905
		10,290			10,290
					1,392
					1,008
					406
					250
					37,332
<u>3,878</u>	<u>20,909</u>	<u>10,290</u>	<u>239,671</u>		<u>338,221</u>
<u>\$ 15,293</u>	<u>\$ 33,566</u>	<u>\$ 114,291</u>	<u>\$ 239,671</u>	<u>\$ 91,535</u>	<u>\$ 605,846</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, 1996
(amounts expressed in thousands)

	General	Special Revenue	Debt Service	Capital Projects	Totals (memorandum only)
REVENUES:					
Taxes	\$ 138,855	\$ 42,935	\$ 3,218	\$	\$ 185,008
Intergovernmental	12,869	159,117		45	172,031
Licenses and permits	1,619	1,084			2,703
Charges for services	5,538	7,156		170	12,864
Interest	2,422	1,352	507	1,195	5,476
Other	14,717	9,254	5,408	509	29,888
Total revenues	<u>176,020</u>	<u>220,898</u>	<u>9,133</u>	<u>1,919</u>	<u>407,970</u>
EXPENDITURES:					
Current:					
General government	22,214	11,131	26	1,715	35,086
Health and social services	23,407	158,119			181,526
Public safety and justice	55,026	41,493			96,519
Community services	6,399	28,588	1	719	35,707
Roads and bridges		32,596			32,596
Capital outlay	1,148	4,771		27,150	33,069
Debt service:					
Principal			3,543		3,543
Interest	491		4,614		5,105
Total expenditures	<u>108,685</u>	<u>276,698</u>	<u>8,184</u>	<u>29,584</u>	<u>423,151</u>
Excess of revenues over (under) expenditures	<u>67,335</u>	<u>(55,800)</u>	<u>949</u>	<u>(27,665)</u>	<u>(15,181)</u>
OTHER FINANCING SOURCES (USES):					
Certificates of participation proceeds			185	1,661	1,846
Lease/purchase proceeds				316	316
Loan proceeds				5,383	5,383
Operating transfers in	1,596	63,426		3,222	68,244
Operating transfers out	(62,403)	(4,760)	(250)		(67,413)
Total other financing sources (uses)	<u>(60,807)</u>	<u>58,666</u>	<u>(65)</u>	<u>10,582</u>	<u>8,376</u>
Excess of revenues and other sources over(under)expenditures and other uses	6,528	2,866	884	(17,083)	(6,805)
FUND BALANCES, JUNE 30, 1995	<u>14,704</u>	<u>16,290</u>	<u>7,021</u>	<u>32,263</u>	<u>70,278</u>
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>

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, 1996
(amounts expressed in thousands)

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
REVENUES:						
Taxes	\$ 134,113	\$ 138,855	\$ 4,742	\$ 41,948	\$ 42,935	\$ 987
Intergovernmental	12,836	12,869	33	167,704	159,117	(8,587)
Licenses and permits	1,619	1,619		1,192	1,084	(108)
Charges for services	5,611	5,538	(73)	6,853	7,156	303
Interest	2,101	2,422	321	974	1,352	378
Other	14,975	14,717	(258)	11,506	9,254	(2,252)
Total revenues	<u>171,255</u>	<u>176,020</u>	<u>4,765</u>	<u>230,177</u>	<u>220,898</u>	<u>(9,279)</u>
EXPENDITURES:						
Current:						
General government	24,229	22,214	2,015	12,498	11,131	1,367
Health and social services	24,545	23,407	1,138	171,017	158,119	12,898
Public safety and justice	54,846	55,026	(180)	43,912	41,493	2,419
Community services	5,756	6,399	(643)	28,806	28,588	218
Roads and bridges				32,644	32,596	48
Capital outlay	1,365	1,148	217	17,082	4,771	12,311
Debt service:						
Principal						
Interest	605	491	114	6		6
Contingency	297		297	176		176
Total expenditures	<u>111,643</u>	<u>108,685</u>	<u>2,958</u>	<u>306,141</u>	<u>276,698</u>	<u>29,443</u>
Excess of revenues over (under) expenditures	<u>59,612</u>	<u>67,335</u>	<u>7,723</u>	<u>(75,964)</u>	<u>(55,800)</u>	<u>20,164</u>
OTHER FINANCING SOURCES (USES):						
Certificates of participation proceeds						
Lease/purchase proceeds						
Bond sales						
Loan proceeds						
Operating transfers in	1,596	1,596		65,731	63,426	(2,305)
Operating transfers out	(64,691)	(62,403)	2,288	(4,777)	(4,760)	17
Total other financing sources (uses)	<u>(63,095)</u>	<u>(60,807)</u>	<u>2,288</u>	<u>60,954</u>	<u>58,666</u>	<u>(2,288)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(3,483)</u>	<u>6,528</u>	<u>10,011</u>	<u>(15,010)</u>	<u>2,866</u>	<u>17,876</u>
FUND BALANCES, JUNE 30, 1995	<u>8,593</u>	<u>14,704</u>	<u>6,111</u>	<u>15,010</u>	<u>16,290</u>	<u>1,280</u>
FUND BALANCES, JUNE 30, 1996	<u>\$ 5,110</u>	<u>\$ 21,232</u>	<u>\$ 16,122</u>	<u>\$</u>	<u>\$ 19,156</u>	<u>\$ 19,156</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)
\$ 3,165	\$ 3,218	\$ 53	\$ 884	\$ 45	\$ (839)	\$ 179,226	\$ 185,008	\$ 5,782
						181,424	172,031	(9,393)
						2,811	2,703	(108)
				170	170	12,464	12,864	400
255	507	252	45	1,195	1,150	3,375	5,476	2,101
6,410	5,408	(1,002)	254	509	255	33,145	29,888	(3,257)
9,830	9,133	(697)	1,183	1,919	736	412,445	407,970	(4,475)
38	26	12	3,293	1,715	1,578	40,058	35,086	4,972
						195,562	181,526	14,036
						98,758	96,519	2,239
15	1	14	1,012	719	293	35,589	35,707	(118)
						32,644	32,596	48
			51,267	27,150	24,117	69,714	33,069	36,645
3,755	3,543	212				3,755	3,543	212
5,268	4,614	654				5,879	5,105	774
5,480		5,480				5,953		5,953
14,556	8,184	6,372	55,572	29,584	25,988	487,912	423,151	64,761
(4,726)	949	5,675	(54,389)	(27,665)	26,724	(75,467)	(15,181)	60,286
300	185	(115)	10,414	1,661	(8,753)	10,714	1,846	(8,868)
				316	316		316	316
1,007		(1,007)	2,148		(2,148)	3,155		(3,155)
				5,383	5,383		5,383	5,383
			3,222	3,222		70,549	68,244	(2,305)
(250)	(250)					(69,718)	(67,413)	2,305
1,057	(65)	(1,122)	15,784	10,582	(5,202)	14,700	8,376	(6,324)
(3,669)	884	4,553	(38,605)	(17,083)	21,522	(60,767)	(6,805)	53,962
6,152	7,021	869	38,605	32,263	(6,342)	68,360	70,278	1,918
\$ 2,483	\$ 7,905	\$ 5,422	\$	\$ 15,180	\$ 15,180	\$ 7,593	\$ 63,473	\$ 55,880

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>	<u>Totals (Memorandum only)</u>
OPERATING REVENUES:				
Charges for sales and services	\$ 43,640	\$ 56,003	\$	\$ 99,643
Interest			797	797
Insurance premiums		461		461
Experience ratings and refunds		186		186
Contributions			79	79
Total operating revenues	<u>43,640</u>	<u>56,650</u>	<u>876</u>	<u>101,166</u>
OPERATING EXPENSES:				
Salaries and wages	877	7,524		8,401
Employee benefits	256	2,345		2,601
Repairs and maintenance		2,616		2,616
Utilities	284	3,179		3,463
Equipment rental		2,867		2,867
Facility rental	138	524		662
Professional services	311	4,415	17	4,743
Communications	61	1,319		1,380
Operating supplies	67	2,924		2,991
Medical claims	36,498			36,498
Insurance claims and premiums		16,781		16,781
Administrative	1,711			1,711
Internal support	440	446		886
Depreciation	97	2,363		2,460
Benefit payments			491	491
Refunds			3	3
Other expenses	2,588	5,775		8,363
Total operating expenses	<u>43,328</u>	<u>53,078</u>	<u>511</u>	<u>96,917</u>
Operating income	<u>312</u>	<u>3,572</u>	<u>365</u>	<u>4,249</u>
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	779	1,186		1,965
Interest expense	(162)	(62)		(224)
Loss on disposal of fixed assets		(668)		(668)
Total nonoperating revenues	<u>617</u>	<u>456</u>		<u>1,073</u>
Net income before operating transfers	<u>929</u>	<u>4,028</u>	<u>365</u>	<u>5,322</u>
OPERATING TRANSFERS OUT		<u>(831)</u>		<u>(831)</u>
Net income	<u>929</u>	<u>3,197</u>	<u>365</u>	<u>4,491</u>
RETAINED EARNINGS/FUND BALANCE, JUNE 30, 1995	<u>156</u>	<u>10,447</u>	<u>9,925</u>	<u>20,528</u>
RETAINED EARNINGS/FUND BALANCE, JUNE 30, 1996	<u>\$ 1,085</u>	<u>\$ 13,644</u>	<u>\$ 10,290</u>	<u>\$ 25,019</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, 1996
(amounts expressed in thousands)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum only)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income	\$ 312	\$ 3,572	\$ 3,884
Adjustments to reconcile operating income to cash and cash equivalents provided by operating activities:			
Depreciation	97	2,363	2,460
Changes in assets and liabilities:			
Decrease in accounts receivable	153	5	158
Decrease in due from other funds		1,576	1,576
Decrease in special assessments receivable	5		5
Decrease in inventories		56	56
Increase in prepaid items	(1)	(169)	(170)
Increase in accounts payable	1,441	484	1,925
Decrease in deferred revenue		(1)	(1)
Increase in compensated absences		11	11
Net cash provided by operating activities	<u>2,007</u>	<u>7,897</u>	<u>9,904</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid	(162)		(162)
Operating transfers out		(831)	(831)
Net cash used by noncapital financing activities	<u>(162)</u>	<u>(831)</u>	<u>(993)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	(56)	(4,488)	(4,544)
Proceeds from lease/purchase		1,787	1,787
Principal paid on capitalized leases		(435)	(435)
Interest paid on capitalized leases		(62)	(62)
Capital contributed by customers and others	63	96	159
Net cash provided (used) by capital and related financing activities	<u>7</u>	<u>(3,102)</u>	<u>(3,095)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	779	1,186	1,965
Net cash provided by investing activities	<u>779</u>	<u>1,186</u>	<u>1,965</u>
Net increase in cash and cash equivalents	2,631	5,150	7,781
CASH AND CASH EQUIVALENTS, JUNE 30, 1995	<u>10,564</u>	<u>18,502</u>	<u>29,066</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	<u>\$ 13,195</u>	<u>\$ 23,652</u>	<u>\$ 36,847</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Disposal of fixed assets, net book value	<u>\$ (5)</u>	<u>\$ (668)</u>	<u>\$ (673)</u>
Transfer of fixed assets from General Fixed Assets Account Group, net book value	<u>\$</u>	<u>\$ 96</u>	<u>\$ 96</u>

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

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MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 1996
(amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Multnomah 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 taxes; and
- Current special assessments receivable.

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
Finance Division
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 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 amortized cost except for investments in the deferred compensation agency fund and Library Retirement Pension Trust Fund, which are reported at market value. The composition of the County's investments is controlled by the County's investment policy which is adopted by the County Commissioners.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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.

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 (Insurance) Fund.

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.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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.

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 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 \$100. 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.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

The operations and activities of the self insurance program are accounted for in the Insurance Fund, an Internal Service 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.

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 spendable 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 spendable 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 balance of the Capital Projects Fund, which primarily represents mortgages receivable, general obligation bond proceeds and lease purchase proceeds, has been segregated from unreserved fund balance to indicate that these amounts do not represent available spendable resources.

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

Compensated Absences

Vacation 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 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 pay is considered normal. Vacation 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.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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 personal services, materials and services, capital outlay and other 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 the 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 Commissioners. The County made numerous appropriation transfers between categories during fiscal year 1996. During the fiscal year two supplemental budgets were 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: The 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: The 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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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
- Assessment District Operating Fund
- Natural Areas Acquisition & Protection Fund
- Jail Levy Fund

Debt Service Funds: The 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:

- Capital Lease Retirement Fund
- Library Bond Sinking Fund
- Revenue Bond Sinking Fund

Capital Projects Funds: The 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:

- Equipment Lease/Purchase Fund
- Lease/Purchase Project Fund
- Capital Improvement Fund
- Library Construction Fund
- Edgefield Children's Center Fund

Proprietary Fund Types:

Enterprise Funds: The 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

Internal Service Funds: The 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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

Fiduciary Fund Types:

Trust and Agency Funds: The 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)

Account Groups:

General Fixed Assets Account Group: The 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: The 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 pay liabilities, general obligation bonds, loans, and other long-term obligations, which will be financed from resources of the governmental fund types.

NOTE 3. DEPOSITS AND INVESTMENTS:

Multnomah County pools virtually all monies for investment purposes. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments." Total deposits and investments at June 30, 1996, is \$188,533.

Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits was \$12,570 and the bank balance was \$12,468. Of the bank balance, \$12,303 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 \$165 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, 1996, the County was in compliance with the State's collateralization 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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

collateralizing repurchase agreements exceeds 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 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 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, 1996.

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, 1996. Category 1 includes investments that are insured, collateralized, or registered, or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the banker'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, 1996. The level of risk indicated below at June 30, 1996, is generally reflective of the level of risk assumed by the County during the year.

	Category 1	Category 2	Carrying Value	Market Value
U.S. Government Securities	\$44,688	\$2,213	\$ 46,901	\$ 46,285
U.S. Government Agencies	19,642	7,147	26,789	26,613
Commercial Paper	14,366		14,366	14,375
Bankers Acceptances	13,836		13,836	13,833
	<u>\$92,532</u>	<u>\$9,360</u>	101,892	101,106
Local Government Investment Pool			26,321	26,321
Deferred Compensation - Mutual Funds			46,312	46,312
Pension Trust Investments			10,290	10,290
Cash Deposits and Certificates of Deposit			3,718	3,718
Total Cash and Investments			<u>\$188,533</u>	<u>\$187,747</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:

<u>Due from:</u>	<u>Due to:</u>	<u>Amount</u>
Special Revenue Fund: Federal and State Program	Internal Service Fund: Insurance	\$1,736
Capital Projects Fund: Edgefield Children's Center	Capital Projects Fund: Capital Improvement	9
		<u>\$1,745</u>

All other interfund transfers are reported as operating transfers.

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	\$68,244
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:	
Facilities Management Fund	(831)
Operating transfers out	<u>\$67,413</u>

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 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 15 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. 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 to further limit the amount of property taxes that can be collected by local governments. See Note 19, Subsequent Events.

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.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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, 1996:

	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	1,706	355
Total Special Revenue Funds	1,834	374
<u>Capital Projects Funds:</u>		
Capital Improvement Fund contract from the sale of property. Due in periodic installments through fiscal year 1997.	1,952	1,952
Total Contracts Receivable	<u>\$ 3,786</u>	<u>\$ 2,326</u>

NOTE 8. FIXED ASSETS:

The changes in the General Fixed Assets Account Group for the fiscal year ended June 30, 1996, and fixed assets by major classes for the General Fixed Assets Account Group and Proprietary Funds are as follows:

	Land and Improvements	Buildings and Improvements	Parksites	Bridges	Work in Progress	Equipment	Total
<u>General Fixed Assets:</u>							
Balance, June 30, 1995	\$7,182	\$141,754	\$4,949	\$33,943	\$ 3,787	\$23,146	\$214,761
Additions	75	13,519		297	12,392	4,407	30,690
Retirements & Transfers			(419)			(5,361)	(5,780)
Balance, June 30, 1996	<u>\$7,257</u>	<u>\$155,273</u>	<u>\$4,530</u>	<u>\$34,240</u>	<u>\$16,179</u>	<u>\$22,192</u>	<u>\$239,671</u>
<u>Proprietary Funds:</u>							
<u>Enterprise Funds:</u>							
Accumulated Depreciation					\$ 2,278	\$ 70	\$ 2,348
Total Enterprise, June 30, 1996					(1,116)	(37)	(1,153)
					<u>\$ 1,162</u>	<u>\$ 33</u>	<u>\$ 1,195</u>
<u>Internal Service Funds:</u>							
Accumulated Depreciation				\$ 18	\$ 63	\$21,421	\$21,502
Total Internal Service, June 30, 1996				(43)	(14,327)	(14,370)	(14,370)
				<u>\$ 18</u>	<u>\$ 20</u>	<u>\$ 7,094</u>	<u>\$ 7,132</u>

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 9. DEFICIT FUND BALANCE AND BUDGETARY OVEREXPENDITURES:

Dunthorpe-Riverdale Service District No. 1, an Enterprise Fund, has negative retained earnings of \$616. However, the Fund has a positive total fund equity due to contributed capital.

The following funds had overexpenditures in the indicated budgetary categories:

	<u>Amount</u>
<u>General Fund:</u>	
Health Services - Materials and Services	\$ 10
Community Corrections - Personal Services	10
Sheriff - Personal Services	460
<u>Special Revenue Funds:</u>	
Road Fund - Environmental Services - Materials and Services	537
Federal and State Program Fund:	
Health Services - Materials and Services	334
Community Corrections - Personal Services	64
Sheriff - Personal Services	43
Recreation Fund - Environmental Services - Materials and Services	7
Library Fund - Materials and Services	197
Justice Services Special Operations Fund: - Community Corrections - Materials and Services	11
Jail Levy Fund:	
Community Corrections - Materials and Services	9
Sheriff - Personal Services	23
Sheriff - Materials and Services	1
<u>Internal Service Fund:</u>	
Telephone Fund:	
Environmental Services - Capital Outlay	17
Environmental Services - Debt Service - Principal ⁽¹⁾	4
Environmental Services - Debt Service - Interest (1)	3

(1) Does not represent budget violation. Under Oregon Budget Law, Debt Service expenditures and Materials and Services are combined in the adopted budget.

These overexpenditures were funded by available fund balance.

NOTE 10. TAX AND REVENUE ANTICIPATION NOTES (TRANS):

The County issued \$11,000 in TRANS on July 1, 1995 with a maturity date of June 28, 1996. The yield was 3.55%. 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 11. LONG-TERM OBLIGATIONS:

Bonded debt recorded in the General Long-Term Obligations Account Group are general obligation bonds for rehabilitation and improvements for the Central Library and construction of the Midland Library facilities. 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 and \$9,000 respectively with stated interest of 3.25 to 6.10%.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

General Obligation Bonds Principal:

Fiscal Year of Maturity	Outstanding June 30, 1995	Issued during year	Paid during year	Outstanding June 30, 1996	Unmatured Interest Outstanding June 30, 1996
1996	\$ 995	\$	\$995	\$	\$
1997	1,035			1,035	1,437
1998	1,070			1,070	1,394
1999	1,120			1,120	1,349
2000	1,170			1,170	1,299
2001	1,220			1,220	1,246
Thereafter	23,095			23,095	9,141
	<u>\$29,705</u>	<u>\$</u>	<u>\$995</u>	<u>\$28,710</u>	<u>\$15,866</u>

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 Long-Term Obligations Account Group activity for the year ended June 30, 1996 is as follows:

	Outstanding June 30, 1995	Incurred	Retired	Outstanding June 30, 1996
Agreement with the City of Portland dated January 22, 1981. Due through 2008. Interest, 6 to 7.25%	\$2,542	\$	\$ 114	\$2,428
Certificates of Participation 1990C dated July 1, 1990. Due through 2001. Interest, 6 to 6.8%	305		45	260
Certificates of Participation 1992A dated August 1, 1992. Due through 2013. Interest, 2.9 to 5.9%	33,820		1,155	32,665
Certificates of Participation 1993A & B dated May 1, 1993. Due through 2014. Interest, 2.75 to 7.5%	17,705		785	16,920
Lease/Purchase dated September 4, 1990. Payable through 1996. Interest, 10.5%	5		5	
Lease/Purchase dated February 1, 1994. Due through 1999. Interest, 4.5 to 4.75%	424		115	309
Lease/Purchase dated March 1, 1995. Due through 2000. Interest, 4.25 to 4.85%	1,502		273	1,229
Lease/Purchase dated January 10, 1996. Due through 2001. Interest, 6.017%		317	57	260

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

	Outstanding June 30, 1995	Incurred	Retired	Outstanding June 30, 1996
Certificates of Participation dated June 1, 1996. Due through 2001. Interest, 3.75 to 4.6%		1,845		1,845
Total capital lease obligations	56,303	2,162	2,549	55,916
General Obligation Bonds. Due through 2015. Interest, 3.25 to 6.1%	29,705		995	28,710
Loans payable:				
Energy loan for Courthouse Payable through 2011. Interest, 7.2%		528	2	526
Line of credit loan Payable through December 1996. Interest, 80% of Federal Funds Effective Rate, repriced daily		4,853		4,853
Total loans payable		5,381	2	5,379
Accrued vacation liability (compensated absences)	1,374	1,792	1,636	1,530
Total General Long-Term Obligations	\$87,382	\$9,335	\$5,182	\$91,535

Internal Service Funds capitalized lease obligation activity for the year ended June 30, 1996 is as follows:

	Outstanding June 30, 1995	Incurred	Retired	Outstanding June 30, 1996
<u>Telephone Fund:</u>				
Lease/Purchase dated March 1, 1995. Due through 2000. Interest, 4.25 to 4.85%	\$565	\$	\$ 103	\$462
<u>Data Processing Fund:</u>				
Lease/Purchase dated November 19, 1990. Due through 1996. Interest, 6.75%	92		92	
Lease/Purchase dated December 14, 1992. Due through 1996. Interest, 6.75%	48		48	
Lease/Purchase dated June 15, 1993. Due through 1998. Interest, 5.35%	94		30	64
Lease/Purchase dated March 1, 1995. Due through 2000. Interest, 4.25 to 4.85%	378		69	309
Lease/Purchase dated March 21, 1996. Due through 1999. Interest, 4.2 to 4.55%.		1,787	93	1,694
Total Data Processing Fund capitalized lease obligations	612	1,787	332	2,067
Total Internal Service Funds capitalized lease obligations	\$1,177	\$1,787	\$ 435	\$2,529

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

The following is a schedule of future minimum lease payments under capitalized leases (excluding executory costs), together with the present value of total minimum lease payments at June 30, 1996:

<u>Fiscal Year</u>	<u>General Long-Term Obligation</u>	<u>Internal Service Funds</u>	<u>Total Capitalized Lease Obligations</u>
1997	\$ 6,054	\$ 882	\$ 6,936
1998	6,020	884	6,904
1999	6,011	743	6,754
2000	5,913	211	6,124
2001	5,499		5,499
Thereafter through 2014	55,149		55,149
Total minimum lease payments	84,646	2,720	87,366
Less interest amount	(28,730)	(191)	(28,921)
Present value of minimum lease payments	<u>\$ 55,916</u>	<u>\$ 2,529</u>	<u>\$ 58,445</u>

The assets under capitalized leases recorded in the General Fixed Assets Account Group and the Internal Service Funds were capitalized at original costs of \$28,080 and \$3,073, 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 1996 was \$307.

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>
1997	\$ 3,280
1998	2,477
1999	2,064
2000	1,736
2001	486
Thereafter	1,381
	<u>\$ 11,424</u>

Operating lease payments (excluding executory costs) during the year ended June 30, 1996 aggregated \$2,834.

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, 1996, the amount of these certificates outstanding totalled \$9,211.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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 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. At June 30, 1996, \$18,795 of Educational Facilities Revenue Bonds were outstanding.

NOTE 12. 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, 1996, the County recorded a liability of \$310 in the combined financial statements for such estimated excess arbitrage earnings.

NOTE 13. 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; and
- 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 \$100; and
- Unemployment insurance: all unemployment claims are covered by the Insurance Fund.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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 re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The estimated claims liability of \$6,337 reported in the Insurance Fund at June 30, 1996 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 \$1,070. 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 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 1995 and 1996 were:

Fiscal Year	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payment	Balance at Fiscal Year End
1995	\$7,569	\$8,572	\$9,235	\$6,906
1996	6,906	7,748	8,317	6,337

NOTE 14. 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:

<u>Enterprise Funds:</u>	
Balance, June 30, 1995	\$2,734
Add:	
Contributions from connection fees	8
Contributions from customers	56
	<u>64</u>
Deduct:	
Disposals	(5)
Balance, June 30, 1996	<u>\$2,793</u>
<u>Internal Service Funds:</u>	
Balance, June 30, 1995	\$7,169
Add:	
Transfer of equipment from General Fixed Assets Account Group	96
Balance, June 30, 1996	<u>\$7,265</u>

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 15. 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 1996, those costs totaled \$468, net of payments made by retirees.

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%, (b) projected salary increases starting at 6% at age 20 and gradually declining to 4% at age 60; and (c) trend rate increases starting at 8% in year one and gradually declining to 5%.

The applicable funding rate established by an actuarial review for fiscal year 1996 was 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.

Fiscal Year	Number of Retirees Covered	Premium Received	Claim/Premium Incurred	Net Costs
1991	261	\$ 416	\$(614)	\$(198)
1992	276	463	(911)	448)
1993	229	462	(965)	(503)
1994	270	469	(853)	(384)
1995	231	487	(822)	(335)
1996	221	264 ⁽¹⁾	(732) ⁽¹⁾	(468)

<u>FUNDING STATUS ⁽²⁾</u>	1991	1992	1993	1994	1995	1996
Post-retirement benefit obligation	\$6,197	\$5,922	\$5,922	\$9,724 ⁽³⁾	\$9,724	\$11,040
Net assets available for benefits	1,066	2,155	3,493	4,938	7,082	9,859
Total unfunded liability	<u>\$5,131</u>	<u>\$3,767</u>	<u>\$2,429</u>	<u>\$4,786</u>	<u>\$2,642</u>	<u>\$1,181</u>

(1) 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 correction officers (about 500 employees) are included due to bargaining agreement not previously covered.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 16. 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. The County's payroll for employees covered by PERS for the year ended June 30, 1996, was \$143,471. The County's total payroll was \$155,531.

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 pension benefit obligation 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 County's separate actuarial valuation covers only current employees.

Contribution Requirements

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. The contribution rate for normal cost is determined using the "entry age actuarial cost method". A thirty year amortization is used to amortize the costs of the unfunded actuarial liabilities. Any ad hoc benefit increases are funded over 30 years. Based on the assumptions of the December 31, 1995, actuarial valuation, the County's, including employees, contribution consists of \$9,082 normal cost (6.33% of covered payroll) and \$14,820 amortization of the unfunded actuarial accrued liability (10.33% of covered payroll). The rates adopted by the PERS Board and actually paid by the County are those recommended by the actuary after each valuation and after legislative changes enacted subsequent to the valuation.

Funding Status

The amount shown below as the "pension benefit obligation" required by GASB is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of PERS on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to PERS. PERS carries investments at cost, amortized cost and market value depending on the type of investment.

The pension benefit obligation was computed as part of an actuarial valuation performed as of December 31, 1995, and is the most recent available. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8% per year, (b) projected salary increases of 5% per year attributable to general wage adjustments, (c) additional

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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 determined contribution requirements.

Accumulated employee contributions and allocated investment income is not segregated by PERS. The excess of the accrued benefits applicable to the County's employees over the net assets available for benefits at December 31 is:

	1987	1989	1991	1992	1993	1994	1995
<u>Pension benefit obligation - current employees:</u>							
Member account balances including interest	\$33,952	\$ 48,109	\$ 65,809	\$ 76,006	\$ 89,114	\$ 98,825	\$115,084
Vested accrued benefits	60,677	65,319	73,535	86,898	107,927	113,324	150,672
Non-vested accrued benefits	3,767	5,956	9,362	11,077	13,046	13,856	12,506
Total benefit obligations	98,396	119,384	148,706	173,981	210,087	226,005	278,262
Net assets available for benefits (at market value)	41,384	62,358	100,859	123,045	149,961	146,402	201,614
Total unfunded liability	\$57,012	\$ 57,026	\$ 47,847	\$ 50,936	\$ 60,126	\$ 79,603	\$76,648

An analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the County's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of Multnomah County's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the retirement system. The following is the only information available to the County at June 30, 1996.

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percent Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit as a Percent of Covered Payroll
1987	\$ 41,384	\$ 98,396	42.1%	\$57,012	\$ 55,424	102.9%
1989	62,358	119,384	52.2 %	57,026	63,950	89.1%
1991	100,859	148,706	67.8%	47,847	83,888	57.0%
1993	123,045	173,981	70.7%	50,936	107,734	47.3%
1994	149,961	210,087	71.4%	60,126	117,934	51.0%
1995	146,402	226,005	64.9%	79,603	128,027	62.2%
1996	201,614	278,262	72.5%	76,648	143,471	53.4%

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

The County's contribution rate was determined through the actuarial valuation performed as of December 31, 1995. The County's total payroll, contribution amount and contribution rate to cover normal cost and amortize any unfunded actuarial accrued liability for the last ten years are:

Fiscal Year	Total Covered Payroll	Employee Contributions	Employer Contribution	Employee Contribution as a Percent of Covered Payroll	Employer Contribution as a Percent of Covered Payroll
1987	\$ 55,424	\$3,325	\$ 6,191	6%	11.2%
1988	60,341	3,620	7,193	6%	11.9%
1989	63,950	3,837	9,016	6%	14.1%
1990	68,104	4,086	9,601	6%	14.1%
1991	83,888	5,033	11,826	6%	14.1%
1992	92,691	5,561	13,068	6%	14.1%
1993	107,734	6,464	14,880	6%	13.8%
1994	117,934	7,076	16,289	6%	13.8%
1995	128,027	7,682	17,021	6%	13.3%
1996	143,471	8,608	15,294	6%	10.7%

Ten-year historical information of revenues by source and expenses by type for the statewide PERS system and other PERS information is presented in its comprehensive annual financial report at June 30, 1995. This information is not available for Multnomah County's portion.

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 is contracted by the County to be the trustee of the Plan. All employees transferred are now covered by PERS.

All investments consist of immediate Participation Guarantee Contracts stated at contract value with Principal Mutual Life Insurance Company.

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.

The amount shown below as the "pension benefit obligation" required by GASB is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Plan on a going-concern basis, assess progress

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the Plan. Investments are stated at cost, amortized cost and market value depending on the type of investment.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1995, and is the most recent available. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5% and (b) projected salary increases of approximately 7% per year. These assumptions are also used to compute actuarially determined contribution requirements.

County policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. The contribution is determined using the "unit credit pro rata method." Based on the latest actuarial valuation, the County is required to contribute \$79 each fiscal year to amortize the unfunded actuarial accrued liability. Any ad hoc benefit increases are funded over 15 years. As of July 1, 1990, the plan was frozen and employees are not allowed to make contributions.

The excess of the accrued benefits applicable to the County's employees over the net assets available for benefits at January 1 is as follows:

	1991	1992	1993	1994	1995	1996
Retirees and beneficiaries currently receiving benefits	\$3,040	\$3,546	\$3,564	\$3,711	\$3,693	\$3,825
Terminated employees not yet receiving benefits and future cost of living increases for retirees currently receiving benefits	587	601	677	747	882	776
Current Employees:						
Accumulated employee contributions including allocated investment income	1,870	1,948	1,953	2,125	2,040	2,166
Employer-financed vested	1,333	1,245	1,578	1,377	2,057	1,358
Employer-financed nonvested	2,041	1,922	1,708	1,858	1,364	2,215
Total Pension Benefit Obligation	8,871	9,262	9,480	9,818	10,036	10,340
Net assets available for benefits (market value)	8,286	9,266	9,640	10,279	9,634	10,861
Total (Unfunded) Overfunded Liability	<u>\$ (585)</u>	<u>\$ 4</u>	<u>\$ 160</u>	<u>\$ 461</u>	<u>\$ (402)</u>	<u>\$ 521</u>

Current employees consist of 179 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 \$5,475. The total payroll and covered payroll are the same because the plan is frozen.

An analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of Multnomah

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

County's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the retirement system. Ten-year historical trend information presenting progress in accumulating sufficient assets to pay benefits when due is not yet available because the first actuarial valuation was prepared at January 1, 1991. The following is the only information available to the County at June 30, 1996. Ten year historical information is derived from the plan's financial statements.

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percent Funded	Overfunded (Unfunded) Pension Benefit Obligation	Annual Covered Payroll	Overfunded (Unfunded) Pension Benefit as a Percent of Covered Payroll
1991 ⁽¹⁾	\$8,286	\$8,871	93.4%	\$ (585)	\$4,652	(12.6)%
1992	9,266	9,262	100.0%	4	4,654	0.1%
1993	9,640	9,480	101.7%	160	5,065	3.2%
1994	10,279	9,818	104.7%	461	5,350	8.6%
1995	9,634	10,036	96.0%	(402)	5,348	(7.5)%
1996	10,861	10,340	105.4%	521	5,475	9.5%

Ten-year historical information of revenues by source is as follows:

Fiscal Year	Member Contributions	Employer Contributions	Employer Contribution as a Percent of Covered Payroll	Investment Income	Total
1987	\$152	\$152	N/A	\$578	\$ 882
1988	173	173	N/A	634	980
1989	199	199	N/A	681	1,079
1990	115	221	N/A	753	1,089
1991 ⁽¹⁾		300	6.45%	767	1,067
1992		86	1.85%	820	906
1993		92	1.82%	819	911
1994		85	1.59%	802	887
1995		80	1.50%	795	875
1996		79	1.44%	797	876

Ten-year historical information of expenses by type is as follows:

Fiscal Year ⁽²⁾	Benefit Payments ⁽³⁾	Refunds ⁽³⁾	Administrative Expenses	Total
1987	\$356	\$	\$12	\$368
1988	326		12	338
1989	333		16	349
1990	377		17	394
1991 ⁽¹⁾	372	24	18	414

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

Fiscal Year ⁽²⁾	Benefit Payments ⁽³⁾	Refunds ⁽³⁾	Administrative Expenses	Total
1992	415	5	25	445
1993	427	50	28	505
1994	445	32	27	504
1995	483	35	20	538
1996	491	3	17	511

⁽¹⁾ Employees transferred to Multnomah County. Plan was frozen and employees are not allowed to make contributions.

⁽²⁾ For the years 1987 through 1990 the year is for the twelve months ended December 31, for 1991 and thereafter the year is for the twelve months ended June 30.

⁽³⁾ Prior to 1991, benefits and refunds were not broken out.

N/A means not available.

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, 1996, and investment earnings thereon amount to \$47,769. 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.

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES:

Additional commitments under contracts at June 30, 1996, are as follows:

General Fund	\$ 394
Special Revenue Funds	2,730
Capital Projects Funds	4,455
Internal Service Funds	896
Pension Trust Fund	4
	<u>\$8,479</u>

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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.

Multnomah County is holding as a third party letters of credit and surety bonds in the sum of \$61 for liens held in trust.

NOTE 18. 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, 1996 and for the year then ended is as follows:

	Sewer	Lighting	Library Enterprise	Health Care	Total
Operating revenue	\$ 157	\$ 160	\$52	\$43,271	\$43,640
Depreciation expense	28	57		12	97
Operating income (loss)	(17)	(61)	(42)	432	312
Net income (loss)	38	(18)	(42)	951	929
Current capital contributions and transfers	8	51			59
Property, plant and equipment:					
Additions at cost		56			56
Deletions at cost		5			5
Net working capital	544	737	71	1,331	2,683
Total assets	1,234	1,258	72	12,729	15,293
Total equity	1,199	1,246	71	1,362	3,878

NOTE 19. SUBSEQUENT EVENTS:

On July 1, 1996, 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 November. The yield is 3.85%, and the notes mature on June 30, 1997. The notes are rated MIG1 by Moody's Investors Service.

On October 1, 1996, the County issued \$29,000 in General Obligation Library Bonds to finance the construction, acquisition and reconstruction of certain library facilities and equipment. The total interest cost is 5.12% and the bonds mature each October through October 2016. The bonds are rated Aa1 by Moody's Investors Service.

On October 1, 1996, the County issued \$79,700 in General Obligation Public Safety bonds to finance the construction, acquisition and reconstruction of certain public safety facilities and equipment. The total interest cost is 5.32% and the bonds mature each October through October 2016. The bonds are rated Aa1 by Moody's Investors Service.

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. In addition to limiting the amount of

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

property taxes that can be collected, the measure requires voter approval for new or increased property taxes and restricts other means by which the State and local governments can raise revenue in lieu of property taxes. The measure also prohibits the assessment of property at greater than the property's real value. For fiscal year 1998, Ballot Measure 47 will reduce the amount of property tax that is imposed to the lesser of 90% of the property tax levied for fiscal year 1996 or 100% of the property tax levied in fiscal year 1995. For tax years following fiscal year 1998, the measure limits the amount by which property taxes can increase each year to 3%. The County is currently working with other taxing districts within the County to develop a collaborative fiscal response to this measure.

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, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 95,106	\$ 97,035	\$ 1,929
Prior years'	2,908	2,350	(558)
Penalties and interest	849	571	(278)
Payments in lieu of taxes	73	68	(5)
Sales on foreclosures		96	96
Transient lodging		1	1
Business income	27,927	30,040	2,113
Motor vehicle rental	7,250	8,694	1,444
Intergovernmental:			
Federal	5,262	5,227	(35)
State	5,796	6,155	359
Local	1,778	1,487	(291)
Licenses and permits	1,619	1,619	
Charges for services	5,611	5,538	(73)
Interest	2,101	2,422	321
Other:			
Miscellaneous	523	584	61
Service reimbursements	14,452	14,133	(319)
Total revenues	<u>171,255</u>	<u>176,020</u>	<u>4,765</u>
OTHER FINANCING SOURCES:			
Transfers from other funds:			
Road	50	50	
Animal Control	1,266	1,266	
Assessment District Operating	8	8	
Natural Areas Aquisition and Protection	22	22	
Library Bond Sinking	250	250	
Total other financing sources	<u>1,596</u>	<u>1,596</u>	
BEGINNING FUND BALANCE	<u>8,593</u>	<u>14,704</u>	<u>6,111</u>
Total	<u>\$ 181,444</u>	<u>192,320</u>	<u>10,876</u>
EXPENDITURES:			
Aging Services:			
Personal services	\$ 1,100	1,099	1
Materials and services	636	613	23
Capital outlay	2	2	
Sub-total	<u>1,738</u>	<u>1,714</u>	<u>24</u>
Juvenile Justice Services:			
Personal services	9,376	9,098	278
Materials and services	5,576	5,012	564
Capital outlay	47	41	6
Sub-total	<u>14,999</u>	<u>14,151</u>	<u>848</u>
Health Services:			
Personal services	6,219	5,937	282
Materials and services	1,638	1,648	(10)
Capital outlay	69	40	29
Sub-total	<u>7,926</u>	<u>7,625</u>	<u>301</u>

(continued)

MULTNOMAH COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)
(continued)

	Budget	Actual	Variance favorable (unfavorable)
Community Corrections:			
Personal services	\$ 2,778	\$ 2,788	\$ (10)
Materials and services	722	722	
Sub-total	<u>3,500</u>	<u>3,510</u>	<u>(10)</u>
District Attorney:			
Personal services	8,479	8,271	208
Materials and services	1,319	1,247	72
Capital outlay	111	107	4
Sub-total	<u>9,909</u>	<u>9,625</u>	<u>284</u>
Sheriff:			
Personal services	33,597	34,057	(460)
Materials and services	7,951	7,941	10
Capital outlay	204	178	26
Sub-total	<u>41,752</u>	<u>42,176</u>	<u>(424)</u>
Environmental Services:			
Personal services	5,043	4,756	287
Materials and services	3,881	3,270	611
Capital outlay	747	620	127
Sub-total	<u>9,671</u>	<u>8,646</u>	<u>1,025</u>
Nondepartmental:			
Personal services	7,466	7,282	184
Materials and services	13,595	13,305	290
Capital outlay	185	160	25
Debt service:			
Interest	605	491	114
Contingency	297		297
Sub-total	<u>22,148</u>	<u>21,238</u>	<u>910</u>
Total expenditures	<u>111,643</u>	<u>108,685</u>	<u>2,958</u>
OTHER FINANCING USES:			
Transfers to other funds:			
Federal and State Program	46,548	44,845	1,703
County School	1,302	1,302	
Recreation	10		10
Library	6,567	6,567	
Justice Services Special Operations	200	175	25
Jail Levy	47	47	
Assessment and Taxation	7,604	7,092	512
Strategic Investment Program	78	40	38
Capital Improvement	2,335	2,335	
Total other financing uses	<u>64,691</u>	<u>62,403</u>	<u>2,288</u>
Total	<u>176,334</u>	<u>171,088</u>	<u>5,246</u>
ENDING FUND BALANCE	<u>5,110</u>	<u>\$ 21,232</u>	<u>\$ 16,122</u>
	<u>\$ 181,444</u>		

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. The actual operations of the fair are conducted by a private non-profit group, the Friends of the Fair.
- 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.
- Assessment District Operating Fund - accounts for the construction of improvements or provisions of services which are paid for from special assessments levied against benefitted property owners.
- Natural Areas Acquisition and Protection Fund - accounts for the acquisition and protection and management of natural areas.
- Jail Levy Fund - accounts for a three-year special serial levy which is used to operate the Inverness Jail.

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MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1996
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	Federal and State Program	County School	Corner Preservation
ASSETS:								
Cash and investments	\$ 741	\$ 10,146	\$ 11	\$ 11	\$ 51	\$ 510	\$ 6	\$ 706
Receivables:								
Taxes								
Accounts	500	4,308	29	503		14,138		3
Loans						1,966		
Interest		4						
Contracts		128						
Inventories		497				180		
Prepaid items		1				47		
Foreclosed properties								
Total assets	<u>\$ 1,241</u>	<u>\$ 15,084</u>	<u>\$ 40</u>	<u>\$ 514</u>	<u>\$ 51</u>	<u>\$ 16,841</u>	<u>\$ 6</u>	<u>\$ 709</u>
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Accounts payable	\$	\$ 5,244	\$	\$ 118	\$	\$ 7,486	\$	\$
Due to other funds						1,736		
Assistance receipts unapplied						2,367		
Compensated absences		486		396		3,033		
Deferred revenue		315				1,969		
Total liabilities		<u>6,045</u>		<u>514</u>		<u>16,591</u>		
Fund balances:								
Reserved for inventories		497				180		
Reserved for foreclosed properties								
Reserved for prepaid items		1				47		
Reserved for Oregon Medical Assistance Program						250		
Unreserved, undesignated	1,241	8,541	40		51	(227)	6	709
Total fund balances	<u>1,241</u>	<u>9,039</u>	<u>40</u>		<u>51</u>	<u>250</u>	<u>6</u>	<u>709</u>
Total liabilities and fund balances	<u>\$ 1,241</u>	<u>\$ 15,084</u>	<u>\$ 40</u>	<u>\$ 514</u>	<u>\$ 51</u>	<u>\$ 16,841</u>	<u>\$ 6</u>	<u>\$ 709</u>

Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Convention Center	Natural Areas Acquisition and Protection	Jail Levy	Total
\$ 735	\$ 117	\$ 2,557	\$ 7	\$ 527	\$ 1,066	\$ 198	\$ 389	\$ 1,679	\$ 1,648	\$ 21,105
				761					987	1,748
	6	396	80	110	187	179	96		30	20,565
										1,966
										4
1,706										1,834
										677
				336		2				386
1,008										1,008
<u>\$ 3,449</u>	<u>\$ 123</u>	<u>\$ 2,953</u>	<u>\$ 87</u>	<u>\$ 1,734</u>	<u>\$ 1,253</u>	<u>\$ 379</u>	<u>\$ 485</u>	<u>\$ 1,679</u>	<u>\$ 2,665</u>	<u>\$ 49,293</u>
\$ 729	\$ 3	\$ 126	\$	\$ 230	\$ 326	\$ 66	\$	\$ 34	\$ 225	\$ 14,587
										1,736
6		80		509	102	9			291	2,367
2,714		29		657					851	4,912
<u>3,449</u>	<u>3</u>	<u>235</u>		<u>1,396</u>	<u>428</u>	<u>75</u>		<u>34</u>	<u>1,367</u>	<u>30,137</u>
										677
1,008										1,008
				336		2				386
										250
(1,008)	120	2,718	87	2	825	302	485	1,645	1,298	16,835
	120	2,718	87	338	825	304	485	1,645	1,298	19,156
<u>\$ 3,449</u>	<u>\$ 123</u>	<u>\$ 2,953</u>	<u>\$ 87</u>	<u>\$ 1,734</u>	<u>\$ 1,253</u>	<u>\$ 379</u>	<u>\$ 485</u>	<u>\$ 1,679</u>	<u>\$ 2,665</u>	<u>\$ 49,293</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the fiscal year ended June 30, 1996
(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	\$	\$ 8,256	\$	\$	\$	\$	\$ 141	\$
Intergovernmental		25,702	112	1,814	46	129,653		
Licenses and permits		37						
Charges for services	1,293	592		544		2,627		423
Interest	1	672	3		2	4	7	
Other		947		17		4,275		
Total revenues	1,294	36,206	115	2,375	48	136,559	148	423
EXPENDITURES:								
Current:								
General government	93			9,912				
Health and social services						156,321		
Public safety and justice		154				23,158		
Community services			87		11	511	1,499	
Roads and bridges		29,273						425
Capital outlay		2,382		126	78	1,235		9
Total expenditures	93	31,809	87	10,038	89	181,225	1,499	434
Excess of revenues over (under) expenditures	1,201	4,397	28	(7,663)	(41)	(44,666)	(1,351)	(11)
OTHER FINANCING SOURCES (USES):								
Operating transfers in	40			7,092	47	44,845	1,302	
Operating transfers out		(3,408)						
Total other financing sources (uses)	40	(3,408)		7,092	47	44,845	1,302	
Excess of revenues and other sources over (under) expenditures and other uses	1,241	989	28	(571)	6	179	(49)	(11)
FUND BALANCES, JUNE 30, 1995		8,050	12	571	45	71	55	720
FUND BALANCES, JUNE 30, 1996	\$ 1,241	\$ 9,039	\$ 40	\$	\$ 51	\$ 250	\$ 6	\$ 709

Tax Title	Animal	Willamette			Justice	County	Inmate	Convention	Assessment	Natural Areas	Jail	Total
Land Sales	Control	River	Recreation	Library	Services	Fair	Welfare	Center	District	Acquisition	Levy	
		Bridges			Special				Operating	and Protection		
					Operations							
\$ 908	\$	\$	\$ 123	\$ 12,325	\$	\$	\$	\$ 5,031	\$	\$	\$ 16,151	\$ 42,935
		259	291	665	429	35					111	159,117
	825				222							1,084
5	239	15		112	1,253		44				9	7,156
213				71	58		16	16		82	207	1,352
	75	58	1	1,551	888		988			454		9,254
1,126	1,139	332	415	14,724	2,850	35	1,048	5,047		536	16,478	220,898
1,126												11,131
					2,686		28				1,770	158,119
			411	21,241		35	956	4,700		93	14,539	41,493
		2,898										28,588
		353		245	214					75	54	32,596
1,126		3,251	411	21,486	2,900	35	984	4,700		168	16,363	4,771
	1,139	(2,919)	4	(6,762)	(50)		64	347		368	115	276,698
												(55,800)
		3,311		6,567	175						47	63,426
	(1,266)				(56)				(8)	(22)		(4,760)
	(1,266)	3,311		6,567	119				(8)	(22)	47	58,666
	(127)	392	4	(195)	69		64	347	(8)	346	162	2,866
	247	2,326	83	533	756		240	138	8	1,299	1,136	16,290
\$	\$ 120	\$ 2,718	\$ 87	\$ 338	\$ 825	\$	\$ 304	\$ 485	\$	\$ 1,645	\$ 1,298	\$ 19,156

MULTNOMAH COUNTY, OREGON
STRATEGIC INVESTMENT PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 270	\$ 1,293	\$ 1,023
Interest		<u>1</u>	<u>1</u>
Total revenues	<u>270</u>	<u>1,294</u>	<u>1,024</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	78	40	(38)
Total	<u>\$ 348</u>	<u>1,334</u>	<u>986</u>
EXPENDITURES:			
Nondepartmental:			
Personal services	\$ 56		56
Materials and services	289	93	196
Capital outlay	<u>3</u>		<u>3</u>
Total expenditures	<u>\$ 348</u>	<u>93</u>	<u>255</u>
ENDING FUND BALANCE		<u>\$ 1,241</u>	<u>\$ 1,241</u>

MULTNOMAH COUNTY, OREGON
ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Gasoline	\$ 6,925	\$ 7,647	\$ 722
Forest reserve yield	565	609	44
Intergovernmental:			
Federal		427	427
State	23,707	24,870	1,163
Local	1,334	405	(929)
Licenses and permits	15	37	22
Charges for services	692	592	(100)
Interest	555	672	117
Other:			
Miscellaneous	114	294	180
Service reimbursements	725	653	(72)
Total revenues	34,632	36,206	1,574
BEGINNING FUND BALANCE	8,139	8,050	(89)
Total	\$ 42,771	44,256	1,485
EXPENDITURES:			
Sheriff:			
Materials and services	\$ 154	154	
Environmental Services:			
Personal services	7,026	6,922	104
Materials and services	21,814	22,351	(537)
Capital outlay	10,216	2,382	7,834
Contingency	136		136
Sub-total	39,192	31,655	7,537
Total expenditures	39,346	31,809	7,537
OTHER FINANCING USES:			
Transfers to other funds:			
General	50	50	
Bicycle Path Construction	47	47	
Willamette River Bridges	3,328	3,311	17
Total other financing uses	3,425	3,408	17
Total	\$ 42,771	35,217	7,554
ENDING FUND BALANCE		\$ 9,039	\$ 9,039

MULTNOMAH COUNTY, OREGON
EMERGENCY COMMUNICATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 86	\$ 112	\$ 26
Interest	<u>1</u>	<u>3</u>	<u>2</u>
Total revenues	87	115	28
BEGINNING FUND BALANCE		12	12
Total	<u>\$ 87</u>	<u>127</u>	<u>40</u>
EXPENDITURES:			
Sheriff:			
Materials and services	\$ 87	87	
ENDING FUND BALANCE		<u>\$ 40</u>	<u>\$ 40</u>

MULTNOMAH COUNTY, OREGON
ASSESSMENT AND TAXATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 2,376	\$ 1,814	\$ (562)
Charges for services	564	544	(20)
Other:			
Miscellaneous	19	17	(2)
Service reimbursements	15		(15)
Total revenues	<u>2,974</u>	<u>2,375</u>	<u>(599)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	7,604	7,092	(512)
BEGINNING FUND BALANCE		571	571
Total	<u>\$ 10,578</u>	<u>10,038</u>	<u>(540)</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 7,155	6,823	332
Materials and services	3,265	3,089	176
Capital outlay	158	126	32
Total expenditures	<u>\$ 10,578</u>	<u>10,038</u>	<u>540</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
BICYCLE PATH CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - State	\$ 3	\$ 46	\$ 43
Interest		2	2
Total revenues	3	48	45
OTHER FINANCING SOURCE:			
Transfer from Road Fund	47	47	
BEGINNING FUND BALANCE	50	45	(5)
Total	\$ 100	140	40
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 12	11	1
Capital outlay	88	78	10
Total expenditures	\$ 100	89	11
ENDING FUND BALANCE		\$ 51	\$ 51

MULTNOMAH COUNTY, OREGON
FEDERAL AND STATE PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 138,083	\$ 129,653	\$ (8,430)
Charges for services	3,263	2,627	(636)
Interest	10	4	(6)
Other:			
Miscellaneous	2,115	1,602	(513)
Service reimbursements	4,836	2,673	(2,163)
Total revenues	<u>148,307</u>	<u>136,559</u>	<u>(11,748)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	46,548	44,845	(1,703)
BEGINNING FUND BALANCE	<u>39</u>	<u>71</u>	<u>32</u>
Total	<u>\$ 194,894</u>	<u>181,475</u>	<u>(13,419)</u>
EXPENDITURES:			
Community and Family Services:			
Personal services	\$ 15,992	14,770	1,222
Materials and services	76,762	67,051	9,711
Capital outlay	626	564	62
Sub-total	<u>93,380</u>	<u>82,385</u>	<u>10,995</u>
Aging Services:			
Personal services	7,750	7,525	225
Materials and services	7,831	7,513	318
Capital outlay	80	33	47
Sub-total	<u>15,661</u>	<u>15,071</u>	<u>590</u>
Juvenile Justice Services:			
Personal services	1,857	1,757	100
Materials and services	1,952	1,751	201
Capital outlay	31	31	
Sub-total	<u>3,840</u>	<u>3,539</u>	<u>301</u>
Health Services:			
Personal services	35,103	33,706	1,397
Materials and services	21,914	22,248	(334)
Capital outlay	390	341	49
Debt service - Interest	6		6
Sub-total	<u>57,413</u>	<u>56,295</u>	<u>1,118</u>

(continued)

MULTNOMAH COUNTY, OREGON
FEDERAL AND STATE PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)
(continued)

	Budget	Actual	Variance favorable (unfavorable)
Community Corrections:			
Personal services	\$ 12,806	\$ 12,870	\$ (64)
Materials and services	6,464	6,379	85
Capital outlay	217	196	21
Sub-total	<u>19,487</u>	<u>19,445</u>	<u>42</u>
District Attorney:			
Personal services	2,023	1,750	273
Materials and services	1,029	864	165
Capital outlay	63	59	4
Sub-total	<u>3,115</u>	<u>2,673</u>	<u>442</u>
Sheriff:			
Personal services	1,081	1,124	(43)
Materials and services	303	171	132
Capital outlay	4	4	
Sub-total	<u>1,388</u>	<u>1,299</u>	<u>89</u>
Nondepartmental:			
Personal services	358	316	42
Materials and services	239	195	44
Capital outlay	13	7	6
Sub-total	<u>610</u>	<u>518</u>	<u>92</u>
Total expenditures	\$ <u>194,894</u>	<u>181,225</u>	<u>13,669</u>
ENDING FUND BALANCE		\$ <u>250</u>	\$ <u>250</u>

MULTNOMAH COUNTY, OREGON
COUNTY SCHOOL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes - Forest reserve yield	\$ 188	\$ 141	\$ (47)
Interest	5	7	2
Total revenues	<u>193</u>	<u>148</u>	<u>(45)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	1,302	1,302	
BEGINNING FUND BALANCE	60	55	(5)
Total	<u>\$ 1,555</u>	<u>1,505</u>	<u>(50)</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	\$ 1,555	1,499	56
ENDING FUND BALANCE		<u>\$ 6</u>	<u>\$ 6</u>

MULTNOMAH COUNTY, OREGON
CORNER PRESERVATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 400	\$ 423	\$ 23
BEGINNING FUND BALANCE	541	720	179
Total	<u>\$ 941</u>	<u>1,143</u>	<u>202</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 684	425	259
Capital outlay	257	9	248
Total expenditures	<u>\$ 941</u>	<u>434</u>	<u>507</u>
ENDING FUND BALANCE		<u>\$ 709</u>	<u>\$ 709</u>

MULTNOMAH COUNTY, OREGON
TAX TITLE LAND SALES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes - Sales on foreclosures	\$ 1,500	\$ 908	\$ (592)
Intergovernmental - Local	18		(18)
Charges for services		5	5
Interest	215	213	(2)
Total revenues	<u>\$ 1,733</u>	<u>1,126</u>	<u>(607)</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 244	170	74
Materials and services	1,489	956	533
Total expenditures	<u>\$ 1,733</u>	<u>1,126</u>	<u>607</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
ANIMAL CONTROL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Licenses and permits	\$ 862	\$ 825	\$ (37)
Charges for services	248	239	(9)
Other - Miscellaneous	46	75	29
Total revenues	\$ 1,156	1,139	(17)
BEGINNING FUND BALANCE	110	247	137
Total	\$ 1,266	1,386	120
OTHER FINANCING USE:			
Transfer to General Fund	\$ 1,266	1,266	
ENDING FUND BALANCE		\$ 120	\$ 120

MULTNOMAH COUNTY, OREGON
WILLAMETTE RIVER BRIDGES FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal	\$ 390	\$	\$ (390)
State		259	259
Charges for services		15	15
Other – Service reimbursements	65	58	(7)
Total revenues	<u>455</u>	<u>332</u>	<u>(123)</u>
OTHER FINANCING SOURCE:			
Transfer from Road Fund	3,328	3,311	(17)
BEGINNING FUND BALANCE	<u>2,025</u>	<u>2,326</u>	<u>301</u>
Total	<u>\$ 5,808</u>	<u>5,969</u>	<u>161</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 2,085	2,022	63
Materials and services	1,035	876	159
Capital outlay	2,688	353	2,335
Total expenditures	<u>\$ 5,808</u>	<u>3,251</u>	<u>2,557</u>
ENDING FUND BALANCE		<u>\$ 2,718</u>	<u>\$ 2,718</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes - gasoline	\$ 124	\$ 123	\$ (1)
Intergovernmental - State	249	291	42
Interest	3		(3)
Other - Miscellaneous	18	1	(17)
Total revenues	<u>394</u>	<u>415</u>	<u>21</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	10		(10)
BEGINNING FUND BALANCE		83	83
Total	<u>\$ 404</u>	<u>498</u>	<u>94</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	<u>\$ 404</u>	411	(7)
ENDING FUND BALANCE		<u>\$ 87</u>	<u>\$ 87</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 11,732	\$ 11,970	\$ 238
Prior years	354	284	(70)
Penalties and interest	80	59	(21)
Sales on foreclosures		12	12
Intergovernmental:			
Federal, state, and local	790	665	(125)
Charges for services	38	112	74
Interest	78	71	(7)
Other:			
Miscellaneous	1,368	1,491	123
Service reimbursements	81	60	(21)
Total revenues	<u>14,521</u>	<u>14,724</u>	<u>203</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	6,567	6,567	
BEGINNING FUND BALANCE	<u>447</u>	<u>533</u>	<u>86</u>
Total	<u>\$ 21,535</u>	<u>21,824</u>	<u>289</u>
EXPENDITURES:			
Library:			
Personal services	\$ 13,072	12,919	153
Materials and services	8,125	8,322	(197)
Capital outlay	298	245	53
Contingency	40		40
Total expenditures	<u>\$ 21,535</u>	<u>21,486</u>	<u>49</u>
ENDING FUND BALANCE		<u>\$ 338</u>	<u>\$ 338</u>

MULTNOMAH COUNTY, OREGON
JUSTICE SERVICES SPECIAL OPERATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal	\$ 75	\$ 20	\$ (55)
Local	465	409	(56)
Licenses and permits	315	222	(93)
Charges for services	1,306	1,253	(53)
Interest		58	58
Other – Miscellaneous	684	888	204
Total revenues	<u>2,845</u>	<u>2,850</u>	<u>5</u>
 OTHER FINANCING SOURCE:			
Transfer from General Fund	200	175	(25)
 BEGINNING FUND BALANCE	1,781	756	(1,025)
Total	<u>\$ 4,826</u>	<u>3,781</u>	<u>(1,045)</u>
 EXPENDITURES:			
Community Corrections:			
Personal services	\$ 539	501	38
Materials and services	68	79	(11)
Capital outlay	3	2	1
Sub-total	<u>610</u>	<u>582</u>	<u>28</u>
 District Attorney:			
Personal services	180	180	
Materials and services	1,638	67	1,571
Capital outlay	71	64	7
Sub-total	<u>1,889</u>	<u>311</u>	<u>1,578</u>
 Sheriff:			
Personal services	1,104	1,074	30
Materials and services	1,013	785	228
Capital outlay	154	148	6
Sub-total	<u>2,271</u>	<u>2,007</u>	<u>264</u>
Total expenditures	<u>4,770</u>	<u>2,900</u>	<u>1,870</u>
 OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	56	56	
Total	<u>\$ 4,826</u>	<u>2,956</u>	<u>1,870</u>
ENDING FUND BALANCE		<u>\$ 825</u>	<u>\$ 825</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental – State	\$ 35	\$ 35	\$
Other – Fair	3		(3)
Total revenues	<u>\$ 38</u>	<u>35</u>	<u>(3)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 38	35	3
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
INMATE WELFARE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 72	\$ 44	\$ (28)
Interest	4	16	12
Other - Miscellaneous	1,025	988	(37)
Total revenues	<u>1,101</u>	<u>1,048</u>	<u>(53)</u>
BEGINNING FUND BALANCE		240	240
Total	<u>\$ 1,101</u>	<u>1,288</u>	<u>187</u>
EXPENDITURES:			
Juvenile Justice Services:			
Materials and services	\$ 67	28	39
Sheriff:			
Personal services	270	260	10
Materials and services	734	696	38
Capital outlay	30		30
Sub-total	<u>1,034</u>	<u>956</u>	<u>78</u>
Total expenditures	<u>\$ 1,101</u>	<u>984</u>	<u>117</u>
ENDING FUND BALANCE		<u>\$ 304</u>	<u>\$ 304</u>

MULTNOMAH COUNTY, OREGON
CONVENTION CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes - Transient lodging	\$ 4,550	\$ 5,031	\$ 481
Interest	25	16	(9)
Total revenues	<u>4,575</u>	<u>5,047</u>	<u>472</u>
BEGINNING FUND BALANCE	125	138	13
Total	<u>\$ 4,700</u>	<u>5,185</u>	<u>485</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	\$ <u>4,700</u>	<u>4,700</u>	
ENDING FUND BALANCE		<u>\$ 485</u>	<u>\$ 485</u>

MULTNOMAH COUNTY, OREGON
ASSESSMENT DISTRICT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
BEGINNING FUND BALANCE	\$ <u>8</u>	\$ <u>8</u>	\$ <u> </u>
OTHER FINANCING USE:			
Transfer to General Fund	\$ <u>8</u>	<u>8</u>	<u> </u>
ENDING FUND BALANCE		\$ <u> </u>	\$ <u> </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, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 78	\$ 82	\$ 4
Other - Miscellaneous	217	454	237
Total revenues	<u>295</u>	<u>536</u>	<u>241</u>
BEGINNING FUND BALANCE	<u>1,565</u>	<u>1,299</u>	<u>(266)</u>
Total	<u>\$ 1,860</u>	<u>1,835</u>	<u>(25)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 216	93	123
Capital outlay	1,622	75	1,547
Total expenditures	<u>1,838</u>	<u>168</u>	<u>1,670</u>
OTHER FINANCING USE:			
Transfer to General Fund	22	22	
Total	<u>\$ 1,860</u>	<u>190</u>	<u>1,670</u>
ENDING FUND BALANCE		<u>\$ 1,645</u>	<u>\$ 1,645</u>

MULTNOMAH COUNTY, OREGON
JAIL LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 15,379	\$ 15,691	\$ 312
Prior years'	449	371	(78)
Penalties and interest	102	74	(28)
Sales on foreclosures		15	15
Intergovernmental:			
Federal, state and local	93	111	18
Charges for services		9	9
Interest		207	207
Other - Service reimbursements	175		(175)
Total revenues	<u>16,198</u>	<u>16,478</u>	<u>280</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	47	47	
BEGINNING FUND BALANCE	120	1,136	1,016
Total	<u>\$ 16,365</u>	<u>17,661</u>	<u>1,296</u>
EXPENDITURES:			
Health Services:			
Personal services	\$ 1,266	1,255	11
Materials and services	523	515	8
Capital outlay	11	10	1
Sub-total	<u>1,800</u>	<u>1,780</u>	<u>20</u>
Community Corrections:			
Materials and services	1,670	1,679	(9)
Sheriff:			
Personal services	10,309	10,332	(23)
Materials and services	2,527	2,528	(1)
Capital outlay	59	44	15
Sub-total	<u>12,895</u>	<u>12,904</u>	<u>(9)</u>
Total expenditures	<u>\$ 16,365</u>	<u>16,363</u>	<u>2</u>
ENDING FUND BALANCE		<u>\$ 1,298</u>	<u>\$ 1,298</u>

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:

- 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 - accounts for payment of principal and interest on library general obligation bonds. Revenue is derived from property taxes.
- 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.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 1996
(amounts expressed in thousands)

	<u>Capital Lease Retirement</u>	<u>Library Bond Sinking</u>	<u>Total</u>
ASSETS:			
Cash and investments	\$ 6,011	\$ 1,860	\$ 7,871
Receivables:			
Taxes		157	157
Accounts		3	3
Interest	15		15
Total assets	<u>\$ 6,026</u>	<u>\$ 2,020</u>	<u>\$ 8,046</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 4	\$	\$ 4
Deferred revenue		137	137
Total liabilities	<u>4</u>	<u>137</u>	<u>141</u>
Fund balances:			
Reserved for debt service	6,022	1,883	7,905
Total liabilities and fund balances	<u>\$ 6,026</u>	<u>\$ 2,020</u>	<u>\$ 8,046</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Capital Lease Retirement	Library Bond Sinking	Total
REVENUES:			
Taxes	\$	\$ 3,218	\$ 3,218
Interest	420	87	507
Other	5,408		5,408
Total revenues	<u>5,828</u>	<u>3,305</u>	<u>9,133</u>
EXPENDITURES:			
Current:			
General government	26		26
Community services		1	1
Debt service:			
Principal	2,548	995	3,543
Interest	3,140	1,474	4,614
Total expenditures	<u>5,714</u>	<u>2,470</u>	<u>8,184</u>
Excess of revenues over expenditures	<u>114</u>	<u>835</u>	<u>949</u>
OTHER FINANCING SOURCE (USE):			
Certificates of participation proceeds	185		185
Operating transfer out		(250)	(250)
Total other financing source (use)	<u>185</u>	<u>(250)</u>	<u>(65)</u>
Excess of revenues and other source over expenditures and other use	299	585	884
FUND BALANCES, JUNE 30, 1995	<u>5,723</u>	<u>1,298</u>	<u>7,021</u>
FUND BALANCES, JUNE 30, 1996	<u>\$ 6,022</u>	<u>\$ 1,883</u>	<u>\$ 7,905</u>

MULTNOMAH COUNTY, OREGON
CAPITAL LEASE RETIREMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 170	\$ 420	\$ 250
Other – Service reimbursements	6,410	5,408	(1,002)
Total revenues	<u>6,580</u>	<u>5,828</u>	<u>(752)</u>
OTHER FINANCING SOURCE:			
Certificates of participation proceeds	300	185	(115)
BEGINNING FUND BALANCE	4,905	5,723	818
Total	<u>\$ 11,785</u>	<u>11,736</u>	<u>(49)</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	\$ 38	26	12
Contingency	5,480		5,480
Debt service:			
Principal	2,760	2,548	212
Interest	3,507	3,140	367
Total expenditures	<u>\$ 11,785</u>	<u>5,714</u>	<u>6,071</u>
ENDING FUND BALANCE		<u>\$ 6,022</u>	<u>\$ 6,022</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 3,101	\$ 3,174	\$ 73
Prior years'	64	35	(29)
Penalties and interest		6	6
Sales on foreclosures		3	3
Interest	85	87	2
Total revenues	<u>3,250</u>	<u>3,305</u>	<u>55</u>
BEGINNING FUND BALANCE	1,247	1,298	51
Total	<u>\$ 4,497</u>	<u>4,603</u>	<u>106</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	\$ 15	1	14
Debt service:			
Principal	995	995	
Interest	1,474	1,474	
Total expenditures	<u>2,484</u>	<u>2,470</u>	<u>14</u>
OTHER FINANCING USE:			
Transfer to General Fund	250	250	
Total	<u>2,734</u>	<u>2,720</u>	<u>14</u>
ENDING FUND BALANCE	1,763	\$ 1,883	\$ 120
	<u>\$ 4,497</u>		

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
OTHER FINANCING SOURCE:			
Bond sales	\$ <u>1,007</u>	\$ _____	\$ <u>(1,007)</u>
EXPENDITURE:			
Nondepartmental:			
Debt service - Interest	\$ <u>287</u>	\$ _____	\$ <u>287</u>
ENDING FUND BALANCE	<u>720</u>	\$ <u>_____</u>	\$ <u>(720)</u>
	\$ <u>1,007</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 general obligation bond proceeds. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- 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.
- Capital Improvement Fund - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- Library Construction Fund - accounts for the renovation of the Central Library and the expansion of the Midland Library.
- 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.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 1996
(amounts expressed in thousands)

	Equipment Lease/ Purchase	Lease/ Purchase Project	Capital Improvement	Library Construction	Edgefield Children's Center	Total
ASSETS:						
Cash and investments	\$ 725	\$ 1,797	\$ 4,739	\$ 12,921	\$	\$ 20,182
Receivables:						
Accounts			2		12	14
Contracts			1,952			1,952
Due from other funds			9			9
Total assets	<u>\$ 725</u>	<u>\$ 1,797</u>	<u>\$ 6,702</u>	<u>\$ 12,921</u>	<u>\$ 12</u>	<u>\$ 22,157</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 23	\$ 1,457	\$ 918	\$ 1,953	\$ 3	\$ 4,354
Due to other funds					9	9
Compensated absences			25			25
Deferred revenue			2,589			2,589
Total liabilities	<u>23</u>	<u>1,457</u>	<u>3,532</u>	<u>1,953</u>	<u>12</u>	<u>6,977</u>
Fund balances:						
Reserved for capital projects	702	340	3,170	10,968		15,180
Total liabilities and fund balances	<u>\$ 725</u>	<u>\$ 1,797</u>	<u>\$ 6,702</u>	<u>\$ 12,921</u>	<u>\$ 12</u>	<u>\$ 22,157</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Equipment Lease/ Purchase	Lease/ Purchase Project	Capital Improvement	Library Construction	Edgefield Children's Center	Total
REVENUES:						
Intergovernmental	\$	\$	\$ 45	\$	\$	\$ 45
Charges for services		1	157		12	170
Interest			247	948		1,195
Other:						
Miscellaneous			472			472
Service reimbursements			37			37
Total revenues		1	958	948	12	1,919
EXPENDITURES:						
Current:						
General government	32	208	1,475			1,715
Community services				707	12	719
Capital outlay	925	7,807	2,383	16,035		27,150
Total expenditures	957	8,015	3,858	16,742	12	29,584
Excess of expenditures over revenues	(957)	(8,014)	(2,900)	(15,794)		(27,665)
OTHER FINANCING SOURCES:						
Certificates of participation proceeds	1,661					1,661
Lease/purchase proceeds	316					316
Loan proceeds		4,855	528			5,383
Operating transfers in			3,222			3,222
Total other financing sources	1,977	4,855	3,750			10,582
Excess of revenues and other sources over (under) expenditures	1,020	(3,159)	850	(15,794)		(17,083)
FUND BALANCES, JUNE 30, 1995	(318)	3,499	2,320	26,762		32,263
FUND BALANCES, JUNE 30, 1996	\$ 702	\$ 340	\$ 3,170	\$ 10,968	\$	\$ 15,180

MULTNOMAH COUNTY, OREGON
EQUIPMENT LEASE/PURCHASE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	\$ 2,009	\$ 1,661	\$ (348)
Lease/purchase proceeds		316	316
Total other financing sources	<u>2,009</u>	<u>1,977</u>	<u>(32)</u>
BEGINNING FUND BALANCE	55	(318)	(373)
Total	<u>\$ 2,064</u>	<u>1,659</u>	<u>(405)</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	\$ 65	32	33
Capital outlay	1,999	925	1,074
Total expenditures	<u>\$ 2,064</u>	<u>957</u>	<u>1,107</u>
ENDING FUND BALANCE		<u>\$ 702</u>	<u>\$ 702</u>

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

	Budget	Actual	Variance favorable (unfavorable)
REVENUE:			
Charges for services	\$ <u> </u>	\$ <u> 1</u>	\$ <u> 1</u>
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	8,405	\$ <u> </u>	\$ <u> (8,405)</u>
Loan proceeds		4,855	4,855
Total other financing sources	<u>8,405</u>	<u>4,855</u>	<u> (3,550)</u>
BEGINNING FUND BALANCE	<u>7,522</u>	<u>3,499</u>	<u> (4,023)</u>
Total	\$ <u><u>15,927</u></u>	<u>8,355</u>	<u> (7,572)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ <u>1,465</u>	208	1,257
Capital outlay	<u>14,462</u>	<u>7,807</u>	<u>6,655</u>
Total expenditures	\$ <u><u>15,927</u></u>	<u>8,015</u>	<u>7,912</u>
ENDING FUND BALANCE		\$ <u><u>340</u></u>	\$ <u><u>340</u></u>

MULTNOMAH COUNTY, OREGON
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental			
State	\$ 681	\$	\$ (681)
Local	203	45	(158)
Charges for services		157	157
Interest	45	247	202
Other:			
Miscellaneous	217	472	255
Service reimbursements	37	37	
Total revenues	<u>1,183</u>	<u>958</u>	<u>(225)</u>
OTHER FINANCING SOURCES:			
Loan proceeds		528	528
Transfer from other funds:			
General	2,335	2,335	
Justice Services Special Operations	56	56	
Facilities Management	831	831	
Total other financing sources	<u>3,222</u>	<u>3,750</u>	<u>528</u>
BEGINNING FUND BALANCE	2,548	2,320	(228)
Total	<u>\$ 6,953</u>	<u>7,028</u>	<u>75</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 624	590	34
Materials and services	1,139	885	254
Capital outlay	5,190	2,383	2,807
Total expenditures	<u>\$ 6,953</u>	<u>3,858</u>	<u>3,095</u>
ENDING FUND BALANCE		<u>\$ 3,170</u>	<u>\$ 3,170</u>

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

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUE:			
Interest	\$	\$ 948	\$ 948
BEGINNING FUND BALANCE	28,480	26,762	(1,718)
Total	\$ <u>28,480</u>	<u>27,710</u>	<u>(770)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 905	707	198
Capital outlay	27,575	16,035	11,540
Total expenditures	\$ <u>28,480</u>	<u>16,742</u>	<u>11,738</u>
ENDING FUND BALANCE		\$ <u>10,968</u>	\$ <u>10,968</u>

MULTNOMAH COUNTY, OREGON
EDGEFIELD CHILDREN'S CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUE:			
Charges for services	\$	\$ 12	\$ 12
OTHER FINANCING SOURCE:			
Bond sales	2,148	\$	\$ (2,148)
Total	<u>\$ 2,148</u>	<u>12</u>	<u>(2,136)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 107	12	95
Capital outlay	2,041		2,041
Total expenditures	<u>\$ 2,148</u>	<u>12</u>	<u>2,136</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

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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, and health care 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.
- CareOregon Fund - accounts for the operation of CareOregon including administrative expenses.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1996
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Library Enterprise	CareOregon	Total
ASSETS:					
Current Assets:					
Cash and investments	\$ 572	\$ 737	\$ 72	\$ 11,814	\$ 13,195
Receivables (net of allowances for uncollectables):					
Accounts	7			883	890
Special assessments		12			12
Prepaid items				1	1
Total current assets	<u>579</u>	<u>749</u>	<u>72</u>	<u>12,698</u>	<u>14,098</u>
Fixed assets (net of accumulated depreciation)	655	509		31	1,195
Total assets	<u>\$ 1,234</u>	<u>\$ 1,258</u>	<u>\$ 72</u>	<u>\$ 12,729</u>	<u>\$ 15,293</u>
LIABILITIES AND FUND EQUITY:					
Liabilities:					
Accounts payable	\$ 35	\$ 12	\$	\$ 11,307	\$ 11,354
Compensated absences			1	60	61
Total liabilities	<u>35</u>	<u>12</u>	<u>1</u>	<u>11,367</u>	<u>11,415</u>
Fund equity:					
Contributed capital	1,816	956		21	2,793
Retained earnings (deficit):					
Unreserved	(617)	290	71	1,341	1,085
Total fund equity	<u>1,199</u>	<u>1,246</u>	<u>71</u>	<u>1,362</u>	<u>3,878</u>
Total liabilities and fund equity	<u>\$ 1,234</u>	<u>\$ 1,258</u>	<u>\$ 72</u>	<u>\$ 12,729</u>	<u>\$ 15,293</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Library Enterprise	CareOregon	Total
OPERATING REVENUES:					
Charges for sales and services	\$ 157	\$ 160	\$ 52	\$ 43,271	\$ 43,640
OPERATING EXPENSES:					
Salaries and wages			61	816	877
Employee benefits			4	252	256
Utilities	139	145			284
Facility rental				138	138
Professional services			11	300	311
Communications				61	61
Operating supplies			2	65	67
Medical claims				36,498	36,498
Administrative	7	19	7	1,678	1,711
Internal support				440	440
Depreciation	28	57		12	97
Other expenses			9	2,579	2,588
Total operating expenses	174	221	94	42,839	43,328
Operating income (loss)	(17)	(61)	(42)	432	312
NONOPERATING REVENUES (EXPENSES):					
Interest revenue	55	43		681	779
Interest expense				(162)	(162)
Total nonoperating revenues	55	43		519	617
Net income (loss)	38	(18)	(42)	951	929
RETAINED EARNINGS (DEFICIT), JUNE 30, 1995	(655)	308	113	390	156
RETAINED EARNINGS (DEFICIT), JUNE 30, 1996	\$ (617)	\$ 290	\$ 71	\$ 1,341	\$ 1,085

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Library Enterprise	CareOregon	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (17)	\$ (61)	\$ (42)	\$ 432	\$ 312
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided (used) by operating activities:					
Depreciation	28	57		12	97
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(1)			154	153
Decrease in special assessments receivable		5			5
Increase in prepaid items				(1)	(1)
Increase (decrease) in accounts payable	(40)			1,481	1,441
Increase (decrease) in compensated absences			1	(1)	
Net cash provided (used) by operating activities	(30)	1	(41)	2,077	2,007
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Interest paid				(162)	(162)
Net cash used by noncapital financing activities				(162)	(162)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of fixed assets		(56)			(56)
Capital contributed by customers and others	7	56			63
Net cash provided by capital and related financing activities	7				7
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	55	43		681	779
Net cash provided by investing activities	55	43		681	779
Net increase in cash and cash equivalents	32	44	(41)	2,596	2,631
CASH AND CASH EQUIVALENTS, JUNE 30, 1995	540	693	113	9,218	10,564
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	\$ 572	\$ 737	\$ 72	\$ 11,814	\$ 13,195
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Disposal of fixed assets, net book value	\$	\$ (5)	\$	\$	\$ (5)

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	CareOregon	Total
CONTRIBUTED CAPITAL, JUNE 30, 1995	\$ 1,808	\$ 905	\$ 21	\$ 2,734
ADD:				
Contributions from connection fees	8			8
Contributions from customers		56		56
Total contributions added	8	56		64
DEDUCT:				
Disposal of fixed assets, net book value		(5)		(5)
CONTRIBUTED CAPITAL, JUNE 30, 1996	\$ 1,816	\$ 956	\$ 21	\$ 2,793

MULTNOMAH COUNTY, OREGON
DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Assessments - sewer	\$ 175	\$ 157	\$ (18)
Charges for services	10	7	(3)
Interest	10	55	45
Total revenues	<u>195</u>	<u>219</u>	<u>24</u>
BEGINNING FUND BALANCE	480	465	(15)
Total	<u>\$ 675</u>	<u>684</u>	<u>9</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 207	146	61
Capital outlay	265		265
Contingency	20		20
Total expenditures	<u>492</u>	<u>146</u>	<u>346</u>
ENDING FUND BALANCE	<u>183</u>	<u>\$ 538</u>	<u>\$ 355</u>
	<u>\$ 675</u>		

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, 1996
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Assessments – street lighting			
Current year	\$ 175	\$ 156	\$ (19)
Prior years'	14	6	(8)
Penalties and interest		2	2
Charges for services	1		(1)
Interest	17	42	25
Total revenues	<u>207</u>	<u>206</u>	<u>(1)</u>
BEGINNING FUND BALANCE	550	685	135
Total	<u>\$ 757</u>	<u>891</u>	<u>134</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 275	164	111
Capital outlay	100		100
Contingency	25		25
Total expenditures	<u>400</u>	<u>164</u>	<u>236</u>
ENDING FUND BALANCE	<u>357</u>	<u>\$ 727</u>	<u>\$ 370</u>
	<u>\$ 757</u>		

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 17	\$ 35	\$ 18
Interest		5	5
Other - Miscellaneous	17	11	(6)
Total revenues	<u>34</u>	<u>51</u>	<u>17</u>
BEGINNING FUND BALANCE	80	113	33
Total	<u>\$ 114</u>	<u>164</u>	<u>50</u>
EXPENDITURES:			
Library:			
Personal services	\$ 76	65	11
Materials and services	38	28	10
Total expenditures	<u>\$ 114</u>	<u>93</u>	<u>21</u>
ENDING FUND BALANCE		<u>\$ 71</u>	<u>\$ 71</u>

MULTNOMAH COUNTY, OREGON
CAREOREGON FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal and state	\$ 48,217	\$ 43,201	\$ (5,016)
Interest	203	682	479
Other - Service reimbursements	11	69	58
Total revenues	<u>48,431</u>	<u>43,952</u>	<u>(4,479)</u>
BEGINNING FUND BALANCE		367	367
Total	<u>\$ 48,431</u>	<u>44,319</u>	<u>(4,112)</u>
EXPENDITURES:			
Health Services:			
Personal services	\$ 1,192	1,068	124
Materials and services	47,221	41,920	5,301
Capital outlay	18		18
Total expenditures	<u>\$ 48,431</u>	<u>42,988</u>	<u>5,443</u>
ENDING FUND BALANCE		<u>\$ 1,331</u>	<u>\$ 1,331</u>

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 all motor vehicle fleet operations.
- Telephone Fund - accounts for all 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, 1996
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
ASSETS:							
Current assets:							
Cash and investments	\$ 16,164	\$ 2,092	\$ 1,216	\$ 2,306	\$ 32	\$ 1,842	\$ 23,652
Accounts receivable	3	58	75	23		207	366
Due from other funds	1,736						1,736
Inventories		362			36		398
Prepaid items	37			219		26	282
Total current assets	17,940	2,512	1,291	2,548	68	2,075	26,434
Fixed assets (net of accumulated depreciation)	37	3,367	1,756	1,836	7	129	7,132
Total assets	<u>\$ 17,977</u>	<u>\$ 5,879</u>	<u>\$ 3,047</u>	<u>\$ 4,384</u>	<u>\$ 75</u>	<u>\$ 2,204</u>	<u>\$ 33,566</u>
LIABILITIES AND FUND EQUITY:							
Current liabilities:							
Accounts payable	\$ 7,407	\$ 348	\$ 494	\$ 142	\$ 4	\$ 1,069	\$ 9,464
Compensated absences	65	76	28	276	8	205	658
Deferred revenue						6	6
Capitalized leases - current			107	667			774
Total current liabilities	7,472	424	629	1,085	12	1,280	10,902
Noncurrent liabilities:							
Capitalized leases (net of current portion)			355	1,400			1,755
Total liabilities	7,472	424	984	2,485	12	1,280	12,657
Fund equity:							
Contributed capital	2	3,843	1,593	1,736	19	72	7,265
Retained earnings:							
Unreserved	10,503	1,612	470	163	44	852	13,644
Total fund equity	10,505	5,455	2,063	1,899	63	924	20,909
Total liabilities and fund equity	<u>\$ 17,977</u>	<u>\$ 5,879</u>	<u>\$ 3,047</u>	<u>\$ 4,384</u>	<u>\$ 75</u>	<u>\$ 2,204</u>	<u>\$ 33,566</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
OPERATING REVENUES:							
Charges for services	\$ 20,920	\$ 3,935	\$ 3,147	\$ 6,615	\$ 1,138	\$ 20,248	\$ 56,003
Insurance premiums	461						461
Experience rating and refunds	186						186
Total operating revenues	21,567	3,935	3,147	6,615	1,138	20,248	56,650
OPERATING EXPENSES:							
Salaries and wages	919	896	282	2,528	244	2,655	7,524
Employee benefits	281	290	88	756	80	850	2,345
Repairs and maintenance	2	120	979	459	5	1,051	2,616
Utilities						3,179	3,179
Equipment rental		7	46		1	2,813	2,867
Facility rental	137	160	77	140	10		524
Professional services	1,053	11	12	1,084	62	2,193	4,415
Communications	8	18	1,009	191	2	91	1,319
Operating supplies	39	909	17	158	694	1,107	2,924
Insurance claims and premiums	16,734					47	16,781
Internal support		48	129	269			446
Depreciation	11	1,072	723	521	4	32	2,363
Other	234	17	97	99	94	5,234	5,775
Total operating expenses	19,418	3,548	3,459	6,205	1,196	19,252	53,078
Operating income (loss)	2,149	387	(312)	410	(58)	996	3,572
NONOPERATING REVENUES (EXPENSES):							
Interest revenue	904	99	65	118			1,186
Interest expense			(24)	(38)			(62)
Loss on disposal of fixed assets	(9)	(50)	(21)	(239)	(2)	(347)	(668)
Total nonoperating revenues (expenses)	895	49	20	(159)	(2)	(347)	456
Net income (loss) before operating transfers	3,044	436	(292)	251	(60)	649	4,028
OPERATING TRANSFERS OUT						(831)	(831)
Net income (loss)	3,044	436	(292)	251	(60)	(182)	3,197
RETAINED EARNINGS (DEFICIT), JUNE 30, 1995	7,459	1,176	762	(88)	104	1,034	10,447
RETAINED EARNINGS, JUNE 30, 1996	\$ 10,503	\$ 1,612	\$ 470	\$ 163	\$ 44	\$ 852	\$ 13,644

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mall/ Distribution	Facilities Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Operating income (loss)	\$ 2,149	\$ 387	\$ (312)	\$ 410	\$ (58)	\$ 996	\$ 3,572
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided (used) by operating activities:							
Depreciation	11	1,072	723	521	4	32	2,363
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(2)	4	60	31		(88)	5
Decrease in due from other funds	1,576						1,576
Decrease in inventories		4			52		56
(Increase) decrease in prepaid items	6			(169)		(6)	(169)
Increase (decrease) in accounts payable	74	129	13	86	(5)	187	484
Decrease in deferred revenue						(1)	(1)
Increase (decrease) in compensated absences	8	4	(1)	2	(4)	2	11
Net cash provided (used) by operating activities	<u>3,822</u>	<u>1,600</u>	<u>483</u>	<u>881</u>	<u>(11)</u>	<u>1,122</u>	<u>7,897</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Operating transfers out						(831)	(831)
Net cash used by noncapital financing activities						<u>(831)</u>	<u>(831)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of fixed assets	(34)	(1,411)	(736)	(1,874)		(433)	(4,488)
Proceeds from lease/purchase				1,787			1,787
Principal paid on capitalized leases			(103)	(332)			(435)
Interest paid on capitalized leases			(24)	(38)			(62)
Capital contributed by customers and others		93		3			96
Net cash used by capital and related financing activities	<u>(34)</u>	<u>(1,318)</u>	<u>(863)</u>	<u>(454)</u>		<u>(433)</u>	<u>(3,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest on investments	904	99	65	118			1,186
Net cash provided by investing activities	<u>904</u>	<u>99</u>	<u>65</u>	<u>118</u>			<u>1,186</u>
Net increase (decrease) in cash and cash equivalents	4,692	381	(315)	545	(11)	(142)	5,150
CASH AND CASH EQUIVALENTS, JUNE 30, 1995	<u>11,472</u>	<u>1,711</u>	<u>1,531</u>	<u>1,761</u>	<u>43</u>	<u>1,984</u>	<u>18,502</u>
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>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Disposal of fixed assets, net book value	\$ (9)	\$ (50)	\$ (21)	\$ (239)	\$ (2)	\$ (347)	\$ (668)
Transfer of fixed assets from General Fixed Assets Account Group, net book value	\$	\$ 93	\$	\$ 3	\$	\$	\$ 96

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1996
(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, 1995	\$ <u>2</u>	\$ <u>3,750</u>	\$ <u>1,593</u>	\$ <u>1,733</u>	\$ <u>19</u>	\$ <u>72</u>	\$ <u>7,169</u>
CONTRIBUTIONS:							
Transfer of fixed assets from General Fixed Assets Account Group, net book value		<u>93</u>		<u>3</u>			<u>96</u>
CONTRIBUTED CAPITAL, JUNE 30, 1996	\$ <u><u>2</u></u>	\$ <u><u>3,843</u></u>	\$ <u><u>1,593</u></u>	\$ <u><u>1,736</u></u>	\$ <u><u>19</u></u>	\$ <u><u>72</u></u>	\$ <u><u>7,265</u></u>

MULTNOMAH COUNTY, OREGON
INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 12	\$ 11	\$ (1)
Interest	701	904	203
Other:			
Service reimbursements	22,332	20,909	(1,423)
Premiums	640	460	(180)
Experience ratings & miscellaneous	458	186	(272)
Total revenues	<u>24,143</u>	<u>22,470</u>	<u>(1,673)</u>
BEGINNING FUND BALANCE	6,900	7,439	539
Total	<u>\$ 31,043</u>	<u>29,909</u>	<u>(1,134)</u>
EXPENDITURES:			
Nondepartmental:			
Personal services	\$ 1,322	1,200	122
Materials and services	20,940	18,194	2,746
Capital outlay	60	47	13
Contingency	8,721		8,721
Total expenditures	<u>\$ 31,043</u>	<u>19,441</u>	<u>11,602</u>
ENDING FUND BALANCE		<u>\$ 10,468</u>	<u>\$ 10,468</u>

MULTNOMAH COUNTY, OREGON
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
State	\$ 50	\$ 10	\$ (40)
Local	245	213	(32)
Charges for services	14	24	10
Interest	60	99	39
Other:			
Miscellaneous	25	64	39
Service reimbursements	3,774	3,625	(149)
Total revenues	<u>4,168</u>	<u>4,035</u>	<u>(133)</u>
BEGINNING FUND BALANCE	2,183	1,847	(336)
Total	<u>\$ 6,351</u>	<u>5,882</u>	<u>(469)</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 1,232	1,186	46
Materials and services	1,488	1,282	206
Capital outlay	2,374	1,326	1,048
Contingency	1,257		1,257
Total expenditures	<u>\$ 6,351</u>	<u>3,794</u>	<u>2,557</u>
ENDING FUND BALANCE		<u>\$ 2,088</u>	<u>\$ 2,088</u>

MULTNOMAH COUNTY, OREGON
TELEPHONE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 314	\$ 355	\$ 41
Interest	23	65	42
Other - Service reimbursements	2,660	2,793	133
Total revenues	<u>2,997</u>	<u>3,213</u>	<u>216</u>
 BEGINNING FUND BALANCE	 685	 1,155	 470
Total	<u>\$ 3,682</u>	<u>4,368</u>	<u>686</u>
 EXPENDITURES:			
Environmental Services:			
Personal services	\$ 386	370	16
Materials and services	2,466	2,410	56
Capital outlay	675	692	(17)
Contingency	35		35
Debt service:			
Principal	99	103	(4)
Interest	21	24	(3)
Total expenditures	<u>\$ 3,682</u>	<u>3,599</u>	<u>83</u>
ENDING FUND BALANCE		<u>\$ 769</u>	<u>\$ 769</u>

MULTNOMAH COUNTY, OREGON
DATA PROCESSING FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 176	\$ 267	\$ 91
Interest	63	118	55
Other – Service reimbursements	6,394	6,347	(47)
Total revenues	<u>6,633</u>	<u>6,732</u>	<u>99</u>
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	350		(350)
Lease/purchase proceeds	1,437	1,787	350
Total other financing sources	<u>1,787</u>	<u>1,787</u>	
BEGINNING FUND BALANCE	1,185	1,536	351
Total	<u>\$ 9,605</u>	<u>10,055</u>	<u>450</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 3,608	3,283	325
Materials and services	3,531	2,370	1,161
Capital outlay	1,936	1,902	34
Contingency	34		34
Debt service:			
Principal	439	332	107
Interest	57	38	19
Total expenditures	<u>\$ 9,605</u>	<u>7,925</u>	<u>1,680</u>
ENDING FUND BALANCE		<u>\$ 2,130</u>	<u>\$ 2,130</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - Local	\$	\$	\$
Other - Service reimbursements	1,245	1,137	(108)
Total revenues	1,245	1,138	(107)
BEGINNING FUND BALANCE	72	110	38
Total	<u>\$ 1,317</u>	<u>1,248</u>	<u>(69)</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 345	324	21
Materials and services	927	868	59
Contingency	45		45
Total expenditures	<u>\$ 1,317</u>	<u>1,192</u>	<u>125</u>
ENDING FUND BALANCE		<u>\$ 56</u>	<u>\$ 56</u>

MULTNOMAH COUNTY, OREGON
FACILITIES MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental – Local	\$ 279	\$ 744	\$ 465
Charges for services	1,870	819	(1,051)
Other:			
Miscellaneous	325	139	(186)
Service reimbursements	18,401	18,546	145
Total revenues	<u>20,875</u>	<u>20,248</u>	<u>(627)</u>
BEGINNING FUND BALANCE		1,031	1,031
Total	<u>\$ 20,875</u>	<u>21,279</u>	<u>404</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 3,637	3,504	133
Materials and services	15,793	15,703	90
Capital outlay	614	446	168
Total expenditures	<u>20,044</u>	<u>19,653</u>	<u>391</u>
OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	831	831	
Total	<u>\$ 20,875</u>	<u>20,484</u>	<u>391</u>
ENDING FUND BALANCE		<u>\$ 795</u>	<u>\$ 795</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, 1996
(amounts expressed in thousands)

	Agency Funds	Pension Trust Fund	Total
ASSETS:			
Cash and investments	\$ 74,255	\$ 10,290	\$ 84,545
Receivables:			
Property taxes	29,350		29,350
Accounts	396		396
Total assets	<u>\$ 104,001</u>	<u>\$ 10,290</u>	<u>\$ 114,291</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Payrolls payable	\$ 10,320	\$	\$ 10,320
Accounts payable	3,936		3,936
Due to other governmental units	29,350		29,350
Amounts held in trust	12,626		12,626
Deferred compensation	47,769		47,769
Total liabilities	<u>104,001</u>		<u>104,001</u>
Fund balance:			
Reserved for employees'			
retirement benefits		10,290	10,290
Total liabilities and fund balances	<u>\$ 104,001</u>	<u>\$ 10,290</u>	<u>\$ 114,291</u>

MULTNOMAH COUNTY, OREGON
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 1996
(amounts expressed in thousands)

	<u>Sundry Taxing Bodies</u>	<u>Clearing</u>	<u>Department & Offices Agency</u>	<u>Deferred Compensation</u>	<u>Public Guardian</u>	<u>Total</u>
ASSETS:						
Cash and investments	\$ 3,926	\$ 13,639	\$ 8,075	\$ 47,769	\$ 846	\$ 74,255
Receivables:						
Property taxes	29,350					29,350
Accounts	396					396
Total assets	<u>\$ 33,672</u>	<u>\$ 13,639</u>	<u>\$ 8,075</u>	<u>\$ 47,769</u>	<u>\$ 846</u>	<u>\$ 104,001</u>
LIABILITIES:						
Payrolls payable	\$	\$ 10,320	\$	\$	\$	\$ 10,320
Accounts payable		3,319	617			3,936
Due to other governmental units	29,350					29,350
Amounts held in trust	4,322		7,458		846	12,626
Deferred compensation				47,769		47,769
Total liabilities	<u>\$ 33,672</u>	<u>\$ 13,639</u>	<u>\$ 8,075</u>	<u>\$ 47,769</u>	<u>\$ 846</u>	<u>\$ 104,001</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Balance June 30, 1995	Additions	Deletions	Balance June 30, 1996
SUNDRY TAXING BODIES FUND:				
Assets:				
Cash and investments	\$ 4,838	\$ 420,963	\$ 421,875	\$ 3,926
Property taxes receivable	34,732	453,253	458,635	29,350
Accounts receivable	421	396	421	396
Total assets	<u>\$ 39,991</u>	<u>\$ 874,612</u>	<u>\$ 880,931</u>	<u>\$ 33,672</u>
Liabilities:				
Accounts payable	\$	\$ 5,143	\$ 5,143	\$
Due to other governmental units	34,732	436,957	442,339	29,350
Amounts held in trust	5,259	420,943	421,880	4,322
Total liabilities	<u>\$ 39,991</u>	<u>\$ 863,043</u>	<u>\$ 869,362</u>	<u>\$ 33,672</u>
CLEARING FUND:				
Assets:				
Cash and investments	\$ 14,497	\$ 5,753,651	\$ 5,754,509	\$ 13,639
Accounts receivable		100	100	
Total assets	<u>\$ 14,497</u>	<u>\$ 5,753,751</u>	<u>\$ 5,754,609</u>	<u>\$ 13,639</u>
Liabilities:				
Payrolls payable	\$ 5,905	\$ 392,834	\$ 388,419	\$ 10,320
Accounts payable	8,592	1,247,166	1,252,439	3,319
Interest payable		7,751	7,751	
Amounts held in trust		70	70	
Total liabilities	<u>\$ 14,497</u>	<u>\$ 1,647,821</u>	<u>\$ 1,648,679</u>	<u>\$ 13,639</u>
DEPARTMENT AND OFFICES AGENCY FUND:				
Assets:				
Cash and investments	\$ 5,155	\$ 594,049	\$ 591,129	\$ 8,075
Accounts receivable	99	35	134	
Total assets	<u>\$ 5,254</u>	<u>\$ 594,084</u>	<u>\$ 591,263</u>	<u>\$ 8,075</u>
Liabilities:				
Accounts payable	\$ 323	\$ 14,790	\$ 14,496	\$ 617
Amounts held in trust	4,931	578,075	575,548	7,458
Total liabilities	<u>\$ 5,254</u>	<u>\$ 592,865</u>	<u>\$ 590,044</u>	<u>\$ 8,075</u>
DEFERRED COMPENSATION FUND:				
Assets:				
Cash and investments	\$ 38,245	\$ 9,524		\$ 47,769
Liabilities:				
Deferred compensation	\$ 38,245	\$ 9,524		\$ 47,769
PUBLIC GUARDIAN FUND:				
Assets:				
Cash and investments	\$ 915	\$ 1,283	\$ 1,352	\$ 846
Liabilities:				
Amounts held in trust	\$ 915	\$ 1,283	\$ 1,352	\$ 846
TOTAL - ALL AGENCY FUNDS:				
Assets:				
Cash and investments	\$ 63,650	\$ 6,779,470	\$ 6,768,865	\$ 74,255
Property taxes receivable	34,732	453,253	458,635	29,350
Accounts receivable	520	531	655	396
Total assets	<u>\$ 98,902</u>	<u>\$ 7,233,254</u>	<u>\$ 7,228,155</u>	<u>\$ 104,001</u>
Liabilities:				
Payrolls payable	\$ 5,905	\$ 392,834	\$ 388,419	\$ 10,320
Accounts payable	8,915	1,267,099	1,272,078	3,936
Interest payable		7,751	7,751	
Due to other governmental units	34,732	436,957	442,339	29,350
Amounts held in trust	11,105	1,000,371	998,850	12,626
Deferred compensation	38,245	9,524		47,769
Total liabilities	<u>\$ 98,902</u>	<u>\$ 3,114,536</u>	<u>\$ 3,109,437</u>	<u>\$ 104,001</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, 1996
(amounts expressed in thousands)

GENERAL FIXED ASSETS:	
Land and land improvements	\$ 7,257
Buildings and improvements	155,273
Parksites	4,530
Work in progress	16,179
Bridges	34,240
Equipment	22,192
Total general fixed assets	\$ <u>239,671</u>
Investments in general fixed assets:	
Balance July 1, 1995	\$ <u>214,761</u>
Additions provided by:	
General Fund	16,506
Road Fund	159
Assessment & Taxation Fund	290
Federal and State Program Fund	1,144
Corner Preservation Fund	9
Willamette River Bridges Fund	16
Recreation Fund	17
Library Fund	4,291
Justice Services Special Operations Fund	130
Natural Areas Acquisition and Protection Fund	75
Jail Levy Fund	44
Equipment Lease/Purchase Fund	741
Lease/Purchase Project Fund	6,844
Capital Improvement Fund	97
Contributions from the Data Processing Fund	5
Contributions from the Facilities Management Fund	322
Total additions	<u>30,690</u>
Deductions:	
Retirements	<u>(5,780)</u>
Total investment in general fixed assets	\$ <u>239,671</u>
Reconciliation:	
Total capital outlay	\$ <u>33,071</u>
Contributions to the Fleet Management Fund	(78)
Repairs and other general maintenance	(540)
Roads and bridge maintenance	(2,216)
Bike Path Fund	(78)
Operating supplies	(252)
	<u>(3,164)</u>
Additional items capitalized	783
Total general fixed asset additions	\$ <u>30,690</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 1996
(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	\$ 2,336	\$	\$		\$ 140	\$ 2,477
Administrative	101	3,279		381		3,712	7,473
Sub-total	<u>102</u>	<u>5,615</u>		<u>381</u>		<u>3,852</u>	<u>9,950</u>
Health and social services:							
Health	1,152	7,701				1,650	10,503
Social	152	25,827				2,039	28,018
Sub-total	<u>1,304</u>	<u>33,528</u>				<u>3,689</u>	<u>38,521</u>
Public safety:							
Law enforcement	1,666	58,539				5,797	66,002
Justice	48	3,424				534	4,006
Sub-total	<u>1,714</u>	<u>61,963</u>				<u>6,331</u>	<u>70,008</u>
Community services:							
Community service development	536	1,235				112	1,883
Recreation	341	4,709	4,530			12	9,592
Library	1,655	9,418		15,798		5,895	32,766
Sub-total	<u>2,532</u>	<u>15,362</u>	<u>4,530</u>	<u>15,798</u>		<u>6,019</u>	<u>44,241</u>
Roads and bridges:							
Roads and bridges	383				34,240	2,301	36,924
Bridge shops	39	330					369
Road shops	65	5,298					5,363
Administrative		276					276
Sub-total	<u>487</u>	<u>5,904</u>			<u>34,240</u>	<u>2,301</u>	<u>42,932</u>
External organizations:							
External use	1,118	32,901					34,019
Total general fixed assets	<u>\$ 7,257</u>	<u>\$ 155,273</u>	<u>\$ 4,530</u>	<u>\$ 16,179</u>	<u>\$ 34,240</u>	<u>\$ 22,192</u>	<u>\$ 239,671</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	General fixed assets June 30, 1995	Additions	Deductions and reclasses	General fixed assets June 30, 1996
FUNCTION AND ACTIVITY:				
General government:				
Legislative	\$ 2,497	\$ 64	\$ (84)	\$ 2,477
Administrative	5,928	1,986	(441)	7,473
Sub-total	<u>8,425</u>	<u>2,050</u>	<u>(525)</u>	<u>9,950</u>
Health and social services:				
Health	10,232	887	(616)	10,503
Social	24,456	4,701	(1,139)	28,018
Sub-total	<u>34,688</u>	<u>5,588</u>	<u>(1,755)</u>	<u>38,521</u>
Public safety:				
Law enforcement	65,473	1,594	(1,065)	66,002
Justice	3,776	574	(344)	4,006
Sub-total	<u>69,249</u>	<u>2,168</u>	<u>(1,409)</u>	<u>70,008</u>
Community services:				
Community service development	1,818	109	(44)	1,883
Recreation	9,994	17	(419)	9,592
Library	17,295	16,623	(1,152)	32,766
Sub-total	<u>29,107</u>	<u>16,749</u>	<u>(1,615)</u>	<u>44,241</u>
Roads and bridges:				
Roads and bridges	36,870	530	(476)	36,924
Bridge shops	369			369
Road shops	5,363			5,363
Administrative	276			276
Sub-total	<u>42,878</u>	<u>530</u>	<u>(476)</u>	<u>42,932</u>
External organizations:				
External use	30,414	3,605		34,019
Total general fixed assets	<u>\$ 214,761</u>	<u>\$ 30,690</u>	<u>\$ (5,780)</u>	<u>\$ 239,671</u>

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OTHER SCHEDULES

- * Schedule of Federal Financial Assistance
- * 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 FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1995	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1996
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through State Department of Human Resources:						
Food Distribution	10.550	\$ 368	\$	368	\$ 368	\$
National School Lunch Program	10.555	110	8	109	110	9
Special Supplemental Food Program for Woman, Infants, and Children	10.557	1,827	8	1,824	1,827	11
State Administrative Matching Grants for Food Stamp Program	10.561	179	38	198	179	19
Total Department of Agriculture		2,484	54	2,499	2,484	39
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Direct Programs:						
Special Programs for the Aging--Title IV Training, Research, and Discretionary Projects and Programs	93.048	100	27	84	99	42
Linking Community-Based Primary Care, Substance Abuse, HIV/AIDS, and Mental Health Treatment Services	93.109	525	43	478	478	43
Maternal and Child Health Federal Consolidated Programs (SPRANS)	93.110	677	32	333	332	31
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	1,469	74	712	659	21
Project Grants for Health Services to the Homeless	93.151	2,012	163	1,083	1,024	104
Community Health Centers	93.224	5,614	519	3,088	2,789	220
Drug Abuse Research Programs	93.279	1,466	83	720	660	23
Family Support Centers and Gateway Demonstration Program	93.578	250	290	343	53	
Social Services Block Grant	93.667	2,950			291	291
Medicare--Supplementary Medical Insurance	93.774	244	13	221	244	36
HIV Emergency Relief Project Grants	93.914	2,412		1,807	1,615	(192)
HIV Emergency Relief Formula Grants	93.915	1,388	392	1,458	1,315	249
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease	93.918	1,037	(102)	500	602	
Special Projects of National Significance (SPNS)	93.928	501	20	191	185	14
Passed Through Oregon Commission on Children and Families:						
Child Care and Development Block Grant	93.575	220	112	330	206	(12)
Social Services Block Grant	93.667	1,812		1,014	1,716	702
Passed Through Oregon Housing and Community Services Division:						
Family Support Payments to States--Assistance Payments	93.560	25		25	25	
Low-Income Home Energy Assistance	93.568	6,092	342	2,900	2,948	390
Passed Through Oregon Health Sciences University:						
Community Services Block Grant	93.573	71		71	71	
Discretionary Awards--Demonstration Partnerships						
Passed Through State Department of Human Resources:						
Special Programs for the Aging--Title VII, Chapter 3--Programs for Prevention of Elder Abuse, Neglect, and Exploitation of Older Individuals	93.041	16		3	2	(1)
Special Programs for the Aging--Title III, Part F--Disease Prevention and Health Promotion Services	93.043	96	(10)	60	77	7
Special Programs for the Aging--Title III, Part B--Grants for Supportive Services and Senior Centers	93.044	920	69	790	707	(14)
Special Programs for the Aging--Title III, Part C--Nutrition Services	93.045	914	(158)	846	859	(145)
Special Programs for the Aging--Title III, Part D--In Home Services for the Frail Older Individuals	93.046	73	(4)	3	28	21
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	12	8	118	120	10
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	655	92	702	642	32
Projects for Assistance in Transition from Homelessness (PATH)	93.150	231		231	231	
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	93.196	1,599		1,599	1,599	
Childhood Lead Poisoning Prevention Projects--State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children (CLPPP)	93.197	201	21	163	196	54
Family Planning--Services (Umbrella Councils)	93.217	304	2	248	304	58
Childhood Immunization Grants	93.268	481	(194)	465	520	(139)
Balances carried forward		\$ 34,367	\$ 1,834	\$ 20,586	\$ 20,597	\$ 1,845

(continued)

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)
(continued)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1995	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1996
Balances brought forward		\$ 34,367	\$ 1,834	\$ 20,586	\$ 20,597	\$ 1,845
Centers for Disease Control and Prevention--Investigations and Technical Assistance	93.283	94		58	72	14
Child Support Enforcement (Title IV-D)	93.563	1,045	296	1,046	1,045	295
Refugee and Entrant Assistance--State Administered Programs	93.566	1,225	86	505	435	16
Community Services Block Grant	93.569	1,388	129	837	931	223
Medical Assistance Program (Medicaid; Title XIX)	93.778	14,468	1,275	15,095	14,467	647
HIV Care Formula Grants	93.917	404	41	353	403	91
Cooperative Agreements for State--Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	413	(57)	216	306	33
HIV Prevention Activities--Health Department Based	93.940	160		105	160	55
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	88	4	77	89	16
HIV/AIDS and Related Diseases Among Substance Abusers: Community--Based Outreach and Intervention Demonstration Program	93.949	231		231	231	
Block Grants for Community Mental Health Services	93.958	453		453	453	
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	2,627		2,627	2,627	
Preventive Health Services--Sexually Transmitted Diseases Control Grants	93.977	123	10	110	123	23
Health Programs for Refugees	93.987	41	4	44	41	1
Cooperative Agreements for State--Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	24		18	25	7
Preventive Health and Health Services Block Grant	93.991	238	20	239	239	20
Maternal and Child Health Services Block Grant to the States	93.994	1,190	98	1,075	1,058	81
Passed Through City of Portland: Community Prevention Coalitions (Partnership) Demonstration Grant	93.194	690	165	482	502	185
Passed Through University of Minnesota: Drug Abuse Research Programs	93.279	128	80	80	46	46
Total Department of Health and Human Services		59,397	3,985	44,237	43,850	3,598
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE						
Passed Through Oregon Commission For National and Community Service:						
Americorps	94.006	233		233	93	(140)
Passed Through Oregon Housing and Community Services Division:						
Americorps	94.006	23		23	23	
Total Corporation For National and Community Service		256		256	116	(140)
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT						
Direct Programs:						
Community Development Block Grants/Entitlement Grants	14.218	5,187	482	1,361	1,258	379
Supportive Housing Program	14.235	4,217		103	861	758
Passed Through City of Gresham: Community Development Block Grants/Entitlement Grants	14.218	87			85	85
Passed Through Oregon Housing and Community Services Division:						
Supportive Housing Program	14.235	184		120	175	55
Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)	14.236	474	25	164	215	76
Passed Through State Department of Human Resources: Supplemental Assistance for Facilities to Assist the Homeless (SAFAH)	14.236	1		1	1	
Passed Through State Executive Department: Emergency Shelter Grants Program (ESG)	14.231	15	31	46	15	
Passed Through City of Portland-- Bureau of Community Development:						
Community Development Block Grants/Entitlement Grants	14.218	804	657	726	775	706
Emergency Shelter Grants Program (ESG)	14.231	326	200	200	323	323
Passed Through Housing Authority of Portland: Public and Indian Housing-- Comprehensive Improvement Assistance Program	14.852	242		277	277	
Total Department of Housing and Urban Development		11,537	1,395	2,998	3,985	2,382

(continued)

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)
(continued)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1995	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1996
U.S. DEPARTMENT OF JUSTICE						
Direct Programs:						
Law Enforcement Assistance-Narcotics and Dangerous Drugs- Laboratory Analysis	16.001	\$	\$	(14)	\$	\$ (14)
Drug Control & System Improvement-Formula Grant	16.579		21	21		
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	567	14	251	271	34
Drug Court Discretionary Grant Program	16.585	512			48	48
Public Safety Partnership and Community Policing Grants	16.710	18		5	5	
Passed Through State Department of Justice:						
Crime Victim Assistance	16.575	73	9	32	34	11
Drug Control & System Improvement-Formula Grant	16.579	235	203	347	235	91
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	406		156	346	190
Total Department of Justice		1,811	233	812	939	360
U.S. DEPARTMENT OF TRANSPORTATION						
Passed Through Oregon State Marine Board:						
Boating Safety Financial Assistance	20.005	136		136	136	
Passed Through State Public Utility Commission:						
Motor Carrier Safety Assistance Program (MCSAP)	20.218	175		41	41	
Passed Through State Department of Transportation:						
State and Community Highway Safety	20.600	100		25	25	
Total Department of Transportation		411		202	202	
U.S. DEPARTMENT OF ENERGY						
Passed Through Oregon Housing and Community Services Division:						
Weatherization Assistance for Low-Income Persons	81.042	643	206	503	297	
Total Department of Energy		643	206	503	297	
FEDERAL EMERGENCY MANAGEMENT AGENCY						
Direct Programs:						
Disaster Assistance - FEMA Flood	83.516	504			504	504
Emergency Management Institute-Training Assistance	83.527	1		1	1	
Passed Through State Executive Department:						
Civil Defense-State and Local Emergency Management Assistance	83.503		21	21		
Emergency Management-State and Local Assistance	83.534	58		39	58	19
Passed Through United Way:						
Civil Defense-State and Local Emergency Management Assistance	83.503		124	124		
Emergency Management-State and Local Assistance	83.534	289		247	289	42
Total Federal Emergency Management Agency		852	145	432	852	565
U.S. DEPARTMENT OF EDUCATION						
Direct Programs:						
Literacy Programs for Prisoners	84.255		56	56		
Passed Through State Department of Human Resources:						
Public Library Services (LSCA)	84.034	326		171	193	22
Safe and Drug Free Schools-State Grants	84.186	72		72	72	
Passed Through Portland Public Schools:						
Drug-Free Schools and Communities-Emergency Grants	84.233	95	6	47	49	8
Total Department of Education		493	62	346	314	30
OTHER FEDERAL ASSISTANCE						
Department of Agriculture:						
U.S. Forest Service - Patrol Contract		74		38	38	
Department of Energy:						
Youth Employment and Empowerment		283	51	115	64	
U.S. Environmental Protection Agency:						
EPA Pest Control		19			5	5
Department of Housing and Community Development:						
Passed Through Portland Department of Housing and Community Development: VAHON		554		111	301	190
Department of Interior:						
O & C Grant		826		826	826	
Sale/Lease Federal Land		1		1	1	
Passed Through State Executive Department:						
Forest Reserve Yield (PILT)		749		749	749	
Department of Justice:						
U.S. Marshal - Forfeitures		8		8	8	
Department of Transportation:						
Passed Through State Department of Transportation:						
FAU Engineering Contracts		348	133	481	348	
State Highway - Flood Relief		493		531	493	(38)
Total Other Federal Assistance		3,355	184	2,860	2,833	157
Total Federal Assistance		\$ 81,239	\$ 6,264	\$ 55,145	\$ 55,872	\$ 6,991

* Represents a major program

MULTNOMAH COUNTY, OREGON
SCHEDULE OF PROPERTY TAX COLLECTIONS
AND OUTSTANDING BALANCES
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

Tax Year	Taxes receivable June 30, 1995	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, 1996
1995-96	\$	\$ 558,508	\$ 678	\$ 295	\$ (13,209)	\$ (527,532)	\$ 18,740
1994-95	20,798		(540)	885		(12,365)	8,778
1993-94	10,187		(2,337)	420		(2,624)	5,646
1992-93 and prior	12,034		(2,961)	1,872		(6,582)	4,363
	<u>\$ 43,019</u>	<u>\$ 558,508</u>	<u>\$ (5,160)</u>	<u>\$ 3,472</u>	<u>\$ (13,209)</u>	<u>\$ (549,103)</u>	<u>\$ 37,527</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 1996:

	Current levy	Prior years' levy	Total
General Fund	\$ 3,442	\$ 2,806	\$ 6,248
Jail Levy Fund	555	432	987
Library Bond Sinking Fund	112	45	157
Library Fund	424	337	761
Sundry Taxing Bodies Fund	<u>14,196</u>	<u>15,154</u>	<u>29,350</u>
Sub-total taxes receivable	18,729	18,774	37,503
Special assessments collected through taxes	<u>11</u>	<u>13</u>	<u>24</u>
Total receivables	<u>\$ 18,740</u>	<u>\$ 18,787</u>	<u>\$ 37,527</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF BONDS AND BOND INTEREST COUPON TRANSACTIONS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

	Outstanding June 30, 1995		Issued	1995-96 Transactions		Outstanding June 30, 1996	
	Matured	Unmatured		Matured	Paid	Matured	Unmatured
Dated March 1, 1994		\$ 20,705		\$ 730	\$ 730		\$ 19,975
Dated October 1, 1994		9,000		265	265		8,735
		<u>\$ 29,705</u>		<u>\$ 995</u>	<u>\$ 995</u>		<u>\$ 28,710</u>

GENERAL OBLIGATION BOND INTEREST COUPONS:

Dated March 1, 1994	\$ 979	\$ 979
Dated October 1, 1994	495	495
	<u>\$ 1,474</u>	<u>\$ 1,474</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF BONDS OUTSTANDING
June 30, 1996
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

Fiscal Year of maturity	Dated 03/01/94 3.25 to 5.25%		Dated 10/01/94 3.85 to 6.10%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 760	\$ 953	\$ 275	\$ 484	\$ 1,035	\$ 1,437
1998	785	923	285	471	1,070	1,394
1999	820	891	300	458	1,120	1,349
2000	855	856	315	443	1,170	1,299
2001	890	819	330	427	1,220	1,246
2002	930	778	350	410	1,280	1,188
2003	975	735	365	391	1,340	1,126
2004	1,020	688	385	371	1,405	1,059
2005	1,070	639	410	350	1,480	989
2006	1,125	586	430	326	1,555	912
2007	1,180	528	460	302	1,640	830
2008	1,245	467	485	275	1,730	742
2009	1,310	401	515	246	1,825	647
2010	1,380	332	545	215	1,925	547
2011	1,455	257	580	182	2,035	439
2012	1,530	179	615	146	2,145	325
2013	1,290	105	655	108	1,945	213
2014	1,355	36	695	66	2,050	102
2015			740	22	740	22
	<u>\$ 19,975</u>	<u>\$ 10,173</u>	<u>\$ 8,735</u>	<u>\$ 5,693</u>	<u>\$ 28,710</u>	<u>\$ 15,866</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF LOANS OUTSTANDING
June 30, 1996
(amounts expressed in thousands)

GENERAL LONG-TERM LOANS:

Fiscal Year of maturity	Dated 12/12/95 80% of Federal Funds effective rate, repriced daily		Dated 02/15/96 7.2%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 4,853	\$	\$ 20	\$ 37	\$ 4,873	\$ 37
1998			22	36	22	36
1999			24	34	24	34
2000			25	32	25	32
2001			27	30	27	30
2002			29	28	29	28
2003			31	26	31	26
2004			34	24	34	24
2005			36	21	36	21
2006			39	19	39	19
2007			42	16	42	16
2008			45	13	45	13
2009			48	9	48	9
2010			52	6	52	6
2011			52	3	52	3
	<u>\$ 4,853</u>	<u>\$</u>	<u>\$ 526</u>	<u>\$ 334</u>	<u>\$ 5,379</u>	<u>\$ 334</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CAPITALIZED LEASE PURCHASES OUTSTANDING
June 30, 1996
(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 4.75%		4.5 to 4.75%		2.75% to 7.50%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 340	\$ 72	\$ 60	\$ 14	\$ 286	\$ 51	\$ 120	\$ 15	\$ 810	\$ 860
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>\$ 1,845</u>	<u>\$ 210</u>	<u>\$ 260</u>	<u>\$ 37</u>	<u>\$ 1,229</u>	<u>\$ 120</u>	<u>\$ 309</u>	<u>\$ 28</u>	<u>\$ 16,920</u>	<u>\$ 7,853</u>

TELEPHONE CAPITALIZED LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 03/01/95	
	Principal	Interest
1997	\$ 107	\$ 19
1998	113	14
1999	118	9
2000	124	3
	<u>\$ 462</u>	<u>\$ 45</u>

DATA PROCESSING CAPITALIZED LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 03/21/96		Dated 03/01/95		Dated 06/15/93		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 574	\$ 63	\$ 72	\$ 13	\$ 31	\$ 3	\$ 677	\$ 79
1998	600	37	76	9	33	2	709	48
1999	520	11	79	6			599	17
2000			82	2			82	2
	<u>\$ 1,694</u>	<u>\$ 111</u>	<u>\$ 309</u>	<u>\$ 30</u>	<u>\$ 64</u>	<u>\$ 5</u>	<u>\$ 2,067</u>	<u>\$ 146</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
\$ 1,205	\$ 1,828	\$ 45	\$ 16	\$ 124	\$ 208	\$ 2,990	\$ 3,064
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>\$ 32,665</u>	<u>\$ 18,882</u>	<u>\$ 260</u>	<u>\$ 46</u>	<u>\$ 2,428</u>	<u>\$ 1,554</u>	<u>\$ 55,916</u>	<u>\$ 28,730</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF RECEIPTS AND DEPOSITS - ELECTED OFFICIALS
For the fiscal year ended June 30, 1996
(amounts expressed in thousands)

	Receipts deposited with Treasurer
Sheriff's Office	\$ 9,320
Others	
Total	<u>\$ 9,320</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
1987	\$ 25,914	\$ 47,378	\$ 42,687	\$ 17,931	\$ 15,337	\$ 6,121	\$ 16,403 (2)	\$ 171,771
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

(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
1987	\$ 82,864	\$ 55,260	\$ 1,791	\$ 6,749	\$ 3,198	\$ 585	\$ 7,614	\$ 158,061
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

(1) All Governmental Fund Types (Budgetary basis)

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

(3) Includes \$7 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
1987	\$ 63,475	\$ 2,678	(2) \$ 5,594	\$ 7,119	\$ 3,226	\$ 772	\$ 82,864
1988	74,373	2,415	10,600 (2)	7,103	3,557	1,539 (3)	99,587
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

(1) All Governmental Fund Types (Budgetary basis)

(2) Tax rate increase.

(3) In previous years, in lieu of property taxes were reflected in property taxes.

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
1987	\$ 63,839	\$ 58,190	91.15 %	\$ 5,136	\$ 63,326	99.20 %	\$ 8,060	12.63 %
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

(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
1987	\$ 1,055,869	\$ 1,223,434	\$ 7,512,220	\$ 8,450,475	\$ 18,241,998
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

(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
1987	\$ 3.49	\$ 5.79	\$ 0.74	\$ 16.56	\$ 0.01	\$ 0.49	\$ 0.86	\$ 27.94
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

(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
1987	\$ 63,839	\$ 105,624	\$ 12,983	\$ 302,099	\$ 252	\$ 8,864	\$ 15,740	\$ 509,401
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

(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, 1996
(amounts expressed in thousands)
(unaudited)

<u>Taxpayer account</u>	<u>Type of business</u>	<u>1996 Assessed Valuation</u>	<u>Percentage of total assessed Valuation (1)</u>
U. S. West Communications	Telephone utility	\$ 397,788	1.2 %
PacifiCorp (Pacific Power and Light)	Electric utility	230,168	0.7
Portland General Electric	Electric utility	194,541	0.6
Boeing Company	Airline	185,316	0.5
Northwest Natural Gas	Natural gas utility	110,984	0.3
SI - Lloyd Associates	Property management	98,294	0.3
United Airlines	Airline	88,421	0.3
Wacker Siltronic Corporation	Silicon wafer manufacturer	77,851	0.2
US Bancorp	Banking	75,414	0.2
Fujitsu Microelectronics	Integrated circuit manufacturer	72,177	0.2
		<u>\$ 1,530,954</u>	<u>4.4 %</u>

(1) The 1996 real market valuation for Multnomah County is \$34,683,496.

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)

<u>Fiscal Year</u>	<u>Assessments outstanding July 1</u>	<u>Assessments billed</u>	<u>Assessments collected</u>	<u>Assessments outstanding June 30</u>
1987	\$ 1,812	\$ 136	\$ 585	\$ 1,363
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

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 1996
(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 (1995-96)	\$ 34,683,496
Debt limit	<u>2.00%</u>
	693,670
Less bonded debt at June 30	<u>28,710</u>
Legal debt margin	<u>\$ 664,960</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)	
1987	2,342	\$ 186,435	3,755	\$ 113,507	6,097	\$ 299,942	\$ 6,685,201
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			(6) 1,789	136,626	1,789	136,626	11,414,176

(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 1996

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

Sources: State of Oregon Housing Division 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
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	626,500	34,683,496	28,710	7,905	20,805	0.06	33

(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

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)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service to General Government Expenditures</u>
1995	\$ 1,295	\$ 1,348	\$ 2,643	\$ 391,759	0.7%
1996	995	1,474	2,469	423,151	0.6%

(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, 1996
(amounts expressed in thousands)
(unaudited)

Overlapping District	Percent Overlapping	Overlapping	
		Gross (1) Bonded Debt	Net (2) Direct Debt
Mt. Scott Water District	0.97 %	\$ 24	\$ 24
Clackamas County School District 7	0.41	73	73
City of Lake Oswego	6.63	1,323	1,323
City of Milwaukie	0.46	21	21
Scappoose RFPD	6.77	17	17
Columbia County School District 1J	3.28	84	84
Port of Portland	45.58	22,938	22,809
Powell Valley Road Water District	100.00	300	
Metropolitan Service District	49.79	94,684	94,684
Tri-County Metropolitan Transp. Service District	49.61	67,488	67,488
Sauvie Island RFPD 30	100.00	300	300
Multnomah County School District 1J	99.25	185,129	185,129
Multnomah County School District 3	100.00	34,925	34,925
Multnomah County School District 7	100.00	31,790	31,790
Multnomah County School District 19	100.00	280	280
Multnomah County School District 28J	92.82	12,957	12,957
Multnomah County School District 39	100.00	6,955	6,955
Multnomah County School District 40	100.00	18,750	18,750
Multnomah County School District 51J	96.08	10,761	10,761
Multnomah County 10J	82.21	27,330	27,330
Mount Hood Community College	83.49	3,419	3,419
Portland Community College	46.18	24,926	24,926
City of Fairview	100.00	188	
City of Gresham	100.00	12,801	12,370
City of Portland	99.61	162,995	72,309
City of Troutdale	100.00	6,442	2,120
City of Wood Village	100.00	510	510
Unified Sewerage Agency	0.83	38	28
Tualatin Valley Fire and Rescue	2.89	31	31
Washington County School District 48J	0.48	441	441
Washington County School District 70J	0.13	1	1
Washington County UHD 3-8J 1	0.01	2	2
		<u>\$ 727,923</u>	<u>\$ 631,857</u>

(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, 1996
(unaudited)

<u>Insurance Company</u>	<u>Coverage</u>	<u>Expiration</u>
American Protection Insurance Co. Policy No. 3ZT746102-03	Buildings and Equipment	10/02/96
American Protection Insurance Co. Policy No. 3ZT746102-03	Comprehensive Boiler and Machinery	10/02/96
American Protection Insurance Co. Policy No. 3ZT746102-03	Hull and Machinery Marine Policy	10/02/96
American Protection Insurance Co. Policy No. KG-32G00202601	Justice Center Equipment Policy	11/28/96
Lumbermens Mutual Casualty Policy No. 3MF746102-03	Liability Policy	10/02/96
Republic Western Policy No. RWC 38-55407	Excess Workers' Compensation	07/01/96
Hartford Insurance Co. Policy No. PEBZE 67 13	Blanket Faithful Performance Bond	01/01/97
Hartford Insurance Co. Bond No. 5088331	Faithful Performance Bond - Public Official Tax Collector	01/01/97
Bond No. 5088332	Finance Director	01/01/97
Bond No. 5091060	Treasury Manager	01/01/97
Hartford Insurance Co. Bond No. 5088334	Faithful Performance Bond - Public Guardian	01/01/97
Hartford Insurance Co. Bond No. 5087364	DEQ License Bond (Mechanic/Equipment Operator)	01/01/99
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
St. Paul Fire & Marine Ins. Co. Bond No. 400 HU 3403	DEQ License Bond (Mechanic/Equipment Operator/Fleet Inspector)	01/01/97
St. Paul Fire & Marine Ins. Co. Bond No. 400 HU 3402	DEQ License Bond (Multnomah County)	01/16/97

Source: County Insurance Agent

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

<u>Fiscal</u> <u>Year</u>	<u>Population</u>	<u>Per capita</u> <u>income (1)</u>	<u>Unemployment</u> <u>rate (2)</u>	
1987	562,000	\$ 16	5.3	%
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	N/A	3.8	
1996	626,500	N/A	4.2	(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, 1996
(unaudited)

Employer	Product or Service	1995
		Employment
Intel Corporation	Semiconductor integrated circuits	8,000
Fred Meyer, Inc.	Grocery and retail variety chain	7,803
Kaiser Permanente	Hospitals and clinics	6,071
Providence Health Care System	Hospitals and clinics	5,785
U. S. Bancorp	Bank and holding company	4,895
Legacy Health System	Hospital and health services	4,791
Freightliner Corporation	Medium and heavy-duty trucks	4,780
Tektronix	Electronic instruments	4,500
First Interstate Bank	Bank	4,063
Nike	Sports shoes and apparel	3,300
Safeway Stores	Grocery chain stores	3,065
U. S. West Communications	Communications utility	2,880
Hewlett-Packard Co.	Computer printers	2,700
James River Corporation	Pulp and paper packaging	2,300
United Parcel Service	Small package transport	2,265
Precision Castparts	Steel castings	2,127
Meier and Frank Company	Department stores	2,000
Portland General Corporation	Diversified utility holding company	1,965
McDonalds Corporation	Fast food franchise	1,943
Pacificorp	Diversified electric utility	1,871
Nordstrom	Retail specialty stores	1,810
Epson Portland Inc.	Computer printers	1,667
Blue Cross & Blue Shield of Oregon	Medical insurance	1,650
Southwest Washington Medical	Health care	1,622
Red Lion Hotels & Inns	Hotel/motel chain	1,522
Albertson's	Retail grocery chain	1,468
Payless Drug Stores	Retail drug and variety store chain	1,456
Horizon Air	Airline	1,413
The Greenbriar Companies	Transportation	1,350
SEH America	Silicon wafers	1,350
Portland Adventist Medical Center	Hospital services	1,306
Bank of America	Financial services	1,290
Boeing of Portland	Aircraft frame structures	1,200
Delta Air Lines, Inc.	Airline	1,200
Wacker Siltronic Corporation	Silicon semiconductor materials	1,200
Federal Government		18,254
State Government		15,396
Portland School District		6,600
City of Portland		4,904
Multnomah County		3,932
Tri - Met		1,975

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

MULTNOMAH COUNTY, OREGON
MISCELLANEOUS STATISTICAL DATA
June 30, 1996
(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	470
Multnomah County employees:	
Management and exempt	569
Bargaining units	3,363

MILES OF STREETS (UNINCORPORATED AREA)

Paved	317
Unpaved	9

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)	2,393
Vehicular patrol units	26
Number of employees (sworn and civilian)	726
Jails:	
Facilities	5
Population	1,440

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	129
Alternative special	15
Junior/senior high school	2
High schools	17
Colleges	18
Employees:	
Principals and vice principals	279
Administrative and support	3,131
Teachers	4,826
Number of students (estimated)	85,736
Average daily attendance (estimated)	83,319

SEWAGE DISPOSAL

Number of accounts	554
--------------------	-----

STREET LIGHTING

Number of Lights	2,916
------------------	-------

ELECTIONS

Number of registered voters	382,821
Number of votes cast in last general election	248,052
Percentage of registered voters voting in last general election	65.6%

AUDIT COMMENTS AND DISCLOSURES
Required by State Regulations

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

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, 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 statements and schedules are set forth in the preceding sections of the report.

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

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Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on the Internal Control
Structure Based on an Audit of the General Purpose
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, 1996, and have issued our report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

The management of the County is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the County for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we considered to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the County in a separate letter dated December 2, 1996.

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

KPMG Peat Marwick LLP

December 2, 1996

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report on Compliance Based
on an Audit of the General Purpose 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, 1996, and have issued our report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the County is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants including applicable provisions of Oregon Revised Statutes (ORS) as set forth below:

- The amount and adequacy of collateral pledged by depositories 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 years 1996 and 1997.
- 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 investment of public funds.
- The legal requirements pertaining to the awarding of public contracts and the construction of public improvements.
- The legal requirements pertaining to the use of revenue from taxes on motor vehicle use fuel.

However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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 9 to the County's general purpose financial statements.

We considered the aforementioned instances of noncompliance in forming our opinion on whether the County's 1996 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 2, 1996 on those general purpose financial statements.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

We have reported on the County's compliance with appropriate laws, rules and regulations pertaining to the Single Audit Act of 1984 in a separate report dated December 2, 1996.

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

KPMG Peat Marwick LLP

December 2, 1996

Meeting Date: MAR 18 1997

Agenda No.: B-3

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM

SUBJECT: ARMING IMPLEMENTATION

BOARD BRIEFING:

Date Requested: _____

Amount of time needed: _____

REGULAR MEETING

Date Requested: Tuesday, March 18, 1997

Amount of time needed: 60 minutes

DEPARTMENT: Adult Community Justice **DIVISION:** Administration

CONTACT: Elyse Clawson, Bob Grindstaff **PHONE #:** 248-3701 x24818

BLDG/ROOM #: 161/600/DCC

PERSON(S) MAKING PRESENTATION: Elyse Clawson, Bob Grindstaff, Michael Haines

ACTION REQUESTED:

☐ INFORMATIONAL ONLY ☐ POLICY DIRECTION ☐ APPROVAL ☐ OTHER

SUGGESTED AGENDA TITLE:

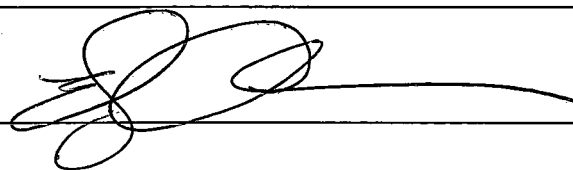
Arming Implementation Update

SIGNATURES REQUIRED:

ELECTED OFFICIAL _____

Or

DEPARTMENT MANAGER _____



BOARD OF
COUNTY COMMISSIONERS
MULTNOMAH COUNTY
OREGON
97 MAR 10 AM 10:26

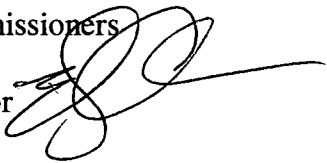
ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

**MULTNOMAH COUNTY DEPARTMENT OF
ADULT COMMUNITY JUSTICE**

MEMORANDUM

TO: Board of County Commissioners

FROM: Elyse Clawson, Director 

DATE: March 7, 1997

SUBJECT: Arming Implementation Briefing

**REQUESTED
PLACEMENT DATE:** March 27, 1997

I. RECOMMENDATION/ACTION REQUESTED

Resolution approving Arming Implementation plan.

II. BACKGROUND/ANALYSIS

In July 1994, the Continuum of Safety Task Force issued its report and recommendations on the full range of safety issues for the department staff. The report included a number of recommendations related to arming. On March 9, 1995, the Board of County Commissioners (Board) approved a Resolution accepting the Task Force's recommendations, but requiring further planning for implementation of armed units. The Board directed the department to prepare an implementation plan to address several specific issues. In response to that directive, the department chartered the Armed Units Work Group and the Arming Implementation Work Group to develop a Firearms Policy and Procedure, a training curriculum, cost estimates, operational issues, and a timeline. The Arming Implementation Plan is the product of those workgroups and outlines how the department proposes to implement armed units.

III. FINANCIAL IMPACT

Since the plan is still being implemented, the specific costs of arming units is still unknown. The original estimates projected a cost of \$85,376 to \$112,198 for the initial implementation, and \$23,673 to \$30,414 in ongoing expenses. These projections included staff time to attend training's, the cost of which has thus far been absorbed by the department. The equipment has been purchased, and much of the training has been provided.

On June 20, 1996, the Board approved Budget Modification DCC-7 (general fund contingency funding) in the amount of \$54,720 to pay for the hard expenses incurred by the department in FY 95/96 (psychological arming exams, arming related staff training, guns, ammunition, and arming related safety/training equipment). The Adult Community Justice will continue to monitor arming expenses while we implement the armed units.

IV. LEGAL ISSUES

Since Multnomah County (Sheriff's Office) already has armed staff, there are not any new issues raised by creating armed units within Adult Community Justice. There will be additional possible exposure should an officer injure someone, but the department will provide procedures and training to minimize the potential effect. As outlined in the Arming Implementation Plan, firearms may only be used by the department staff as a last resort or defensive response to prevent serious physical injury or death to self or another person, and not in defense of property, to bring about compliance, or to prevent escape.

V. CONTROVERSIAL ISSUES

The implementation of armed units in Adult Community Justice has caused much debate within the department and staff are currently divided on this issue. Some staff feel that the community has become more violent and dangerous than in the past, and believe that arming will make them safer. Other staff are concerned about working in the same office or in the field with armed staff. They are concerned that the possible threat of violence may spread to them, even though they do not wish to be armed. They question whether Probation/Parole Officers (PPO's) will really be safer, or will the possible presence of a gun actually change the dynamics of the client relationship, and make it more dangerous for them. Adult Community Justice will continue to work with staff to identify and hopefully resolve their concerns.

VI. LINK TO CURRENT COUNTY POLICY

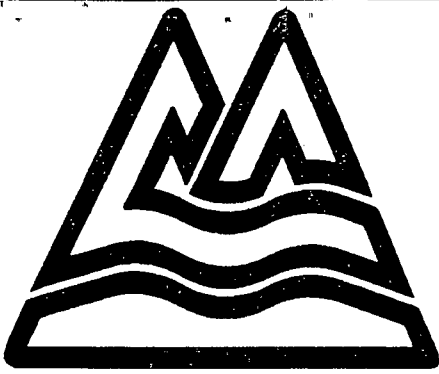
The Board passed Resolution No. 95-44 on March 9, 1995 which directed Adult Community Justice to arm specific units.

VII. CITIZEN PARTICIPATION

Decisions about arming Adult Community Justice staff have been made in public Boards meetings, but no formal citizen participation has occurred.

VIII. OTHER GOVERNMENT PARTICIPATION

We will contact other departments and justice agencies to discuss how this plan may affect them. Adult Community Justice will need to clearly explain to other government agencies that we are arming for defensive response only, and that normal backup and incident response needs will not change.



ADULT COMMUNITY JUSTICE

FORCE CONTINUUM TRAINING

FINANCIAL IMPACT

WORKLOAD IMPACT

ARMING IMPLEMENTATION
MARCH 1997

BOARD BRIEFING ON ARMING IMPLEMENTATION

{Michael Haines}

INTRODUCTION

- ❖ Introduction of Presenters
- ❖ Brief History
- ❖ Department Policy

SPECIFIC TOPICS

{Michael Haines}

- ❖ Armed Units

Current Status ~

Gang
General
High Potential for Violence
Armed for Threat

{Carrie Kirkpatrick}

- ❖ Training Curriculum

Current Status

SAFETY

{Michael Haines}

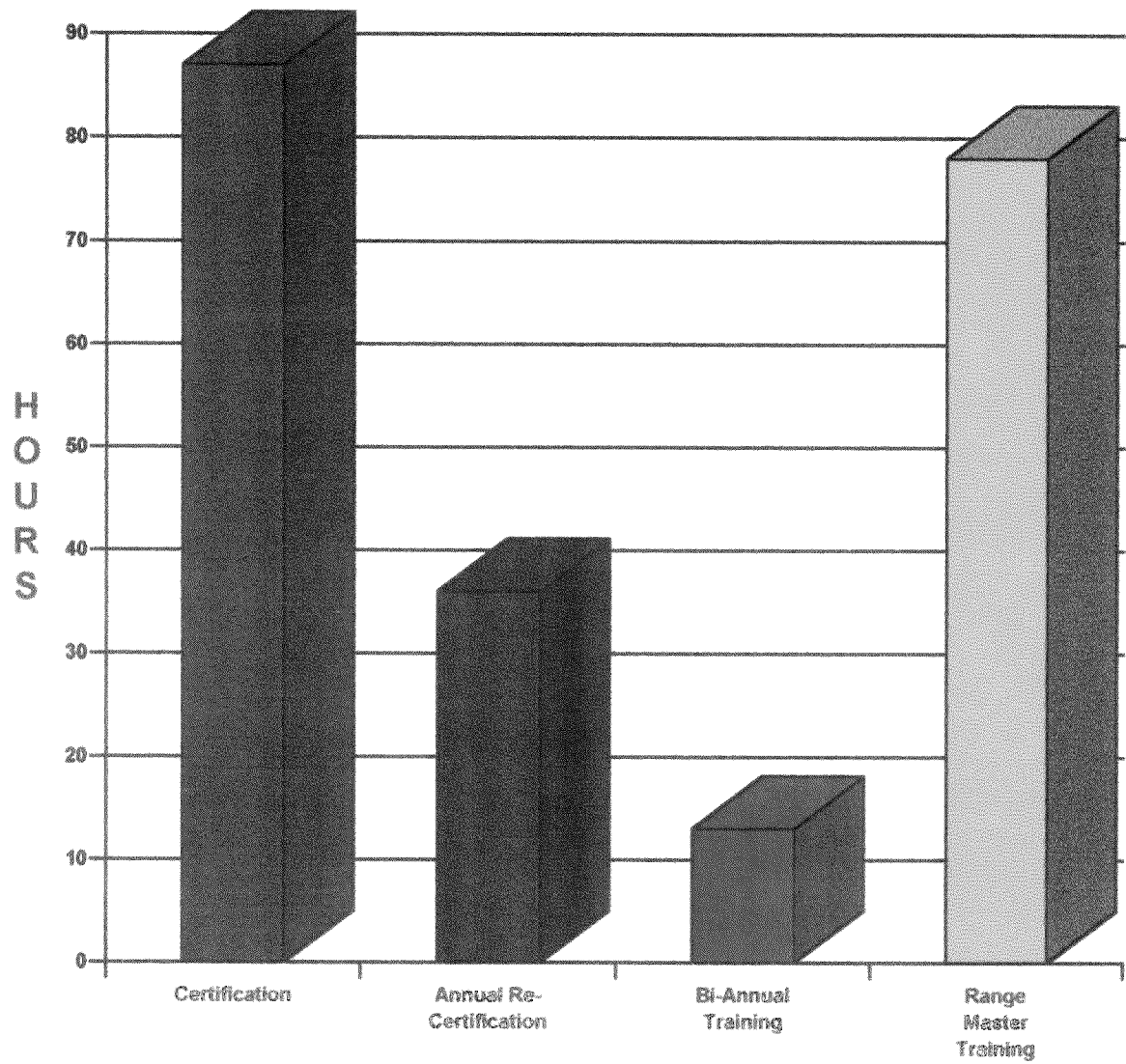
- ❖ Critical Incident

Protocol
Incident Reports

{Jeweley Hirsch}

- ❖ Office Procedures

FORCE CONTINUUM TRAININGS



TRAINING AS RELATES TO FIREARMS 3/5/97

Timely, high quality training is recognized as essential to providing armed staff with requisite knowledge, skills, and abilities to effectively and safely perform their duties.

In providing training that covers applicable liability & safety issues the Arming Implementation Committee have agree that a full spectrum of Force Continuum Trainings are needed (attachment A).

Armed staff are required to complete a minimum of 87 hours of training in their first year of being armed and a minimum of 36 hours of annual re-certification. This includes classroom trainings as well as range time. It is important to keep in mind that only 40 hours of the required first year training deals specifically with qualifying/range time.

Staff designated to be in an armed unit will not receive their duty weapon until all of the required training has been completed. Armed for threat staff will receive their weapon as dictated by policy.

Other sworn officers can attend all of the other trainings offered up to qualifying on the range.

Firearms Policy & Procedure: To review and understand current County and Department policy and procedures surrounding firearms. Training may occur on site, at professional meetings or through supervised on-the-job training. Evaluated by written exam.

Force Continuum Lecture: Students will review/understand the different levels of force options available as taught by the Board on Public Safety Standards and Training. The Force Continuum is divided into four additional areas of instruction to teach the students the following: Threat Assessment, Prerequisites of Force Escalation, Levels of Resistance and Principles for Force Justification. Evaluated by written exam.

Diffusing Hostility: To understand techniques to recognize and deal with offender hostility and the necessity for planning and practicing methods to enhance officer/staff safety. To learn level I (presence) and level II (verbal commands) of the Force Continuum; to learn verbal and non-verbal skills that might help calm and de-escalate a situation; to recognize problems which hinder basic communication with offenders; and to recognize your own and others' "hot buttons".

Oriel Capsicum: This class is designed to primarily focus on teaching officers the fundamentals of Oriel Capsicum (O.C.) use in an operational setting. Students will demonstrate the ability to correctly apply: the proper use of Oriel Capsicum aerosol restraints; the appropriate verbalization when implementing an O.C. aerosol restraint; the proper post-spray care necessary to ensure safety and minimize liability; and correctly apply physical force and deadly force under the influence of O.C. during a confrontational simulation scenario.

Defensive Tactics: Develop the knowledge and skills necessary to use the minimum force necessary to make an arrest, overcome a person resisting arrest, and defend oneself from an armed or unarmed attacker. Evaluated by demonstrated performance and written exam.

ASP Baton: This class is designed to primarily focus on teaching officers the fundamentals of ASP Baton use in an operational setting in conjunction with the guidelines of the BPSST's Force Continuum. Evaluated by demonstrated performance.

Confrontational Simulation: To provide staff with confrontational simulation scenarios and allow the officers to respond with three primary objectives in mind: Use of verbal commands, use of cover and the level of force used. Evaluated by demonstrated performance.

Stress Management: This class is designed to provide individuals with effective stress management tools for daily living and work environments. Emphasis is on identifying stress levels, and specific actions to relieve stress. A segment on critical incident stress/counseling will be provided.

Psychological Impact of Being Armed: A four-hour classroom presentation, involving confrontational simulation scenarios followed by discussion, intended to cause armed officers to consider some of the mechanical and psychological influences impacting the carrying and use of a firearm. These discussions deal primarily with "what if" events officers may encounter during routine duties, and evoke careful consideration and pre-planning, BEFORE the officer encounters such a situation.

Firearms Familiarization: To develop an understanding of the use, limitations and techniques of the service handgun and to develop knowledge in firearms safety, proper gun handling, marksmanship, and tactics. To be able to render firearms safe for transportation and storage. This class will have a segment on radio procedures for critical incidents and home firearm safety.

Handgun qualification Course: To learn the principles, skills, and techniques for successfully completing a handgun qualification course with a minimum passing score of 100%. To learn proper handgun techniques and develop combat shooting skills that involve the use of deadly force. Evaluated by demonstrated performance.

Working with other Agencies: Description to be determined. Information could be provided in a formal classroom setting, professional meetings or through supervised on-the-job training.

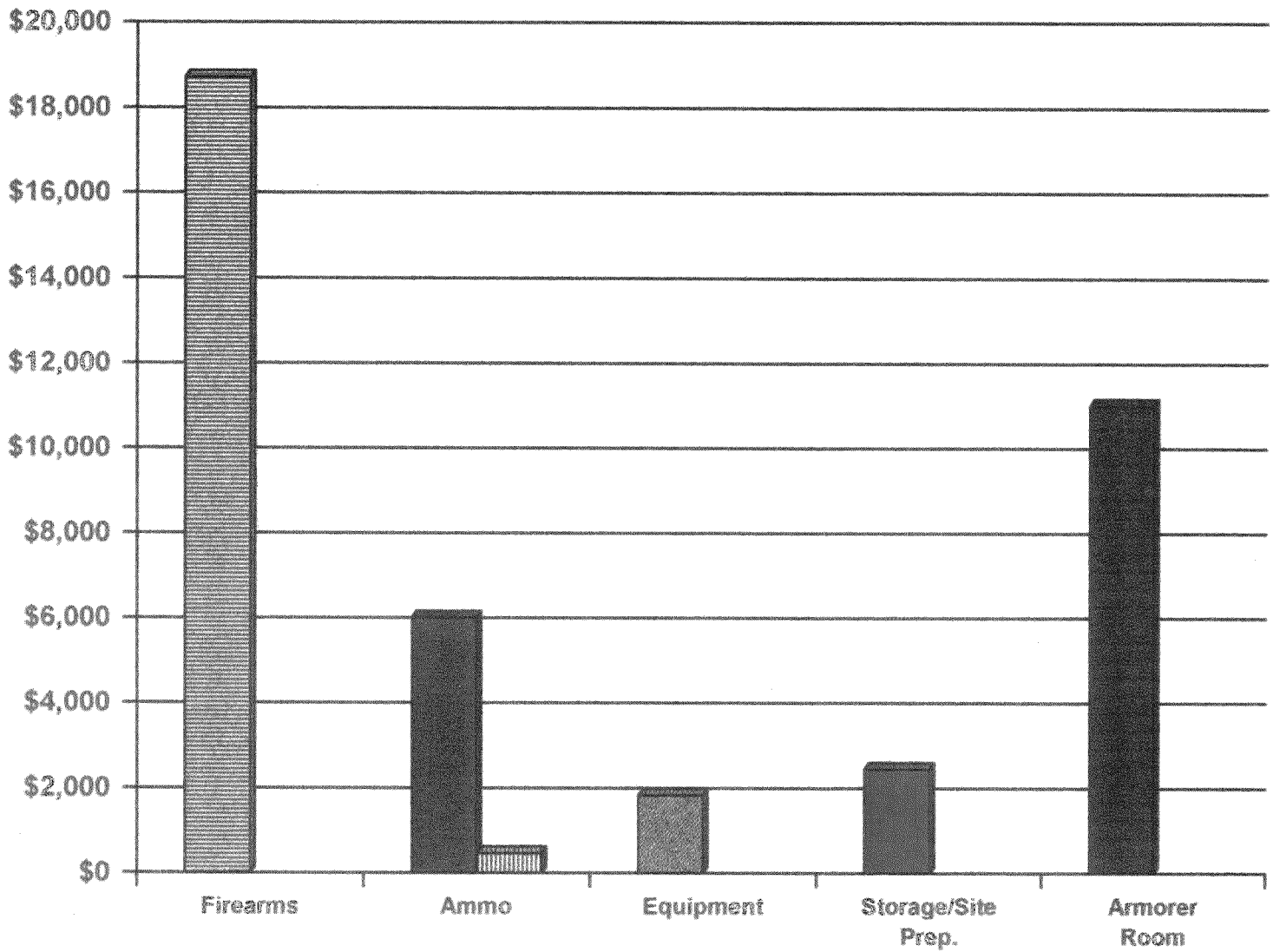
Attachment A

Force Continuum Trainings

	Certification	Annual Re-Cert.	Bi-Annual
Firearm Policy & Procedures /Legal Issues	4 hours		As Needed
Force Continuum Lecture	4 hours		2 hours
Diffusing Hostility	4 hours		4 hours
Captsun	2 hours		2 hours
Defensive Tactics	8 hours	8 hours	
ASP Baton	8 hours	4 hours	
Confrontational Simulation	4 hours	4 hours	
Stress Management	2 hours		2 hours
Psychological Impact of Being Armed	3 hours		3 hours
Firearms Familiarization	8 hours	4 hours	
*Range/Qualifying Time	40 hours	12-24 hours	
Working with other Agencies	To be determined		
Total hours	87 hours Minimum	36-56 hours Minimum	13 hours Minimum

** This course(s) are only for armed staff*

ARMING IMPLEMENTATION FINANCIAL IMPACT



FINANCIAL IMPACT OF ARMING IMPLEMENTATION

To date, we have purchased the following firearms, ammunition and other safety related equipment necessary to arm 20 staff in 3 units (Gang, High Potential for Violence & General) and 17 armed for threat staff.

FIREARMS

GLOCK .40 cal. (44 @ \$404.00)	\$17,774.
GLOCK .45 cal. (2 @ \$463.00)	926.

AMMUNITION

Duty	463.
Practice	6,000.

EQUIPMENT

Holsters/Magazine cases/Duty belts	1,826.
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STORAGE/SITE PREPARATION

Firearm/Ammunition safe	881.
Individual firearm lockers (46 @ \$33.90)	1,559.

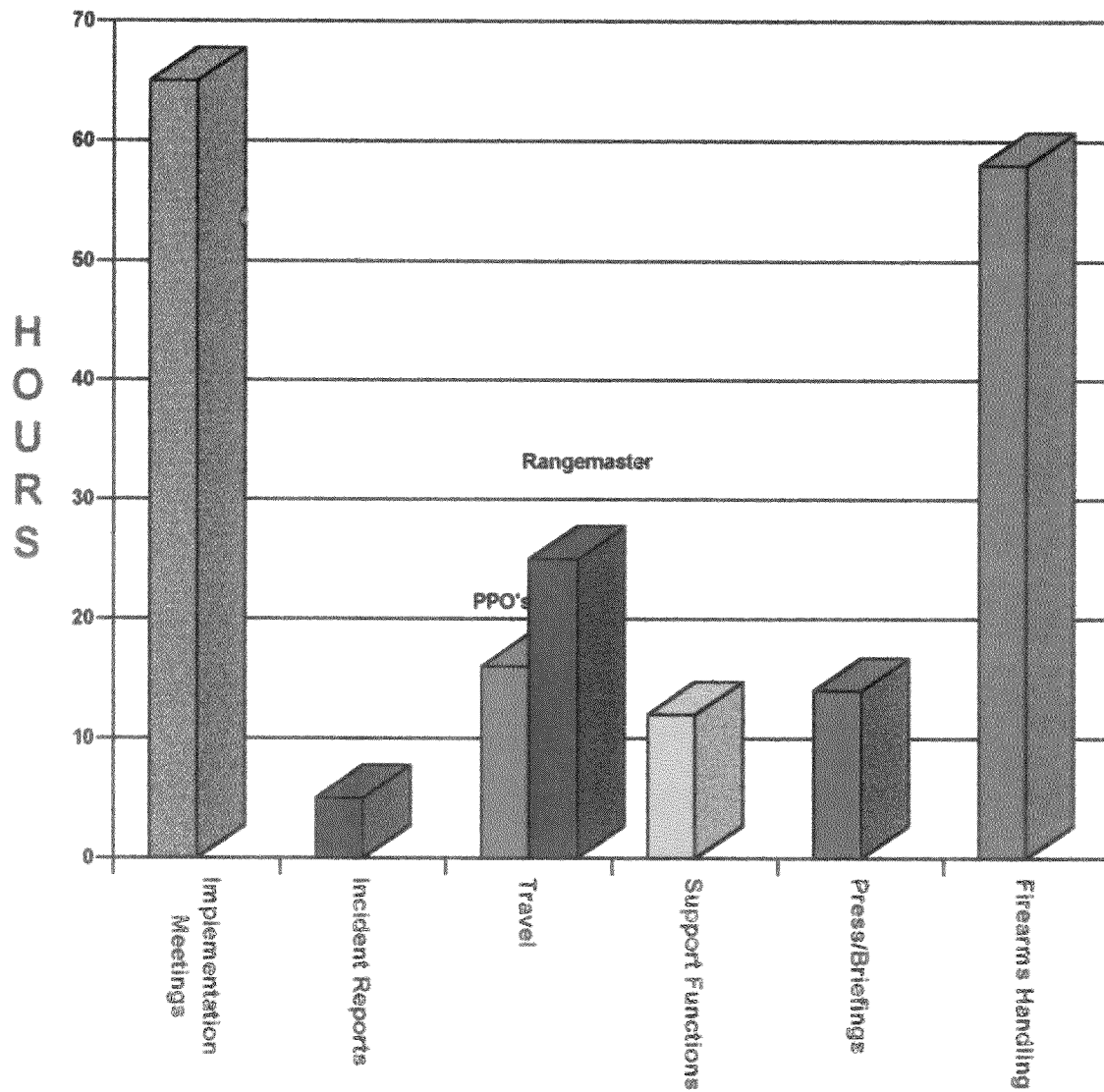
ARMORER ROOM

11,000.

TOTAL

\$40,429.

ARMING IMPLEMENTATION WORKLOAD IMPACT



ARMING IMPLEMENTATION WORKLOAD IMPACT

SUPPORT time includes time spent by primarily one support staff member who word processed numerous updates and made revisions to the Firearms Policy and the Arming Implementation Report [*TIME: 12 hours*]

TRAVEL time comprises all time spent in transit to and from the range and various other training sites. It also includes air travel time necessary to train the Range Master. He attended a very sophisticated and thorough week-long training sponsored by Glock, the manufacturer of our specific firearm. [*TIME: 16 hours PPO's - 25 hours Range Master*]

The **IMPLEMENTATION** Committee spent 65 hours in 24 meetings convened between March 7, 1996 and February 25, 1997. This does not include numerous hours spent in various sub-committee meetings. [*TIME: 65 hours*]

To date, we have had four (4) **INCIDENT REPORTS** filed by PPO's related to duty weapons. Two involved weapons being unholstered due to perceived holster malfunctions, and two (2) were related to officers pulling their weapons during the course of a high-risk search for an offender in a residence. [*TIME: 4 hours*]

PRESS/BRIEFINGS involve the time spent by Public Information Officer, Maggie Miller, and District Manager, Michael Haines, responding to requests for interviews from the print, radio and television media. [*TIME: 15 hours*]

FIREARMS HANDLING encompasses the amount of time each officer actually spent in hands-on training with their duty weapon in order to achieve competence and confidence. It includes 40 hours of range time to qualify and 12 to 24 hours of annual range re-certification under the supervision of the Range Master and Force Continuum Trainers. [*TIME: 58 hours average*]

ARMING IMPLEMENTATION CRITICAL INCIDENT

To date, all armed staff have received training related to the investigative process of an arming critical incident. This training was provided by County Counsel and Department Management staff. We will notify County Counsel of all serious incidents in which legal action is anticipated. They will review these incidents to determine representation of the employee.

Currently, we are working with local law enforcement agencies and the District Attorney's office to define the specific roles of all involved agencies should an incident occur, be it administrative, civil or criminal. While this protocol is a long term endeavor, a Program Administrator and the Department Range Master have received training which should assist us throughout this process. We are also working to establish a panel to review all incident reports involving physical force. Presently, we can access the Employee Assistance Program on a 24 hour basis as well as the Officer Alive Program and the MCSO Chaplain.

The current policy addresses the various critical incidents and the appropriate response. Given the ongoing effort described above, we hope to formalize protocols with all necessary agencies in the near future.