

"Connections"
Wayne Chabre
2005
Bronze

Comprehensive Annual Financial Report



MULTNOMAH
COUNTY
OREGON

Fiscal Year Ended
June 30, 2005

About the Cover

Multnomah County's work spans the rural and urban areas and is inclusive of industrial and business communities. On the cover is a picture of a portion of one of two bronze panels representing these communities. On the urban panel, bridges are a central design element and refer to how the County "bridges" many diverse communities, fostering cooperative action and successful societal functioning. The water element refers to the flow of commerce and arts in the community.

On the rural panel, the arterial roads are like capillaries in the circulatory system that support urban life through agriculture that weave through the Columbia Gorge scenic preserve. Salmon are represented as the best known wild species in the network of environmental stewardship in which the county plays an important ongoing role. These panels suggest Portland's connection to the Pacific Rim. The oblique reference to the Asian scroll is highlighted especially in the rural composition, with its mountain, falls and Vista House at Crown Point.

The full panels, entitled "Connections," can be viewed at the entrance to the Multnomah Building, located at 501 SE Hawthorne, Portland, Oregon. The Multnomah Building is the administrative center for the County. The panels, commissioned by the Regional Arts & Culture Council, were installed in 2005 and are the creation of artist Wayne Chabre.

MULTNOMAH COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005



Prepared by:
Department of County Management
David A. Boyer, Chief Financial Officer
501 SE Hawthorne Blvd, Suite 531
Portland, Oregon 97214

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



DIANE LINN
Chair



MARIA ROJO DE STEFFEY
Commissioner District 1



SERENA CRUZ
Commissioner District 2



LISA NAITO
Commissioner District 3



LONNIE ROBERTS
Commissioner District 4



SUZANNE FLYNN
Auditor



BERNIE GIUSTO
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2005
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INTRODUCTORY SECTION



Department of County Management

MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
501 SE Hawthorne, Suite 531
Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

November 14, 2005

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, for the fiscal year ended June 30, 2005, together with the opinion thereon of our independent certified public accountants, Grant Thornton LLP. This report, required by State law, Oregon Revised Statutes 297.425, is prepared by the Department of County Management. Also included are Audit Comments and Disclosures 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-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act of 1984 is included with this report beginning on page 192.

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 Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the County at June 30, 2005, 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 accounting principles generally accepted in the United States of America (US GAAP). The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

US GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Multnomah County's MD&A can be found immediately following the independent auditors' report. Unless otherwise noted, dollar amounts are expressed in thousands.

PROFILE OF MULTNOMAH COUNTY, OREGON

Multnomah County, incorporated in 1854, 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, and serves a population of 685,950 citizens. The cities of Portland and Gresham are the largest incorporated cities in the County.

Multnomah County 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.

Multnomah County provides a full range of services, including public safety protection; corrections and probation; construction and maintenance of roads, highways, bridges and other infrastructure; health and social services; library and community enhancement; and internal business support. Certain sanitary and lighting services are provided as legally separate Service District Authorities, which function, in essence, as departments of the County and therefore are included in the County's financial statements as component units. The County also maintains a Hospital Facilities Authority whose primary purpose is to issue conduit debt for health care facilities. The Hospital Facilities Authority is also considered a component unit but it is not included in the County's financial statements. Additional information on these legally separate entities can be found in note 1 of the notes to the financial statements.

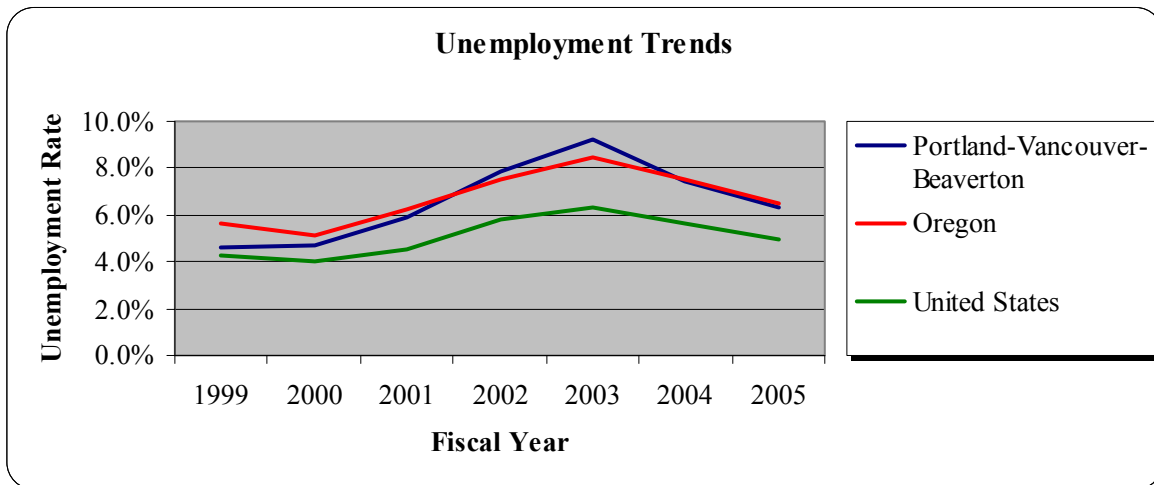
The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County budget is adopted by the Board of County Commissioners by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between categories. The appropriation transfers must be approved by the Board of County Commissioners in public meetings. During the fiscal year, one supplemental budget was adopted.

Budget to actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. For the general fund, the federal state program fund and the Willamette River bridges fund the budget to actual comparisons are provided on pages 34-36 as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 75.

FACTORS AFFECTING FINANCIAL CONDITION

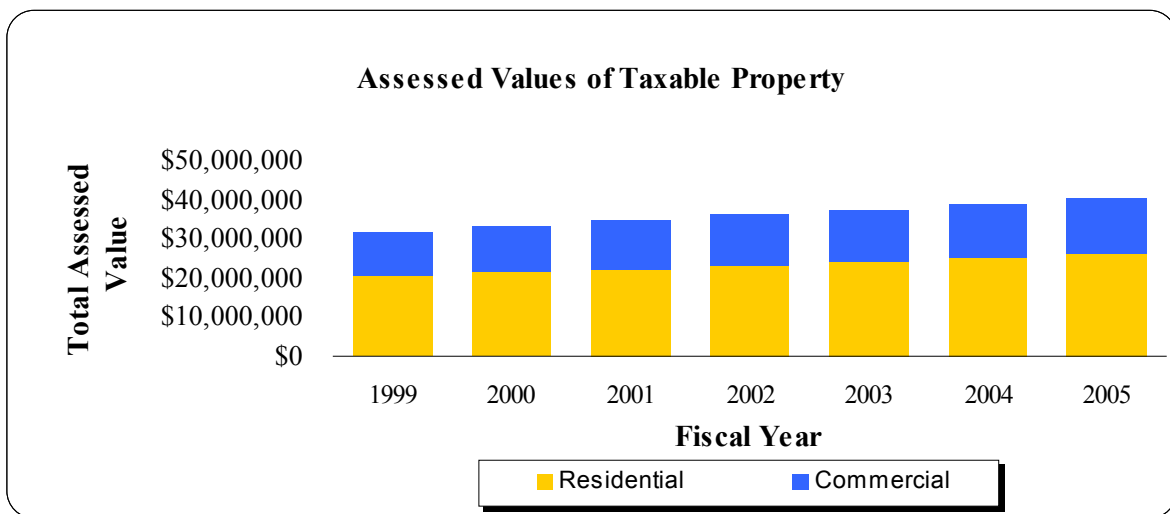
Local Economy: The Portland metropolitan area is the financial, trade, transportation and service center for Oregon, southwest Washington State and the Columbia River basin. Its manufacturing base includes electronics, machinery, transportation equipment, and fabricated metals.

The Portland-Vancouver-Beaverton PMSA's (Primary Metropolitan Statistical Area) economy improved throughout fiscal year 2005. The area's unemployment rate had improved to 6.1% at June 30, 2005, compared to a rate of 6.8% at June 30, 2004. However the unemployment rate for the area is still higher than the national average of 5.0% for June of 2005 compared to 5.6% for June 2004. The chart below compares the County's unemployment rate to the State's and the Nation's.



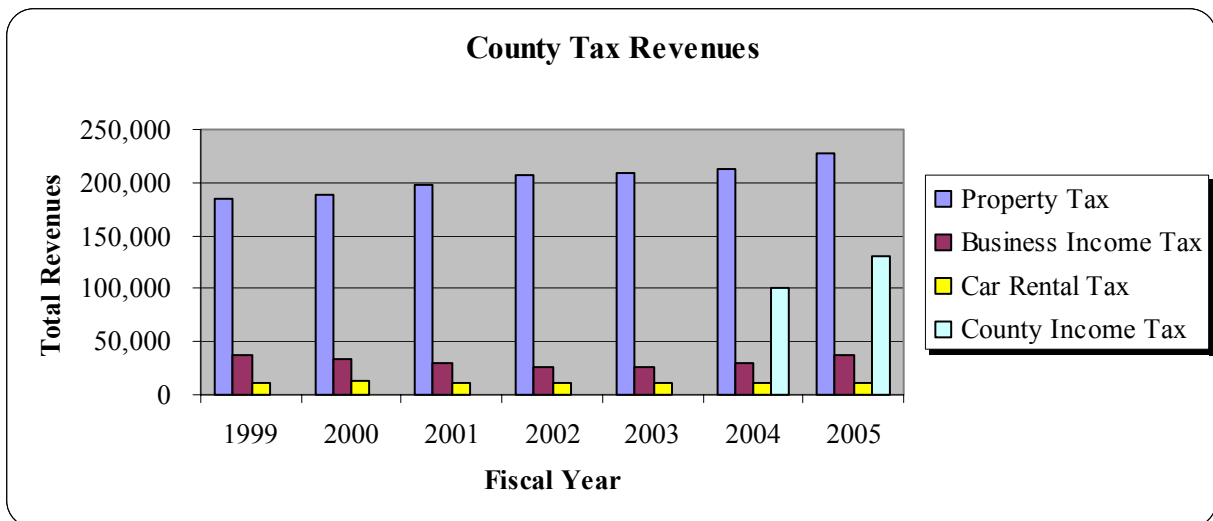
Financial outlook: The financial outlook for the County's general fund over the next five years is somewhat stronger than previous forecasts primarily due to gradual increases in economic conditions in the area. The regional economy is approaching a period of sustainable growth, but given the depth of our recession it will take longer for the region to experience a sizable employment and revenue growth. The State of Oregon has been making a strong push for recovery, but in order to catch up with the nation this trend must continue.

The region's slow but steady growth will impact the County's revenue stream. Property taxes are expected to grow at 3.2% over the next year and new residential and commercial construction will continue to have a major impact on the County in upcoming years. The following chart measures the County's total residential and commercial assessed property tax values over the past seven years. Residential properties have experienced a 30% increase in taxable property values over a seven year period compared to a 23% increase for commercial property values over the same period. The steady increase in residential property is primarily due to new construction in the Portland area.



Business income tax is the second largest source of revenue for the County and it has been set at a rate of 1.45% of net income. Business income tax collections parallel the business cycle. Increased business income tax collections in fiscal year 2005 suggest that we are finally seeing some growth after four years of declining revenues, and we expect this trend to continue in the upcoming years. In addition, motor vehicle rental taxes which have decreased over the past three years are expected to grow by 8% as travelers gain confidence and we see an increase in air traffic and car rentals in Portland. Overall revenue growth is forecast between 2.5% to 3.5% over the next five years. Expenditures are expected to grow between 4.5% and 6% annually, taking into account the normal rate of inflation, employee benefits and long term fixed costs.

During 2003 Multnomah County voters approved a temporary personal income tax of 1.25% for residents to fund services for fiscal years 2004, 2005, and 2006. The tax primarily provides support to the schools in the County but also provides support to the County's health, human services, and public safety programs. In fiscal year 2005 the County's general fund recognized \$130,187 as compared to \$100,114 in tax revenue in fiscal year 2004. The County expects revenues for the income tax to be at or near \$125,000 for fiscal year 2006. In fiscal year 2006 the County will begin planning for the end of the three year personal income tax. The graph below highlights the County's major tax revenues sources.



Financial and budget policies. As a guideline for the budget process the County has established financial and budget policies which have been reviewed and adopted by the Board of County Commissioners in connection with the budget process. Some of the goals of the financial policies include preserving capital through prudent budgeting and financial management, achieving a stable balance between the County's ongoing financial commitments and the continuing revenues available to the County, and to leverage local dollars with Federal and State funding grants. These financial policies ensure the County has appropriately recorded and accounted for transactions in our financial statements.

The County's adopted financial and budget policies include the use of one-time only resources because in the short run it appears more beneficial to allocate such resources to the highest priority public service that would otherwise be unfunded than to restrict them to costs that will not recur in following years. However, the result of this practice is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding which can lead to future budget shortfalls. As mentioned earlier, fiscal year 2006 will be the last year of the three year temporary personal income tax measure and the County has already begin to establish necessary general fund reserves to lessen the impact of the sunset of the personal income tax revenues. The 2006 adopted budget includes approximately \$15,000 of one-time only funds. These one-time only funds include \$4,800 to retire debt in fiscal year 2006 and \$10,000 to set aside an income tax sunset reserve to manage the reductions forecast to occur in fiscal year 2007.

The County's financial and budget policies also state the Board acknowledges that to avoid financial instability, continuing requirements should be insulated from temporary fluctuations. Therefore one of the goals of the Board is to fund and maintain two general fund reserves designated as unappropriated fund balance and funded at approximately 5% each of total budgeted revenues of the general fund. These reserves are to be used for periods where revenues experience significant declines or used for non-recurring extreme emergencies such as disaster relief. Maintaining an appropriate reserve also helps the County maintain its favorable bond rating, which is currently Aa1 from Moody's Investors Services.

Long-term financial planning. The County Chair has an Executive Committee that includes the Board Chair's Chief Operating Officer, Department Directors, and the Chief Financial Officer. The Executive Committee holds ongoing planning sessions to develop short-term and long-term goals and to address the financial stability of the County. The County's Chief Financial Officer also meets with City of Portland Financial and Budget Officers and with representatives from the City of Gresham to confer on financial issues that either overlap or impact each entity.

Major initiatives. The construction on the County's new 525-bed Wapato jail and secure alcohol and drug treatment facility was completed during fiscal year 2005. Currently there are insufficient funds to operate this facility and as a result the jail remains empty. The Chair and the Sheriff are in discussions with State of Oregon corrections officials about leasing the facility or renting jail beds to the State. Other capital project initiatives include addressing the County's bridge rehabilitation and replacement needs. Thus far the County has been successful in obtaining \$25,000 in State awards for current bridge projects but an estimated long-term shortfall of \$215,000 still exists between identified needs and identified funds over the next twenty years. The County is in the early phases of the Sauvie Island bridge replacement project and is currently seeking bids from local contractors. The total cost for the Sauvie Island bridge project is estimated to be \$42,000.

AWARDS AND ACKNOWLEDGEMENTS

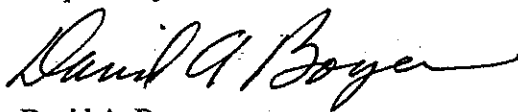
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report

(CAFR) for the year ended June 30, 2004. This was the twentieth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the employees in the Department of County Management who maintained the records and assisted in the preparation of this report. Special thanks are extended to 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 Directors, and other County personnel for their assistance and support in planning and conducting the financial operations of the County in a prudent manner.

Respectfully Submitted,



David A. Boyer
Chief Financial Officer



Mindy Harris
Accounting and Risk Management
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, 2004

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.



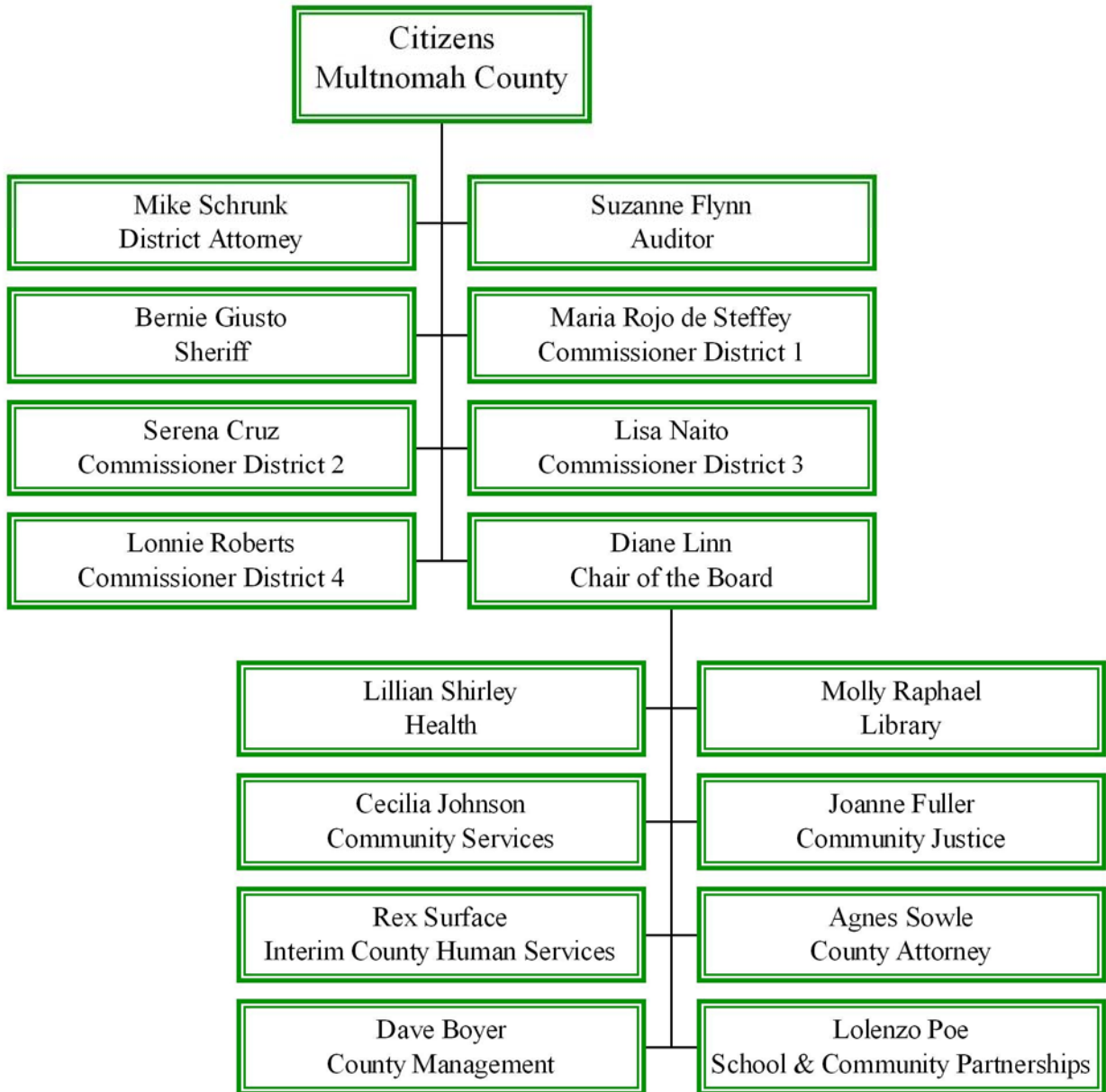
Nancy L. Zelle

President

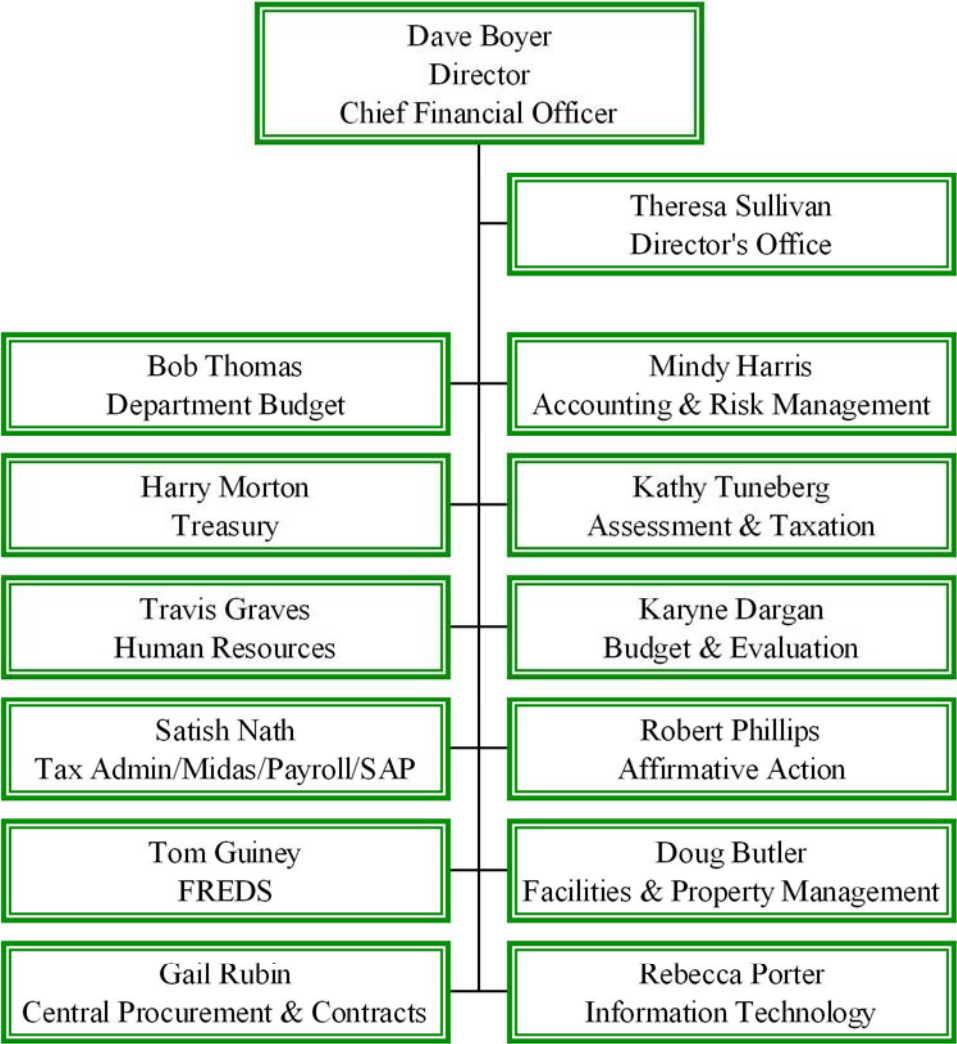
Jeffrey R. Emer

Executive Director

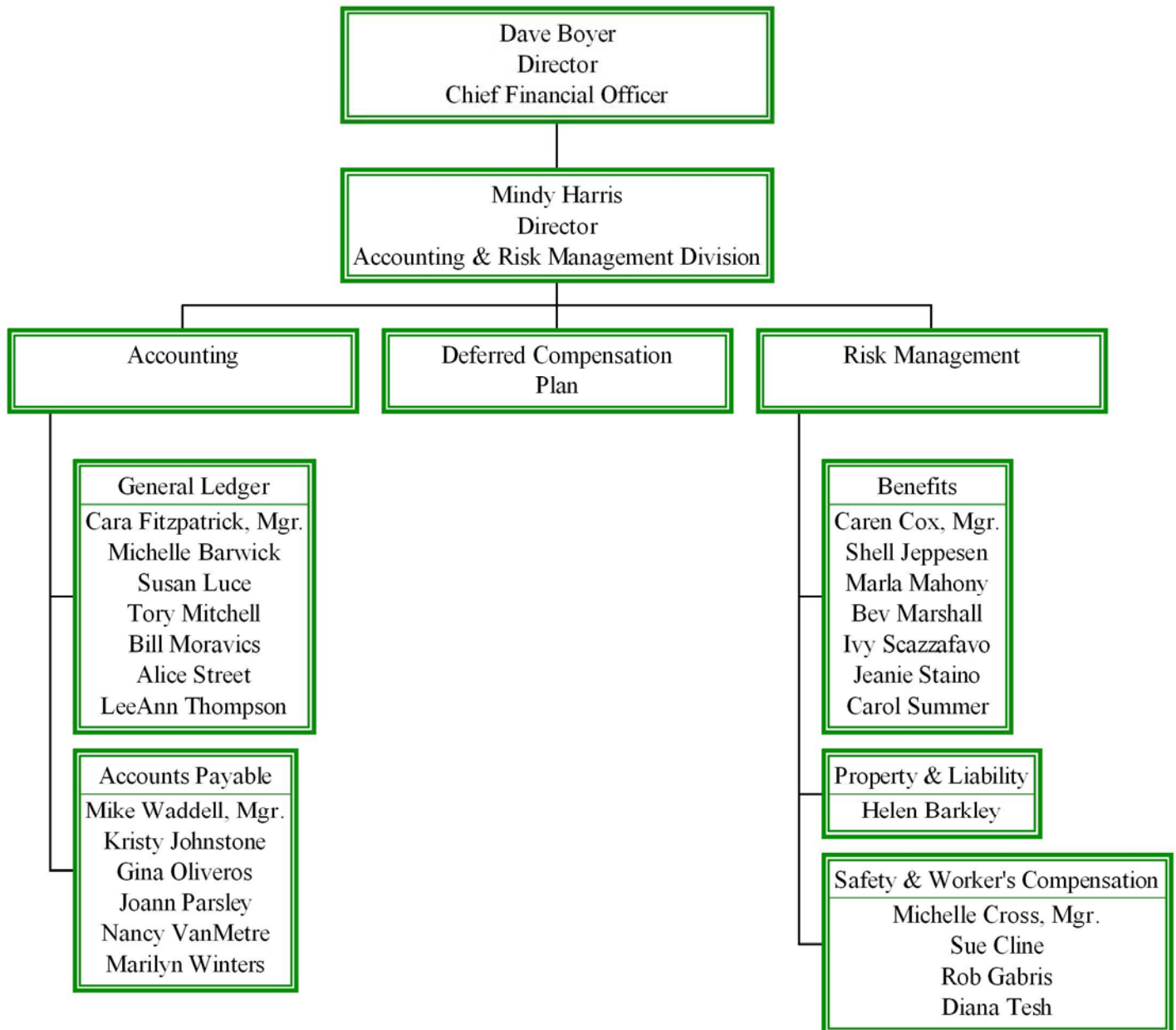
MULTNOMAH COUNTY, OREGON



MULTNOMAH COUNTY, OREGON
Department of County Management



MULTNOMAH COUNTY, OREGON
Department of County Management
Accounting & Risk Management Division



MULTNOMAH COUNTY, OREGON
For the Year Ended June 30, 2005
Principal Officers

<u>Title</u>	<u>Name</u>	<u>Term</u>
<u>Expires</u>		
<u>Board of County Commissioners</u>		
Chair of Board	Diane Linn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
District No. 1	Maria Rojo de Steffey 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2008
District No. 2	Serena Cruz 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
District No. 3	Lisa Naito 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2008
District No. 4	Lonnie Roberts 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2008
<u>Other Elected Officers</u>		
County Auditor	Suzanne Flynn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/2008
County Sheriff	Bernie Giusto 501 SE Hawthorne, 3 rd Floor Portland, OR 97214	12/31/2006
<u>Other Appointed Officers</u>		
Chief Financial Officer	David A. Boyer	Not elected
Accounting and Risk Management Director	Mindy Harris	Not elected
County Attorney	Agnes Sowle	Not elected

FINANCIAL SECTION

Independent Auditor's Report

The Board of County Commissioners
Multnomah County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Multnomah County, Oregon's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Federal and State Program Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

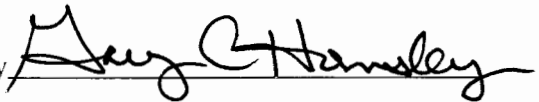
In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2005 on our consideration of Multnomah County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 14 through 26 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Multnomah County, Oregon's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, combining and individual fund financial statements and schedules, other schedules, and statistical information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GRANT THORNTON LLP

Portland, Oregon
November 4, 2005

By 



Department of County Management
MULTNOMAH COUNTY OREGON

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Multnomah County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- Multnomah County's assets exceeded its liabilities at June 30, 2005, by \$626,172 (*net assets*). Of this amount, \$8,701 is restricted for capital improvement projects and \$67,911 is restricted for future years' debt service.
- Total net assets increased by \$59,977 or 11% in fiscal year 2005. \$25,000 of this increase is attributable to the Oregon Transportation Investment Act funding the County received in 2005 to help revitalize the County's aging bridges. In addition, stronger collection efforts on business income taxes combined with a better economy in 2005 compared to 2004 led to increased revenues of \$6,177 on business income taxes. Property tax revenues have increased slightly over the prior year and are up by 4% or \$8,267 due to more urban development and a stronger overall economy.
- The overall increase in net assets is also directly affected by the County's three-year 1.25% personal income tax for residents of Multnomah County. The County's personal income tax revenues and related distributions have significantly decreased in 2005 as compared to 2004. Personal income tax revenues are down by \$50,748 or 29% from 2004 with related distributions down by \$24,595 or 21%. This decrease is a result of recording all of calendar year 2003 personal income tax revenues in fiscal year 2004 due to the retroactive effect of the personal income tax measure when it was approved by the voters of Multnomah County in late 2003, as well as half of calendar year 2004. In 2005, however, only the remaining half of calendar year 2004 personal income tax revenues plus half of calendar year 2005 personal income tax revenues were recognized, resulting in lower revenues in fiscal year 2005.
- Total assets of the County increased by \$46,649 or approximately 4%. Most of this is an increase in cash and investments in governmental activities of \$46,322 for reasons mentioned above.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$135,598, an increase of \$49,507 in comparison with the prior year's decrease of \$7,106. The governmental fund balances increased for the same reasons described above for the increased net assets.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$42,074, or approximately 11% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Multnomah County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, health and social services, public safety and justice, community services, roads and bridges, and libraries. The business-type activities of the County include sanitary sewer and street lighting districts, and a behavioral health managed care operation.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate sanitary sewer district and a legally separate street lighting district, for which the County is financially accountable. Financial information for these two *blended component units* is reported separately from the financial information presented for the County itself.

The government-wide financial statements can be found on pages 27-29 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Federal State Program Fund, and the Willamette River Bridges Fund, all of which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements and respective reconciliations can be found on pages 30-33 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its sewer and lighting operations, and for behavioral health capitated services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses *internal service funds* to account for its risk management activities, fleet operations, telephone and data processing systems, mail distribution, facilities management operations, and business services operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide aggregate information for the sewer and lighting districts and the behavioral health fund. The internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the proprietary and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 37-39 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support County programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 40-41 of this report. The combining balance sheet for agency funds and combining statement of changes in assets and liabilities for agency funds can be found on pages 137-138 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 42 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 75 of this report.

Government-wide Financial Analysis

Certain reclassifications were made to prior year amounts in order to conform to the current year presentation.

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$626,172 at the close of the most recent fiscal year.

Multnomah County's Net Assets June 30, 2005

	Governmental Activities		Business- Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 493,898	\$ 450,655	\$3,927	\$4,171	\$ 497,825	\$ 454,826
Capital assets	727,030	723,477	2,577	2,480	729,607	725,957
Total assets	<u>1,220,928</u>	<u>1,174,132</u>	<u>6,504</u>	<u>6,651</u>	<u>1,227,432</u>	<u>1,180,783</u>
Long-term liabilities outstanding	433,146	443,635	10	7	433,156	443,642
Other liabilities	166,199	168,697	1,905	2,249	168,104	170,946
Total liabilities	<u>599,345</u>	<u>612,332</u>	<u>1,915</u>	<u>2,256</u>	<u>601,260</u>	<u>614,588</u>
Net assets:						
Invested in capital assets, net of related debt	523,606	511,277	2,577	2,480	526,183	513,757
Restricted	76,612	62,954	-	-	76,612	62,954
Unrestricted	21,365	(12,431)	2,012	1,915	23,377	(10,516)
Total net assets	<u>\$ 621,583</u>	<u>\$ 561,800</u>	<u>\$4,589</u>	<u>\$4,395</u>	<u>\$ 626,172</u>	<u>\$ 566,195</u>

The largest portion of the County's net assets, approximately 84%, reflects investment in capital assets (land, work in progress, buildings, improvements, machinery and equipment, bridges and infrastructure), net of accumulated depreciation, and the outstanding debt used to acquire the assets in the amount of \$526,183 as compared to \$513,757 a year ago. Capital assets net of related debt increased due to a debt refunding in fiscal year 2005 which reduced the County's total outstanding debt that had been issued for capital assets. During fiscal year 2005 the County paid approximately \$68,774 in debt related to capital assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets are restricted for capital projects and debt service, \$76,612, or approximately 12%. The amount represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net assets of \$23,377 or approximately 4%. At the end of the current year, the County is able to report positive balances in all categories of net assets for the government as a whole.

Total net assets increased by \$59,977 during the current fiscal year. This increase is partially attributable to the \$25,000 in State funding the County received in 2005 to address future bridge rehabilitation and replacement concerns. In addition, the stronger economy in 2005 led to an increase in revenue from property taxes and business income taxes.

Multnomah County's Changes in Net Assets

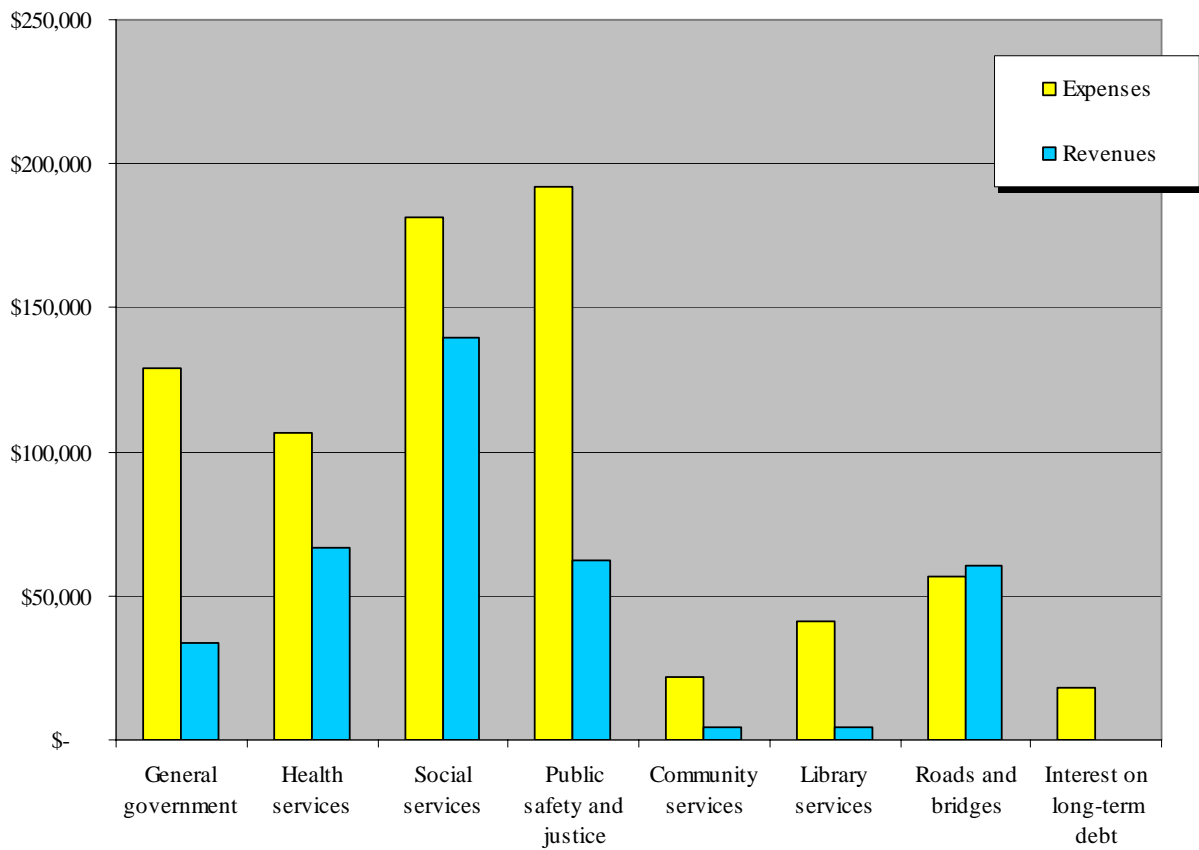
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 85,955	\$ 82,032	\$30,184	\$26,182	\$116,139	\$108,214
Operating grants and contributions	256,489	249,079	-	435	256,489	249,514
Capital grants and contributions	34,149	9,809	238	-	34,387	9,809
General revenues:						
Property taxes	216,871	208,604	-	-	216,871	208,604
Personal income taxes	124,577	175,325	-	-	124,577	175,325
Other taxes	73,121	64,874	-	-	73,121	64,874
State government shared revenues	6,741	7,584	-	-	6,741	7,584
Grants and contributions not restricted to specific programs	1,150	166	-	-	1,150	166
Interest and investment earnings	4,943	2,441	121	74	5,064	2,515
Miscellaneous	2,233	1,879	113	-	2,346	1,879
Gain on sale of capital assets	166	200	-	-	166	200
Total revenues	<u>806,395</u>	<u>801,993</u>	<u>30,656</u>	<u>26,691</u>	<u>837,051</u>	<u>828,684</u>
Expenses:						
General government	128,871	154,646	-	-	128,871	154,646
Health services	106,551	110,968	-	-	106,551	110,968
Social services	181,194	167,746	-	-	181,194	167,746
Public safety and justice	192,005	182,941	-	-	192,005	182,941
Community services	21,795	18,391	-	-	21,795	18,391
Library services	41,357	40,843	-	-	41,357	40,843
Roads and bridges	56,781	57,374	-	-	56,781	57,374
Interest on long-term debt	18,058	19,543	-	-	18,058	19,543
Dunthorpe-Riverdale Service District Number 1	-	-	487	355	487	355
Mid County Service District Number 14	-	-	495	723	495	723
Behavioral Health Managed Care	-	-	29,480	25,787	29,480	25,787
Total expenses	<u>746,612</u>	<u>752,452</u>	<u>30,462</u>	<u>26,865</u>	<u>777,074</u>	<u>779,317</u>
Increase (decrease) in net assets	59,783	49,541	194	(174)	59,977	49,367
Beginning net assets	561,800	512,259	4,395	4,569	566,195	516,828
Ending net assets	<u>\$621,583</u>	<u>\$561,800</u>	<u>\$ 4,589</u>	<u>\$ 4,395</u>	<u>\$626,172</u>	<u>\$566,195</u>

Governmental activities. Governmental activities increased the County's net assets by \$59,783, thereby accounting for approximately 100% of the total increase in the net assets of the County. Key elements of this increase are as follows:

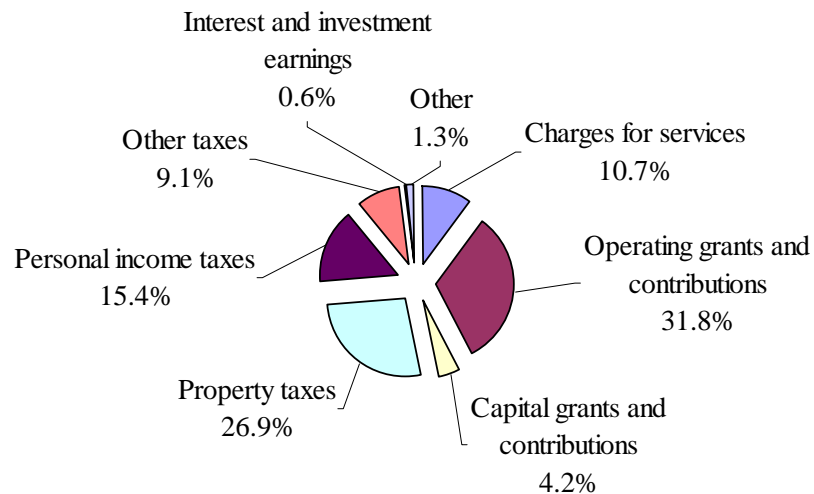
- Capital grants and contributions increased by \$24,340 or 248% due to a \$25,000 capital grant award from the Oregon Transportation Investment Act to help fund repair and replacement of deteriorating County bridges.
- Operating grants and contributions consist primarily of federal and state revenues and increased by \$7,410 or 3% over the prior year due to mental health services which were restored at the State level through the State Mental Health Grant. Mental health services that were restored by State funds include non-residential adult mental health programs and special mental health projects.
- General County revenues for property taxes increased by 4% or \$8,267 in 2005 and business income taxes were higher by \$6,177 or 20% in 2005 compared to 2004 due to favorable economic conditions and increased County collection efforts. County business income tax is a barometer of the local economy which has been strong over the past year. Additional urban growth within Multnomah County has also led to a steady increase in property tax revenues throughout 2005.
- General Government expenses decreased by \$25,775 or approximately 17%, due to a reduction in the County's distributions for personal income tax collections. Total distributions were down by \$24,595 in 2005 compared to 2004. Personal income tax distributions also parallel personal income tax revenues. The decrease from 2004 on personal income taxes is due to timing on the initial ballot measure approval to enact the three-year temporary personal income tax in late 2003. Calendar year 2003 income tax revenues were recorded in fiscal year 2004, leading to higher reported income tax revenues in the prior year.
- Social service expenses are 8% higher or \$13,448 in 2005 than 2004 due to additional services provided for mental health programs. The County's personal income tax measure funds a portion of mental health programs in addition to the State Mental Health Grant the County receives.
- Public safety and justice expenses are up by \$9,064 or 5% mainly due to additional payroll overtime expenses incurred in the Sheriff's office as a result of management's decision not to hire additional staff to fill existing vacant positions.

The graphs on the following page show the County's Governmental Activities expenses and revenues by program area and revenue by sources.

Expenses and Program Revenues - Governmental Activities



Revenues by Source, Governmental Activities

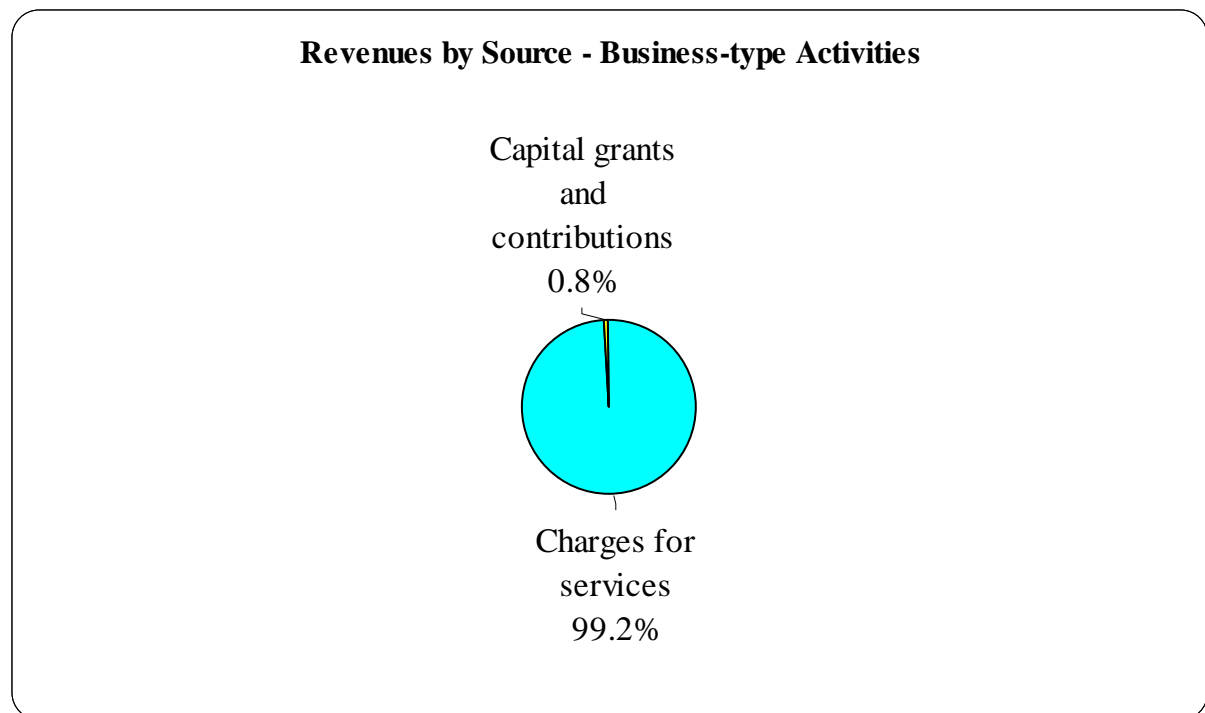
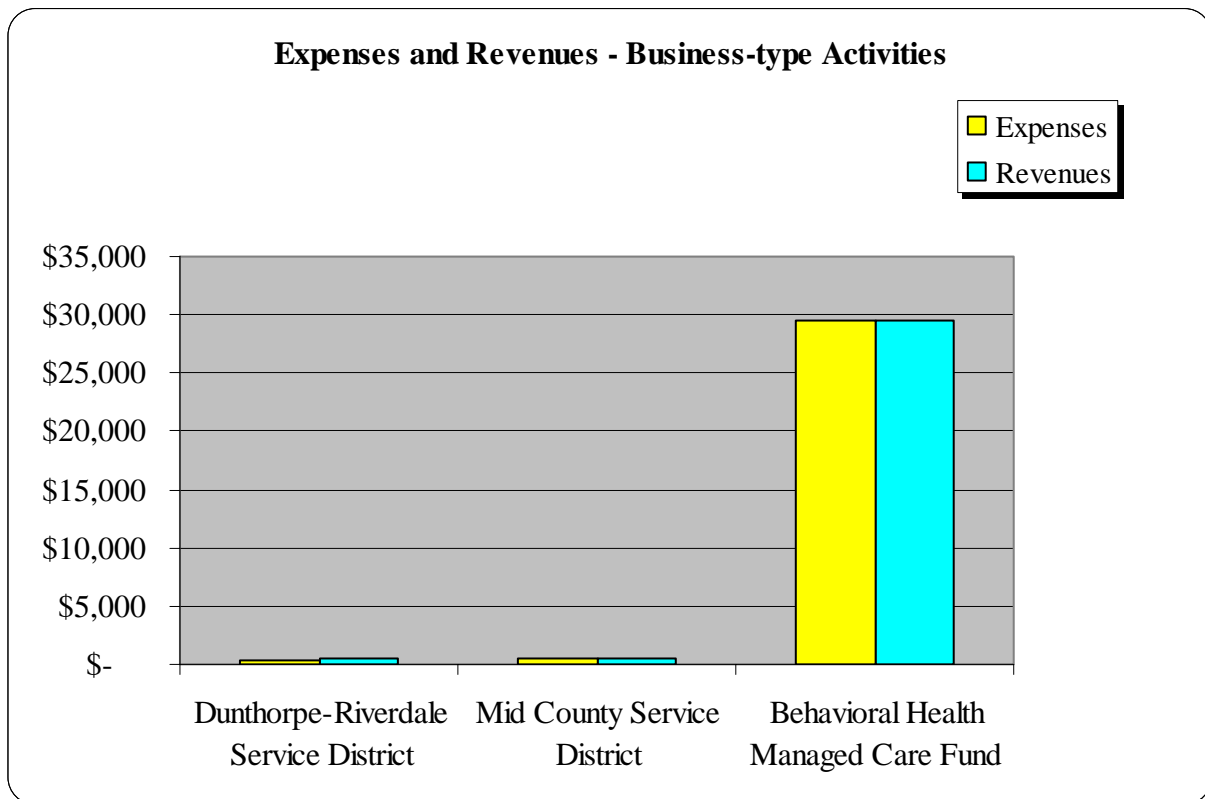


For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Additionally, where expenses decreased from prior years, this can be directly attributed to the decrease in revenues in the governmental activities.

Business-type activities. Business-type activities increased the County's net assets by \$194, as opposed to a decrease of \$174 in the prior year. The primary reasons for the current year's increase are:

- Interest revenue increased by \$47, or approximately 64% from the prior year due to improved economic conditions and higher cash balances in 2005.
- A loss of \$47 as compared to a loss of \$224 in the prior year on the disposal of capital assets were recorded in the Mid County Service District due to the District's 2004 capital improvement plan to upgrade the District's lights and poles and disposal of capital assets too costly to maintain.
- Dunthorpe-Riverdale Service District increase in net assets of \$59 is primarily due to a 12% increase in customer sewer user assessment fees over the prior year.
- Revenues in the Behavioral Health Managed Care fund are up by \$3,434 or 20% from 2004 and expenses increased by \$3,693 or 14% over 2004. The main reason for these increases is changes made by the State to the Oregon Health Plan. During fiscal year 2005, the State partially restored the Oregon Health Plan standard. This increased the number of clients in the Oregon Health Plan which led to increased capitated premiums from the State. The effect of this restoration was to increase the County's share of State revenues covered by the Oregon Health Plan and to increase expenses for mental health services provided to this population.

The following graphs show the County's Business-type Activities expenses and revenues by program area and revenue by sources.



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$135,598, an increase of \$49,507 in comparison with the prior year. Approximately 72% or \$97,964 of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$1,453), 2) to pay debt service (\$26,105), or 3) to pay for ongoing capital projects (\$10,076).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance was \$42,074 in the General Fund or approximately 99% of the total fund balance of \$42,416. This indicates a high degree of liquidity of the General Fund.

The fund balance of the County's General Fund increased by \$22,924 during the current fiscal year. Key factors in this increase are increased business income tax revenues combined with additional property tax revenues as a result of a stronger economy and additional urban growth. In addition, changes in the County's personal income taxes directly impact the change in General Fund fund balance.

The Willamette River Bridges Special Revenue Fund has a total fund balance of \$30,718, all of which is unreserved. The fund balance increased from the prior year by \$26,313 as a result of a \$25,000 Oregon Transportation Investment Act award to fund for future County bridge rehabilitation and replacement.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary funds at year end amounted to:

- Dunthorpe-Riverdale Service District Fund, \$351
- Mid County Service District Fund, \$346
- Behavioral Health Managed Care Fund, \$1,315

The total change in net assets for all proprietary funds was \$194. Other factors concerning the finances of these three funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were minimal in fiscal year 2005. Budget modifications to the original budget in the General Fund included adjustments to increase the budget for personal income tax revenues and business income tax revenues. Also, budgeted expenditures in the Sheriff's office were increased to allow for additional overtime and payroll related expenditures incurred. Additionally, the County aggressively managed expenditures during the year in all program areas.

Capital Projects and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2005, amounts to \$729,607 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads and bridges, sewer and street lighting systems, and motor vehicles. The total increase in the County's investment in capital assets for the current fiscal year was \$3,650 or approximately 1%.

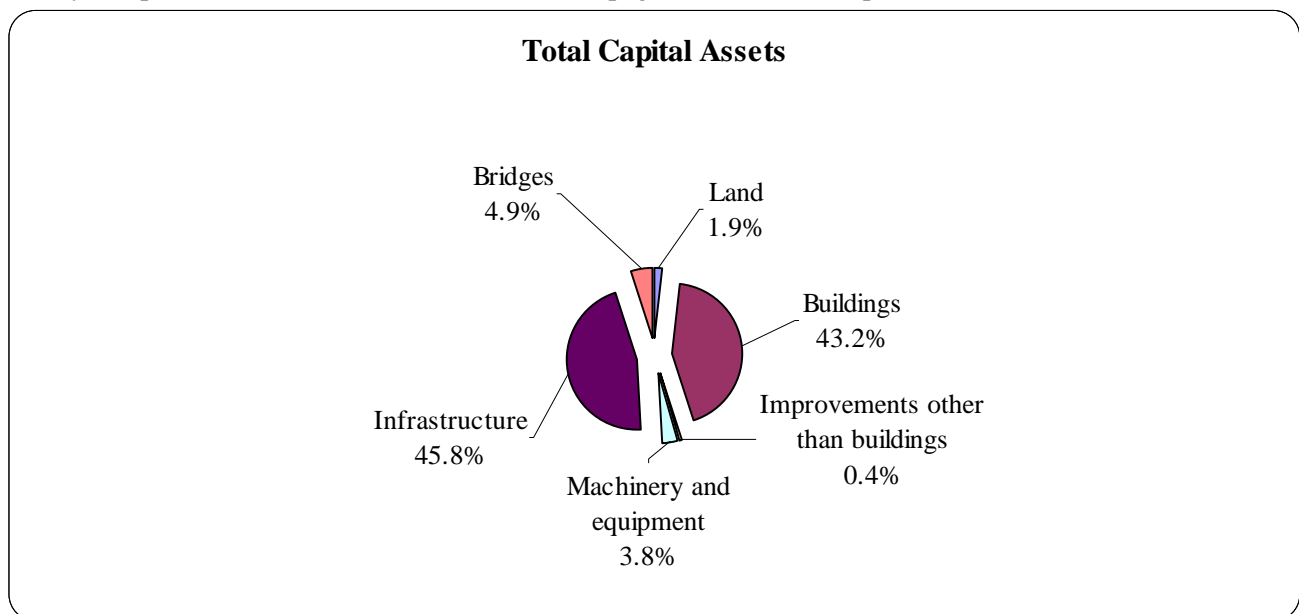
Major capital asset events during the current fiscal year included the following:

- Completion of the Wapato Jail in Northeast Portland. Total construction costs of the jail were \$51,164. The jail facility has not been placed into operation and therefore it was not depreciated during fiscal year 2005. For further information on the Wapato jail see footnote 3.C on pages 57-58.

Multnomah County's Capital Assets (net of depreciation, where applicable)

	Governmental Activities		Business- Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 13,717	\$ 13,766	\$ -	\$ -	\$ 13,717	\$ 13,766
Buildings	315,209	308,117	-	-	315,209	308,117
Improvements other than buildings	215	280	2,577	2,480	2,792	2,760
Machinery and equipment	27,859	24,662	-	-	27,859	24,662
Bridges	36,062	27,052	-	-	36,062	27,052
Infrastructure	333,968	349,600	-	-	333,968	349,600
Total capital assets	<u>\$ 727,030</u>	<u>\$ 723,477</u>	<u>\$ 2,577</u>	<u>\$ 2,480</u>	<u>\$ 729,607</u>	<u>\$ 725,957</u>

The following chart indicates the County's capital assets as of June, 30, 2005. Additional information on the County's capital assets can be found in note 3.C on pages 57-58 of this report.



Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$402,336. Of this amount, \$81,025 comprises debt backed by the general obligation bonds; \$267,225 represents debt backed by the full faith and credit bonds; \$542 comprises long term lease obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (e.g., revenue bonds, capitalized leases). Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

Multnomah County's Outstanding Debt and Other Long-Term Liabilities

	Governmental Activities		Business- Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 81,025	\$ 86,445	\$ -	\$ -	\$ 81,025	\$ 86,445
Revenue bonds	6,935	7,425	-	-	6,935	7,425
Full faith and credit bonds	267,225	270,203	-	-	267,225	270,203
Capital leases	27,971	28,596	-	-	27,971	28,596
Loans	542	634	-	-	542	634
Compensated absences	18,619	17,247	19	15	18,638	17,262
Total outstanding debt	<u>\$ 402,317</u>	<u>\$ 410,550</u>	<u>\$ 19</u>	<u>\$ 15</u>	<u>\$ 402,336</u>	<u>\$ 410,565</u>

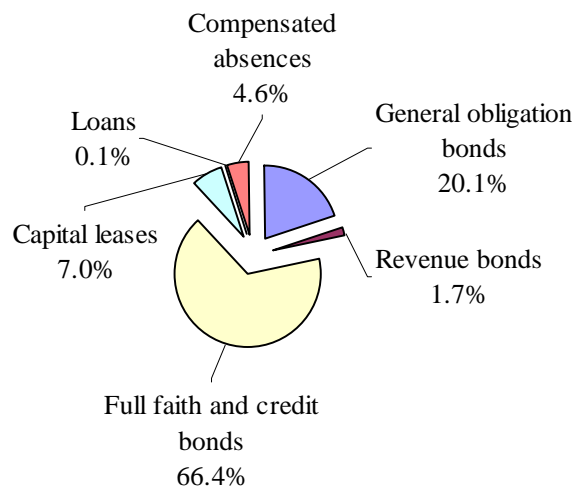
The County's total debt decreased by \$8,229 or approximately 2% during the current fiscal year. Significant changes to the County's long-term debt during 2005 include the issuance of \$54,235 in full faith and credit refunding obligations to effectively defease \$54,960 in outstanding principal in 2005.

The County maintains an "Aa1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for general obligation debt is \$1,409,153, which is significantly in excess of the County's outstanding general obligation debt. State statutes also limit the amount of full faith and credit obligations to one percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for full faith and credit obligations is \$704,576, which is in excess of the County's outstanding full faith and credit debt.

The following chart indicates the County's long-term liabilities as of June 30, 2005. Additional information on the County's long-term liabilities can be found in note 3.G on pages 60-67 of this report.

Total Outstanding Long-Term Liabilities



Key Economic Factors and Budget Information for Next Year

- The unemployment rate for the Portland-metropolitan area at the close of the fiscal year was approximately 6.1%. At the time of preparation of this report, the unemployment rate had increased slightly to approximately 6.2% due to the beginning of school years. The rate is not expected to change significantly before the end of the next fiscal year.
- Voters in the County approved a three year temporary income tax of 1.25%. The income tax was approved in late 2003 but was retroactive to January 1, 2003. The tax generated \$100,114 during fiscal year 2004 and \$130,187 during fiscal year 2005, and it is expected to generate approximately \$125,000 for fiscal year 2006.
- It is anticipated that business income tax revenues will be approximately \$6,000 higher in the coming year than originally forecasted due to continuously improving economic conditions in the region.
- Property tax revenues are not expected to be significantly different than the original budget estimates.

All of these factors were considered in preparing the County's budget for fiscal year 2005-2006.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$42,074. This increase should also enable the County to fully fund reserves to the levels recommended by bond rating agencies.

Requests for Information

This financial report is designed to provide a general overview of Multnomah County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for separately issued component unit reports should be directed to the following address:

Multnomah County
Department of County Management
501 SE Hawthorne Blvd. Suite 531
Portland, OR 97214

BASIC FINANCIAL STATEMENTS

MULTNOMAH COUNTY, OREGON

Statement of Net Assets

June 30, 2005

(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 168,270	\$ 3,892	\$ 172,162
Receivables (net of allowance for uncollectibles):			
Taxes	94,002	-	94,002
Accounts	61,431	6	61,437
Loans	843	-	843
Interest	821	-	821
Special assessments	10	29	39
Contracts	10,364	-	10,364
Inventories	2,670	-	2,670
Prepaid items	1,540	-	1,540
Restricted cash and investments	3,287	-	3,287
Non-current assets:			
Capital assets:			
Land and construction in progress	13,717	-	13,717
Other capital assets (net of accumulated depreciation)	713,313	2,577	715,890
Other assets, net of amortization	150,660	-	150,660
Total assets	<u>1,220,928</u>	<u>6,504</u>	<u>1,227,432</u>
LIABILITIES			
Accounts payable	118,164	1,883	120,047
Accrued salaries and benefits	7,002	13	7,015
Unearned revenue	16,372	-	16,372
Noncurrent liabilities:			
Due within one year:			
Compensated absences	5,565	9	5,574
Note payable	300	-	300
Bonds payable	15,510	-	15,510
Capital leases payable	3,191	-	3,191
Loans payable	95	-	95
Due in more than one year:			
Compensated absences	13,054	10	13,064
Bonds payable	339,675	-	339,675
Capital leases payable	24,780	-	24,780
Loans payable	447	-	447
Post retirement medical benefits payable	55,190	-	55,190
Total liabilities	<u>599,345</u>	<u>1,915</u>	<u>601,260</u>
NET ASSETS			
Invested in capital assets, net of related debt	523,606	2,577	526,183
Restricted for:			
Capital projects	8,701	-	8,701
Debt service	67,911	-	67,911
Unrestricted	21,365	2,012	23,377
Total net assets	<u>\$ 621,583</u>	<u>\$ 4,589</u>	<u>\$ 626,172</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON

Statement of Activities

For the Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 128,871	\$ 20,486	\$ 4,038	\$ 8,843
Health services	106,551	44,145	27,779	-
Social services	181,194	1,175	138,394	-
Public safety and justice	192,005	16,394	46,103	-
Community services	21,795	1	4,386	-
Library	41,357	1,887	2,192	-
Roads and bridges	56,781	1,867	33,597	25,306
Interest on long-term debt	18,058	-	-	-
Total governmental activities	<u>746,612</u>	<u>85,955</u>	<u>256,489</u>	<u>34,149</u>
Business-type activities:				
Dunthorpe-Riverdale service				
District Number 1	487	423	-	-
Mid County service				
District Number 14	495	289	-	238
Behavioral health managed care	29,480	29,472	-	-
Total business-type activities	<u>30,462</u>	<u>30,184</u>	<u>-</u>	<u>238</u>
Total primary government	<u>\$ 777,074</u>	<u>\$ 116,139</u>	<u>\$ 256,489</u>	<u>\$ 34,387</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Personal income taxes

Business income taxes

Selective excise and use taxes

Payments in lieu of taxes

State government shared unrestricted revenues

Grants and contributions not restricted to specific programs

Interest and investment earnings

Miscellaneous

Gain on sale of capital assets

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (95,504)	\$ -	\$ (95,504)
(34,627)	-	(34,627)
(41,625)	-	(41,625)
(129,508)	-	(129,508)
(17,408)	-	(17,408)
(37,278)	-	(37,278)
3,989	-	3,989
(18,058)	-	(18,058)
(370,019)	-	(370,019)
-	(64)	(64)
-	32	32
-	(8)	(8)
-	(40)	(40)
\$ (370,019)	\$ (40)	\$ (370,059)
\$ 209,056	\$ -	\$ 209,056
7,815	-	7,815
124,577	-	124,577
36,463	-	36,463
33,646	-	33,646
3,012	-	3,012
6,741	-	6,741
1,150	-	1,150
4,943	121	5,064
2,233	113	2,346
166	-	166
429,802	234	430,036
59,783	194	59,977
561,800	4,395	566,195
\$ 621,583	\$ 4,589	\$ 626,172

MULTNOMAH COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2005
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Willamette River Bridges Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 35,472	\$ 47	\$ 29,661	\$ 67,890	\$ 133,070
Receivables:					
Taxes	90,343	-	-	3,659	94,002
Accounts	6,707	44,501	636	8,410	60,254
Loans	-	843	-	-	843
Interest	821	-	-	-	821
Special assessments	10	-	-	-	10
Contracts	1,843	-	-	8,521	10,364
Due from other funds	17,742	-	-	1,100	18,842
Inventories	292	266	-	954	1,512
Prepays and deposits	50	394	-	157	601
Restricted cash and investments	-	-	631	2,656	3,287
Total assets	<u>\$ 153,280</u>	<u>\$ 46,051</u>	<u>\$ 30,928</u>	<u>\$ 93,347</u>	<u>\$ 323,606</u>
LIABILITIES					
Accounts payable	\$ 28,577	\$ 21,290	\$ 137	\$ 13,113	\$ 63,117
Payroll payable	2,874	2,434	73	784	6,165
Due to other funds	-	17,100	-	6,350	23,450
Deferred revenue	79,113	5,227	-	10,636	94,976
Short-term note payable	300	-	-	-	300
Total liabilities	<u>110,864</u>	<u>46,051</u>	<u>210</u>	<u>30,883</u>	<u>188,008</u>
FUND BALANCES					
Reserved for capital projects	-	-	-	10,076	10,076
Reserved for debt service	-	-	-	26,105	26,105
Reserved for inventories	292	-	-	954	1,246
Reserved for prepaid items	50	-	-	157	207
Unreserved, reported in:					
General fund	42,074	-	-	-	42,074
Special revenue funds	-	-	30,718	25,172	55,890
Total fund balances	<u>42,416</u>	<u>-</u>	<u>30,718</u>	<u>62,464</u>	<u>135,598</u>
Total liabilities and fund balances	<u>\$ 153,280</u>	<u>\$ 46,051</u>	<u>\$ 30,928</u>	<u>\$ 93,347</u>	<u>\$ 323,606</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
As of June 30, 2005
(amounts expressed in thousands)

Fund balances - Governmental Funds		\$ 135,598
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	1,430,692	
Less accumulated depreciation	<u>(708,970)</u>	721,722
Other long-term assets		
Negative net pension asset	150,202	
Bond issuance costs	<u>458</u>	150,660
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable	(355,185)	
Capital leases payable	(27,971)	
Loans payable	<u>(542)</u>	(383,698)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
		(16,552)
Accrued personal income tax distributions are not due and payable in the current period and therefore are not reported in the funds.		
		(39,214)
Net post employment benefit obligation		
		(55,190)
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.		
Property taxes	9,002	
Personal income taxes	<u>69,602</u>	78,604
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds that are reported with governmental activities.		
		<u>29,653</u>
Net assets of Governmental Activities		<u><u>\$ 621,583</u></u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Willamette River Bridges Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 363,466	\$ -	\$ -	\$ 58,746	\$ 422,212
Intergovernmental	13,123	211,961	26,344	33,099	284,527
Licenses and permits	10,623	1,543	-	2,577	14,743
Charges for services	10,643	40,430	1	10,325	61,399
Interest	1,717	9	539	1,869	4,134
Other	12,521	2,869	27	36,509	51,926
Total revenues	<u>412,093</u>	<u>256,812</u>	<u>26,911</u>	<u>143,125</u>	<u>838,941</u>
EXPENDITURES					
Current:					
General government	138,225	45	-	8,356	146,626
Health services	45,402	67,160	-	-	112,562
Social services	44,343	139,928	-	64	184,335
Public safety and justice	142,325	45,483	-	10,800	198,608
Community services	-	3,636	-	18,630	22,266
Library services	-	-	-	44,546	44,546
Roads and bridges	-	-	5,285	34,559	39,844
Capital outlay	513	560	16	8,199	9,288
Debt service:					
Principal	-	-	-	16,929	16,929
Interest	628	-	-	17,300	17,928
Total expenditures	<u>371,436</u>	<u>256,812</u>	<u>5,301</u>	<u>159,383</u>	<u>792,932</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,657</u>	<u>-</u>	<u>21,610</u>	<u>(16,258)</u>	<u>46,009</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds	-	-	-	54,235	54,235
Premium on long-term debt	-	-	-	5,089	5,089
Payments to escrow agent - defeased debt	-	-	-	(58,847)	(58,847)
Proceeds from sale of capital assets	5	-	-	-	5
Transfers in	1,553	-	4,703	23,651	29,907
Transfers out	(19,291)	-	-	(7,600)	(26,891)
Total other financing sources (uses)	<u>(17,733)</u>	<u>-</u>	<u>4,703</u>	<u>16,528</u>	<u>3,498</u>
Net change in fund balances	22,924	-	26,313	270	49,507
Fund balances - beginning	19,492	-	4,405	62,194	86,091
Fund balances - ending	<u>\$ 42,416</u>	<u>\$ -</u>	<u>\$ 30,718</u>	<u>\$ 62,464</u>	<u>\$ 135,598</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2005
(amounts expressed in thousands)

Net change in fund balances - Governmental Funds	\$	49,507
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	25,517	
Current year depreciation expense	<u>(35,223)</u>	(9,706)

Contributed and donated capital assets	8,722	
Loss on disposal of capital assets	<u>(847)</u>	7,875

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Decrease in deferred revenues - property taxes	(879)	
Decrease in deferred revenues - personal income taxes	<u>(5,609)</u>	(6,488)

Bond proceeds provide current financial resources to governmental funds, but an increase of long-term liabilities in the statement of net assets.		(54,235)
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Premium issued on long-term debt is reported as an other financing source in governmental funds, but an increase of long-term liabilities in the statement of net assets.

The premium is amortized to interest income in the statement of activities.

Premium issued on long-term debt	(5,089)	
Current year premium amortization	<u>170</u>	(4,919)

Issuance costs and similar items are reported in the governmental funds when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond issuance costs	474	
Current year amortization expense	<u>(16)</u>	458

The difference between refunding bond proceeds and amount sent to the escrow agent to defease outstanding debt is a deferred charge in the statement of net assets and amortized to interest expense in the statement of activities over the life of the refunded debt.

Deferred charge	3,887	
Current year interest expense	<u>(130)</u>	3,757

Repayment of long-term debt (including defeased amounts) is reported as an expenditure in the governmental funds, but a reduction of long-term liabilities in the statement of net assets.		71,889
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Some expenses reported in the statement of activities do not require the use of current financial resouces and therefore are not reported as expenditures in governmental funds.

Increase in long-term compensated absences	(1,125)	
Decrease in personal income tax distribution liability	<u>7,590</u>	6,465

Amortization expense on the net pension asset.		(6,152)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net assets of the internal service funds is reported with governmental activities.

1,332

Change in net assets of Governmental Activities	\$	<u><u>59,783</u></u>
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The notes to the financial statements are an integral part of this statement.

MAJOR GOVERNMENTAL FUNDS

Major governmental funds are defined as those funds whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds for the same item. The general fund is always classified as a major fund. The modified accrual basis of accounting is used to record revenues and expenditures.

- **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, personal income taxes, and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, and health and social services.
- **Federal and State Program Fund** – a special revenue fund that accounts for the majority of revenues and expenditures related to Federal and State financial assistance programs.
- **Willamette River Bridges Fund** – a special revenue fund that accounts for capital grants and contributions for County bridges, motor vehicle fees, and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.

MULTNOMAH COUNTY, OREGON
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes				
Property:				
Current	\$ 176,798	\$ 176,798	\$ 179,350	\$ 2,552
Prior	4,321	4,321	3,992	(329)
Penalties and interest	1,384	1,384	1,387	3
Payments in lieu of taxes	1,305	1,305	1,424	119
Transient lodging	-	-	6	6
Business income	26,088	27,247	36,463	9,216
Personal income	126,587	129,117	130,187	1,070
Motor vehicle rental	11,954	11,954	10,657	(1,297)
Intergovernmental:				
Federal	214	658	447	(211)
State	11,794	11,794	10,833	(961)
Local	1,775	1,775	1,843	68
Licenses and permits	8,404	8,404	10,623	2,219
Charges for services	9,096	9,096	10,643	1,547
Interest	1,365	1,365	1,717	352
Other:				
Service reimbursements	8,232	8,499	11,353	2,854
Miscellaneous	1,585	1,585	1,168	(417)
Total revenues	<u>390,902</u>	<u>395,302</u>	<u>412,093</u>	<u>16,791</u>
EXPENDITURES				
Human services	30,517	30,613	29,353	1,260
Community justice services	43,453	44,369	43,520	849
Health services	45,878	46,281	45,402	879
District attorney	16,231	16,353	16,251	102
Sheriff	80,993	84,292	83,010	1,282
Business and community services	32,367	32,696	28,827	3,869
Nondepartmental	125,850	123,261	110,083	13,178
School and community	15,342	15,457	14,990	467
Total expenditures	<u>390,631</u>	<u>393,322</u>	<u>371,436</u>	<u>21,886</u>
Excess of revenues over expenditures	<u>271</u>	<u>1,980</u>	<u>40,657</u>	<u>38,677</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	5	5
Transfers in	1,826	1,826	1,553	(273)
Transfers out	(18,385)	(20,094)	(19,291)	803
Total other financing sources (uses)	<u>(16,559)</u>	<u>(18,268)</u>	<u>(17,733)</u>	<u>535</u>
Net change in fund balances	<u>(16,288)</u>	<u>(16,288)</u>	<u>22,924</u>	<u>39,212</u>
Fund balances - beginning	<u>16,288</u>	<u>16,288</u>	<u>19,492</u>	<u>3,204</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,416</u>	<u>\$ 42,416</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Federal and State Program Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 206,021	\$ 222,079	\$ 211,961	\$ (10,118)
Licenses and permits	2,072	2,082	1,543	(539)
Charges for services	37,608	38,555	40,430	1,875
Interest	4	4	9	5
Other:				
Non-governmental grants	1,326	1,535	1,428	(107)
Service reimbursements	98	98	44	(54)
Miscellaneous	503	1,509	1,397	(112)
Total revenues	<u>247,632</u>	<u>265,862</u>	<u>256,812</u>	<u>(9,050)</u>
EXPENDITURES				
Human services	117,038	124,121	121,957	2,164
Community justice services	30,349	32,610	30,638	1,972
Health services	63,634	67,323	67,218	105
District attorney	5,444	5,510	5,072	438
Sheriff	8,980	9,969	9,967	2
Business and community services	4,395	6,341	2,480	3,861
Nondepartmental	1,465	1,621	1,509	112
School and Community	16,373	18,413	17,971	442
Total expenditures	<u>247,678</u>	<u>265,908</u>	<u>256,812</u>	<u>9,096</u>
Deficiency of revenues under expenditures	(46)	(46)	-	46
Fund balances - beginning	46	46	-	(46)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Willamette River Bridges Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 1,200	\$ 1,200	\$ 26,344	\$ 25,144
Charges for services	-	-	1	1
Interest	-	-	539	539
Other:				
Other grants and contributions	-	-	12	12
Miscellaneous	10	10	15	5
Total revenues	<u>1,210</u>	<u>1,210</u>	<u>26,911</u>	<u>25,701</u>
EXPENDITURES				
Business and community services	<u>10,567</u>	<u>10,567</u>	<u>5,301</u>	<u>5,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,357)</u>	<u>(9,357)</u>	<u>21,610</u>	<u>30,967</u>
OTHER FINANCING SOURCES				
Transfers in	<u>5,287</u>	<u>5,287</u>	<u>4,703</u>	<u>(584)</u>
Net change in fund balances	<u>(4,070)</u>	<u>(4,070)</u>	<u>26,313</u>	<u>30,383</u>
Fund balances - beginning	<u>4,070</u>	<u>4,070</u>	<u>4,405</u>	<u>335</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,718</u>	<u>\$ 30,718</u>

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

The County utilizes ten Proprietary Funds made up of three Enterprise Funds and seven Internal Service Funds. Internal Service Funds' statements are noted at pages 117-136.

Enterprise Funds:

These funds are used to finance and account for the acquisition, operation and maintenance of sewage treatment facilities, street lighting facilities and mental health claims administration, which are supported by user charges. The County accounts for certain expenditures of the enterprise funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes the accrual basis of accounting is used. The difference in the accounting basis used relates primarily to the methods of accounting for depreciation 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.)
- **Behavioral Health Managed Care Fund** - accounts for all financial activity associated with the State required behavioral health capitated services.

MULTNOMAH COUNTY, OREGON
Statement of Net Assets
Proprietary Funds
June 30, 2005
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe-Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 442	\$ 351	\$ 3,099	\$ 3,892	\$ 35,200
Receivables (net of allowances for uncollectibles):					
Accounts	6	-	-	6	1,177
Special assessments	16	13	-	29	-
Inventories	-	-	-	-	1,158
Due from other funds	-	-	-	-	5,250
Prepaid items	-	-	-	-	939
Total current assets	464	364	3,099	3,927	43,724
Noncurrent assets:					
Capital assets (net of accumulated depreciation)	1,109	1,468	-	2,577	5,308
Total assets	1,573	1,832	3,099	6,504	49,032
LIABILITIES					
Current liabilities:					
Accounts payable	113	18	1,752	1,883	15,833
Payroll payable	-	-	13	13	837
Due to other funds	-	-	-	-	642
Compensated absences	-	-	9	9	595
Total current liabilities	113	18	1,774	1,905	17,907
Noncurrent liabilities:					
Compensated absences	-	-	10	10	1,472
Total liabilities	113	18	1,784	1,915	19,379
NET ASSETS					
Invested in capital assets, net of related debt	1,109	1,468	-	2,577	5,308
Unrestricted	351	346	1,315	2,012	24,345
Total net assets	\$ 1,460	\$ 1,814	\$ 1,315	\$ 4,589	\$ 29,653

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe - Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
OPERATING REVENUES					
Charges for sales and services	\$ 423	\$ 289	\$ 29,472	\$ 30,184	\$ 138,122
Insurance premiums	-	-	-	-	5,008
Experience ratings and other	-	-	-	-	679
Total operating revenues	<u>423</u>	<u>289</u>	<u>29,472</u>	<u>30,184</u>	<u>143,809</u>
OPERATING EXPENSES					
Cost of sales and services	304	314	26,565	27,183	135,186
Administration	33	31	2,915	2,979	2,313
Depreciation	44	103	-	147	2,842
Total operating expenses	<u>381</u>	<u>448</u>	<u>29,480</u>	<u>30,309</u>	<u>140,341</u>
Operating income (loss)	<u>42</u>	<u>(159)</u>	<u>(8)</u>	<u>(125)</u>	<u>3,468</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	10	10	101	121	639
Other revenue	113	-	-	113	-
Loss on disposal of capital assets	(106)	(47)	-	(153)	153
Total nonoperating revenues (expenses)	<u>17</u>	<u>(37)</u>	<u>101</u>	<u>81</u>	<u>792</u>
Income (loss) before contributions and transfers	59	(196)	93	(44)	4,260
Capital contributions in	-	238	-	238	1,045
Capital contributions out	-	-	-	-	(957)
Transfers in	-	-	-	-	1,721
Transfers out	-	-	-	-	(4,737)
Change in net assets	<u>59</u>	<u>42</u>	<u>93</u>	<u>194</u>	<u>1,332</u>
Total net assets - beginning	1,401	1,772	1,222	4,395	28,321
Total net assets - ending	<u>\$ 1,460</u>	<u>\$ 1,814</u>	<u>\$ 1,315</u>	<u>\$ 4,589</u>	<u>\$ 29,653</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe - Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 415	\$ 288	\$ 29,472	\$ 30,175	\$ 143,410
Payments to suppliers	(283)	(319)	(26,339)	(26,941)	(89,126)
Payments to employees	(17)	(25)	(2,915)	(2,957)	(26,435)
Internal activity - payments to other funds	-	-	(362)	(362)	(19,193)
Other receipts	113	-	-	113	4
Net cash provided by (used in) operating activities	<u>228</u>	<u>(56)</u>	<u>(144)</u>	<u>28</u>	<u>8,660</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	1,721
Transfers out	-	-	-	-	(4,737)
Net cash used in noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,016)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(109)	(50)	-	(159)	(1,259)
Proceeds on sales of capital assets	-	-	-	-	162
Net cash used in capital and related financing activities	<u>(109)</u>	<u>(50)</u>	<u>-</u>	<u>(159)</u>	<u>(1,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	10	10	101	121	639
Net cash provided by investing activities	<u>10</u>	<u>10</u>	<u>101</u>	<u>121</u>	<u>639</u>
Net increase (decrease) in cash and cash equivalents	129	(96)	(43)	(10)	5,186
Balances at beginning of the year	313	447	3,142	3,902	30,014
Balances at end of the year	<u>\$ 442</u>	<u>\$ 351</u>	<u>\$ 3,099</u>	<u>\$ 3,892</u>	<u>\$ 35,200</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 42	\$ (159)	\$ (8)	\$ (125)	\$ 3,468
Adjustments to reconcile operating income (loss) to net cash used in					
Cash flows reported in other categories:					
Other revenue	113	-	-	113	-
Depreciation	44	103	-	147	2,842
Changes in assets and liabilities:					
Receivables, net	(8)	(1)	10	1	(384)
Inventories	-	-	-	-	(703)
Due from other funds	-	-	-	-	1,275
Prepaid items	-	-	233	233	(143)
Accounts payable	37	1	(388)	(350)	1,119
Compensated absences	-	-	4	4	248
Due to other funds	-	-	-	-	642
Payroll payable	-	-	5	5	296
Total adjustments	<u>186</u>	<u>103</u>	<u>(136)</u>	<u>153</u>	<u>5,192</u>
Net cash provided by (used in) operating activities	<u>\$ 228</u>	<u>\$ (56)</u>	<u>\$ (144)</u>	<u>\$ 28</u>	<u>\$ 8,660</u>
Noncash financing activities:					
Contributions of capital assets from government	\$ -	\$ 238	\$ -	\$ 238	\$ 1,045

The notes to the financial statements are an integral part of this statement.

FIDUCIARY 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 Pension Trust Fund. The funds included are:

- **Agency Funds** – account for resources held by the County in a purely custodial capacity (assets equal liabilities).
- **Library Retirement Pension Trust Fund** – provides pension benefits for former employees of the Library Association of Portland.

MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005
(amounts expressed in thousands)

	<u>Agency Funds</u>	<u>Library Retirement Pension Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 19,719	\$ -	\$ 19,719
Investments, at fair value:			
Bond/mortgage account	-	10,668	10,668
High quality long term bond account	-	3,514	3,514
Total investments	-	14,182	14,182
Taxes receivable	38,993	-	38,993
Accounts receivable	46	-	46
Restricted cash	1	-	1
Total assets	<u>58,759</u>	<u>14,182</u>	<u>72,941</u>
LIABILITIES			
Accounts payable	7,740	-	7,740
Due to other governmental units	36,358	-	36,358
Amounts held in trust	14,661	-	14,661
Total liabilities	<u>58,759</u>	<u>-</u>	<u>58,759</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 14,182</u>	<u>\$ 14,182</u>

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Library Retirement Pension Trust Fund
ADDITIONS	
Investment earnings:	
Interest	\$ 977
Total investment earnings	977
Total additions	977
DEDUCTIONS	
Benefits	770
Administrative expenses	26
Total deductions	796
Change in net assets	181
Net assets - beginning	14,001
Net assets - ending	\$ 14,182

The notes to the financial statements are an integral part of this statement.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

Multnomah County (County) is a municipal corporation governed by an elected Board of Commissioners, comprised of a Board Chair and four commissioners. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Financial accountability is defined as the appointment of a voting majority of the organization's governing board and where (1) the County is able to significantly influence the programs or services performed or provided by the organization or (2) the County is legally entitled to or can otherwise access the organization's resources. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Component units may also include organizations which are fiscally dependent on the County in that the County approves the budget, the issuance of debt or levying of taxes. Multnomah County has three component units, two of which are blended and included in this report.

Blended component units. The Dunthorpe-Riverdale Sanitary Service District and the Mid County Street Lighting District serve residents within each district's geographical boundaries and are governed by a board comprised of the County's elected Board. The rates for user charges for both districts are approved by the Board. Each District is reported as an enterprise fund.

The County also maintains a Hospital Facilities Authority (Authority). The Authority only issues conduit debt for health care facilities and the County has no assets or liabilities recorded for the Authority.

Complete financial statements for each of the individual component units may be obtained at the County's administrative offices.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the County is financially accountable.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. In addition, functional expenses on the statement of activities include allocated indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement preparation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excise taxes, personal income taxes, business income taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Federal State Program Fund* accounts for the majority of revenues and expenditures related to federal and state financial assistance programs.

The *Willamette River Bridges Fund* accounts for motor vehicle fees, gasoline tax proceeds transferred from the Road Fund and other intergovernmental grant revenues and expenditures related to inspection, maintenance and construction projects for various bridges along the Willamette River.

The County reports the following major proprietary funds:

Proprietary Funds account for the operations of predominantly self-supporting activities. Proprietary funds are classified as either enterprise or internal service. *Enterprise Funds* account for services rendered to the public on a user charge basis. The following are the County's major enterprise funds:

The *Dunthorpe-Riverdale Service District No. 1 Fund* accounts for the operation of the sanitary sewer system in southwest unincorporated Multnomah County.

The *Mid County Service District No. 14 Fund* accounts for the operation of the street lighting system throughout unincorporated Multnomah County.

The *Behavioral Health Managed Care Fund* accounts for all financial activity associated with the State required behavioral health capitated services.

Additionally, the County reports the following fund types:

Special revenue funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

sale of County-owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.

Internal Service funds account for activities and services performed primarily for other organizational units within the County. The County reports seven internal service funds: Risk Management Fund, Fleet Management Fund, Telephone Fund, Information Technology Fund, Mail/Distribution Fund, Facilities Management Fund and the Business Services Fund.

Fiduciary Funds account for assets held by the County for other governmental units. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. For example, the County holds deposits and investments for the benefit of the participants in the County Library Retirement Pension Trust Fund. Agency funds are custodial in nature (i.e. assets equal liabilities) and do not measure the results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sewer and lighting functions and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and lighting districts, of the Behavioral Health Managed Care fund, and of the County's internal service funds are charges to customers for sales and services. The sewer district also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets or equity

1. Cash and investments

The County's cash and cash equivalents are comprised of cash on hand, demand deposits, and investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, municipal bonds, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). Investments for the County, as well as for its component units, are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations.

The County reports cash with fiscal agent and cash and investments with special restrictions imposed by grantors or regulations from other governments as restricted cash and investments.

2. Receivables and payables

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. All other receivables are shown net of an allowance for uncollectibles.

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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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.

Multnomah County residents approved a personal income tax effective from calendar year 2003 through calendar year 2005. The tax is a 1.25% levy on the Oregon taxable income of Multnomah County residents reduced by an exemption amount. The tax has generated an estimated \$125,000 for each calendar year the tax is in effect. The revenues generated from the tax will provide funding for public school districts within Multnomah County in addition to funding for elderly, disabled and mentally ill persons, and programs for public safety and health. Included in the financial statements is an allowance for uncollectible accounts of \$3,016 for personal income taxes. This amount is shown net with taxes receivable on both the fund financial statements and the statement of net assets. In the statement of activities the reduction is recorded to the related income tax revenues, and on the fund financial statements the offset is recorded in deferred revenues.

3. *Inventories and prepaid items*

Inventories of materials and supplies in the governmental funds are valued at average cost and are offset by a reservation of fund balance. Inventories of materials and supplies in the internal service funds are valued at the lower of average cost or market. All inventories are recorded as expenditures when consumed rather than when purchased.

Payments in excess of \$10 to vendors which reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. *Restricted amounts*

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted assets. Such revenues include dedicated property taxes, temporary personal income tax, state gas tax, intergovernmental grants, and charges for services which are legally restricted to finance particular functions or activities. In addition, proceeds from general obligation bonds, revenue bonds, and full faith and credit bonds are restricted to support the specific purpose for which the debt was issued. Such net assets are classified as restricted on the Statement of Net Assets and are recorded in separate funds supporting the specific function or operation.

5. *Capital assets*

Capital assets, which includes property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5 for equipment and \$10 for infrastructure

MULTNOMAH COUNTY, OREGON
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with an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phases of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, the County incurred no interest expense for capital assets for business-type activities.

Property, plant, and equipment of the County, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

- | | |
|---------------------------------|----------------|
| • Motor vehicles | 3 to 10 years |
| • Sewer systems | 50 years |
| • Street lighting | 15 to 30 years |
| • Equipment, including software | 3 to 20 years |
| • Roads and bridges | 40 years |
| • Buildings and improvements | 40 years |

6. *Other assets*

Included in other assets are unamortized bond issuance costs and the unamortized pension asset. In governmental fund types, bond issuance costs are recognized in the current period. In the government-wide financial statements bond issuance costs are capitalized and amortized over the term of the bond using the straight-line method, which approximates the effective interest method. The net pension asset in the Statement of Net Assets has been recognized in connection with the debt issued by the County in 1999 to fund the County's Public Employees Retirement System (PERS) unfunded accrued actuarial liability (UAAL). The pension asset is amortized over the life of the debt or thirty years. Amortization expense on the pension asset and the bond issuance costs are included in the general government line item on the Statement of Activities.

7. *Unearned / Deferred revenues*

Unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in the governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, such as collections on the 2005 calendar year for the County's 1.25% personal income tax. In accordance with the modified accrual basis of accounting, these items are reported as deferred revenues.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

8. *Compensated absences*

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay and compensatory time is accrued when incurred in the government-wide statements and proprietary funds statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements at June 30. Liabilities for compensated absences are liquidated as employees separate from service and receive payment for accumulated leave benefits. Expenditures for liquidating the liabilities are recorded in the General, Special Revenue, Capital Projects, Enterprise, and Internal Service Funds.

9. *Long-term obligations*

In the government-wide financial statements and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Post employment health care benefits considered to be special termination benefits are recognized as a liability in the government-wide financial statements. The liability reflects both the lump sum payments to employees and the present value of expected future payments. When incurred, bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The difference between the reacquisition price (funds required to refund the old debt) and the net carrying value of the refunded debt is an economic gain or loss, and is treated as a deferred charge on refunding. This deferred charge is reported as a reduction to the bonds payable on the Statement of Net Assets and is being amortized as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. The post employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year.

10. *Fund equity*

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties

MULTNOMAH COUNTY, OREGON
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for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

11. *Estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

12. *Reclassifications*

Certain reclassifications have been made to the prior year in order to conform to the current year financial statement presentation.

Note 2. Stewardship, compliance, and accountability

A. *Budgetary information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the trust funds. All annual appropriations lapse at fiscal year end.

During the month of February each year, all agencies of the County submit requests for appropriations to the County Chair so that a budget may be prepared. By May 15, the proposed budget is presented to the County Board of Commissioners for approval. The Board holds public hearings and a final budget must be prepared and adopted no later than June 30.

The adopted budget is prepared by fund and department. The County's department managers may make transfers of appropriations within a department and fund. Transfers of appropriations between departments or funds require the approval of the Board. The legal level of budgetary control, (i.e., the level at which expenditures may not legally exceed appropriations) is the fund and department level. The Board approved one supplemental budget and several other budgetary appropriations throughout the year.

B. *Excess of expenditures over appropriations*

For the year ended June 30, 2005, there were not any funds where expenditures exceeded appropriations. However the Building Project Fund had a deficit in the fund balance at year-end. The deficit was a result of various capital projects including renovation to Multnomah County libraries. The County entered into an internal loan agreement in fiscal year 2004 in order to reduce the Building Project's deficit fund balance. The loan is a five year agreement in which the General Fund will make a cash transfer each year

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

for five years to aid the Capital Project's Fund balance. At June 30, 2005 the Building Project Fund had a deficit fund balance of \$836.

Note 3. Detailed notes on all funds

A. Deposits and investments

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

State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the Oregon State Treasury 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.

Funds deposited with fiscal agents for the purpose of meeting the payment of principal or interest on bonds or like obligations are not required to be collateralized per Oregon Revised Statutes, Chapter 295.005.

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, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool (LGIP), and various interest-bearing bonds of Oregon municipalities.

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 investment policy requires that a third party be used for safekeeping of investment instruments. Investment securities purchased pursuant to the County's investment policy are delivered via payment by book entry or physical delivery to a third party custodian.

The County's investment policy also requires that the market value plus accrued interest of the securities collateralizing repurchase agreements exceeds the face amount of the repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund

MULTNOMAH COUNTY, OREGON
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Board, providing the County with a margin against a decline in the market value of the securities. The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year.

The County is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The investments are booked at fair value and are the same as the value of the pool shares. The LGIP investments are governed by a written investment policy that is reviewed annually by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon.

At year-end, the carrying amount of the County's deposits was \$37,186 and the bank balance was \$37,151. The bank balance 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 \$35 represents petty cash accounts that were uninsured and uncollateralized.

As a means of limiting its exposure to fair value losses resulting from rising interest rates, the County's investment policy limits maturities as follows:

<u>Maturity</u>	<u>Cumulative Constraint</u>
Less than 30 days	10%
Less than 90 days	25%
Less than 270 days	50%
Less than 1 year	70%
Less than 3 years	100%

If the goals of maturity limits are exceeded by 5% or more for ten successive business days, prompt notification to the County's Chief Financial Officer and the County's Investment Advisory Board is required. In addition, to limit its exposure to losses due to asset concentration, the County's investment policy and Oregon Revised Statutes limit asset concentration as follows:

1. Corporate indebtedness must be rated on the settlement date A-1 or AA or better by Standard and Poor's Corporation or P-1 or Aa by Moody's Investors Service, or the equivalent rating by any nationally recognized statistical rating organization.
2. Notwithstanding item one, corporate indebtedness must be rated A-2 or A by Standard & Poor's and P-2 or A by Moody's, or the equivalent rating by any nationally recognized statistical rating organization when issued by a business enterprise that has its headquarters in Oregon, employs more than 50% of its permanent workforce in Oregon, or has more than 50% of its tangible assets in Oregon.

MULTNOMAH COUNTY, OREGON
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3. Commercial paper and other corporate debt up to 25% of the total investment portfolio is allowed, but may exceed that limit up to 30% for a period not to exceed ten consecutive business days.
4. U.S. Government Agencies are limited to 75% of the investment portfolio.

Additionally, to limit its exposure to asset concentration risk, the County restricts the total investment that can be made in the corporate indebtedness of a single corporate entity and its affiliates and subsidiaries to 5% of the total investment portfolio. The County did not have any investments that exceeded this limit during the year.

The County has one investment that is uninsured and unregistered, is held by a counterparty and is not in the County's name. The investment is a pension trust investment that is held for the benefit of employees of the former Library Association of Portland. At the close of the year, the market value of the investment was \$14,182. More information can be found about this investment in note 4F, on page 70.

As of June 30, 2005, the County had the following unrestricted cash and investments:

Investment Type	Fair Value	Weighted Average Yield	Risk Concentration – Unrestricted Cash and Investments	Investment Maturity (in years)	
				Less than 1	1-3
US Agencies	\$ 91,867	3.04%	48%	\$ 70,695	\$21,172
Corporate Debt	19,675	3.07%	10%	19,675	-
Commercial Paper	12,944	3.07%	7%	12,944	-
US Treasuries	9,876	2.11%	5%	9,876	-
Local Government					
Investment Pool	20,333	2.98%	11%	20,333	-
Cash and Equivalents	37,186	2.73%	19%	37,186	-
Total unrestricted cash and investments	<u>\$ 191,881</u>			<u>\$ 170,709</u>	<u>\$21,172</u>

MULTNOMAH COUNTY, OREGON
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As of June 30, 2005, the County had the following restricted cash and investments:

Investment Type	Fair Value	Weighted Average Yield	Risk Concentration – Restricted Cash and Investments	Investment Maturity (in years)	
				Less than 1	1-3
Local Government Investment Pool – Road Fund	\$ 1,059	2.98%	32%	\$ 1,059	-
Local Government Investment Pool – Sauvie Bridge Fund	631	2.98%	19%	631	-
Cash with Fiscal Agent	<u>1,598</u>	1.00%	49%	<u>1,598</u>	-
Total restricted cash and investments	<u>\$ 3,288</u>			<u>\$ 3,288</u>	-

During fiscal year 2005 the County received grant awards and contributions that have been restricted for specific County capital projects. These funds have been maintained in separate investment accounts and designated as restricted. In addition the County maintains cash with fiscal agent accounts to set aside for debt service requirements per the trustees and bond indentures.

B. Receivables

Receivables as of year-end for the County's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

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MULTNOMAH COUNTY
Accounts Receivable

	Governmental Activities							
	General	Federal State Program	Willamette River Bridge Fund	Internal Service Funds	Nonmajor Funds	Total Governmental Activities	Business- type Activities	Total
Receivables:								
Taxes:								
Income	\$ 81,099	\$ -	\$ -	\$ -	\$ -	\$ 81,099	\$ -	\$ 81,099
Property	9,490			-	1,669	11,159		11,159
Other	2,770			-	1,990	4,760		4,760
Accounts	6,707	47,776	636	1,177	8,410	64,706	6	64,712
Loans	-	843	-	-	-	843	-	843
Interest	821	-	-	-	-	821	-	821
Special assessments	10	-	-	-	-	10	33	43
Contracts	1,843	-	-	-	8,521	10,364	-	10,364
Gross receivables	102,740	48,619	636	1,177	20,590	173,762	39	173,801
Less: allowance for discounts/uncollectibles	(3,016)	(3,275)	-	-	-	(6,291)	(4)	(6,295)
Net total receivables	<u>\$ 99,724</u>	<u>\$ 45,344</u>	<u>\$ 636</u>	<u>\$ 1,177</u>	<u>\$ 20,590</u>	<u>\$167,471</u>	<u>\$ 35</u>	<u>\$167,506</u>

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Revenues of Dunthorpe Riverdale and Mid County Service Districts are reported net of uncollectible amounts. Total uncollectible amounts related to revenues are all for prior periods.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Personal income tax receivable	\$ 72,618
Delinquent property taxes receivable (General Fund)	7,658
Delinquent property taxes receivable (other governmental funds)	1,344
Grant draw downs prior to meeting all eligibility requirements	4,385
Contracts receivable	10,364
Contract revenue received in advance	536
Loans receivable	843
Tax title land sales inventory	234
Special assessments receivable	10
Allowance for doubtful accounts – personal income tax	(3,016)
Total deferred revenue for governmental funds	<u>\$ 94,976</u>

MULTNOMAH COUNTY, OREGON
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C. Capital assets

Capital asset activity for the year ended June 30, 2005 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,766	\$ -	\$ (49)	\$ 13,717
Buildings-not in service	47,829	3,335	-	51,164
Total capital assets, not being depreciated	<u>61,595</u>	<u>3,335</u>	<u>(49)</u>	<u>64,881</u>
Capital assets, being depreciated:				
Buildings	351,029	13,305	(1,315)	363,019
Improvements other than buildings	433	-	(90)	343
Machinery and equipment	120,634	10,616	(8,041)	123,209
Bridges	84,202	10,527	-	94,729
Infrastructure	813,767	4,772	-	818,539
Total capital assets being depreciated	<u>1,370,065</u>	<u>39,220</u>	<u>(9,446)</u>	<u>1,399,839</u>
Less accumulated depreciation for:				
Buildings	(90,741)	(8,850)	617	(98,974)
Improvements other than buildings	(153)	(9)	34	(128)
Machinery and equipment	(95,972)	(7,285)	7,907	(95,350)
Bridges	(57,150)	(1,517)	-	(58,667)
Infrastructure	(464,167)	(20,404)	-	(484,571)
Total accumulated depreciation	<u>(708,183)</u>	<u>(38,065)</u>	<u>8,558</u>	<u>(737,690)</u>
Total capital assets being depreciated, net	<u>661,882</u>	<u>1,155</u>	<u>(888)</u>	<u>662,149</u>
Governmental activities capital assets, net	<u>\$ 723,477</u>	<u>\$ 4,490</u>	<u>\$ (937)</u>	<u>\$ 727,030</u>
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 4,374	\$ 397	\$ (189)	\$ 4,582
Machinery and equipment	41	-	-	41
Total capital assets being depreciated	<u>4,415</u>	<u>397</u>	<u>(189)</u>	<u>4,623</u>
Less accumulated depreciation for:				
Improvements other than buildings	(1,894)	(147)	36	(2,005)
Machinery and equipment	(41)	-	-	(41)
Total accumulated depreciation	<u>(1,935)</u>	<u>(147)</u>	<u>36</u>	<u>(2,046)</u>
Business-type activities capital assets, net	<u>\$ 2,480</u>	<u>\$ 250</u>	<u>\$ (153)</u>	<u>\$ 2,577</u>

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During fiscal year 2005 the County finalized the construction of the Wapato Jail. The total cost of the jail was \$51,164 and is included in the above capital asset schedule. Currently the County has not approved an operating budget for the jail and therefore the jail has not been placed into service and is not being depreciated. When the jail becomes operational it will be depreciated over forty years. The County is currently considering various plans to operate the Wapato Jail.

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental activities:	
General government	\$ 14,400
Health services	13
Social services	2
Public safety & justice	617
Community services	32
Library	2,562
Roads and bridges	20,439
Total depreciation expense – governmental activities	<u>\$ 38,065</u>
Business-type activities:	
Sewer	\$ 44
Lighting	103
Total depreciation expense – business-type activities	<u>\$ 147</u>

D. Other assets

Other assets, net of accumulated amortization at June 30, 2005 consist of the following:

Bond issuance costs	\$ 458
Negative net pension asset	150,202
	<u>\$ 150,660</u>

Amortization expense in the statement of activities on bond issuance costs and the negative net pension asset were \$16 and \$6,152, respectively for the year ended June 30, 2005.

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E. Interfund receivables, payables, and transfers

The County records “due to” and “due from” transactions in order that individual funds will be able to meet cash flow needs at year end and prevent a fund from reporting a negative cash balance. The composition of interfund balances as of June 30, 2005 is as follows:

Due to / from other funds:

Receivable Funds	Payable Funds	Amount
General Fund	Mail/Distribution Fund	\$ 642
General Fund	Federal State Fund	17,100
Asset Preservation Fund	SB 1145 Fund	1,100
Risk Management Fund	Building Project Fund	1,165
Risk Management Fund	Justice Bond Project Fund	4,085
		<u>\$ 24,092</u>

Interfund Transfers:

Following are the County’s interfund transfers for the year ended June 30, 2005. The general fund transfers to nonmajor governmental funds include transfers for various construction projects in the capital project fund in addition to a large transfer to the Library special revenue fund to provide for various County Library upgrades and projects.

	Transfers in:				
	General Fund	Willamette River Bridges Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Transfers out:					
General Fund	\$ -	\$ -	\$ 18,595	\$ 696	\$19,291
Nonmajor Governmental Funds	1,553	4,703	1,344	-	7,600
Internal Service Funds	-	-	3,712	1,025	4,737
Total transfers out:	<u>\$1,553</u>	<u>\$ 4,703</u>	<u>\$ 23,651</u>	<u>\$1,721</u>	<u>\$31,628</u>

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F. Short-term debt

Tax Revenue Anticipation Note

The County issues short-term debt in order to meet current operational needs during months when property tax collections are slow. At July 1, 2004 the County issued \$20,000 in tax revenue anticipation notes. The notes carried an interest rate of 1.75% and were due at June 30, 2005. The County also issued short-term debt on July 1, 2005 in the amount of \$20,000 with \$300 received prior to year-end as a good faith deposit. The remaining funds were received on July 1, subsequent to year-end. Short-term liability activity for the year-ended June 30, 2005 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax revenue anticipation note, Series 2004	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ -
Tax revenue anticipation note, Series 2005	-	300	-	300	300
Totals	<u>\$ -</u>	<u>\$ 20,300</u>	<u>\$ 20,000</u>	<u>\$ 300</u>	<u>\$ 300</u>

G. Long-term debt

General Obligation Bonds

The County issues general obligation bonds to provide funds for the rehabilitation, construction and acquisition of various library and public safety facilities and related equipment. General obligation bonds have been issued for these governmental activities. The original amount of general obligation bonds issued in prior years was \$139,700. In February 1999, the County advance refunded a portion of these general obligation bonds by issuing \$66,115 in new general obligation bonds.

General obligation bonds are direct obligations, pledge the full faith and credit of the County and are backed by the County's authority to levy property taxes. These bonds are generally issued as 20-year serial bonds with equal amounts of principal and interest maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.70-5.65%	<u>\$ 81,025</u>

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Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 5,685	\$ 3,525
2007	5,960	3,256
2008	6,255	2,972
2009	6,555	2,677
2010	6,860	2,387
2011-2015	36,735	7,203
2016-2017	12,975	624
Total	<u>\$ 81,025</u>	<u>\$ 22,644</u>

Revenue Bonds

The County also issues bonds where the government pledges specific revenue sources or income derived from the acquired or constructed assets to pay debt service. In October 1998, the County issued \$3,155 of revenue bonds to finance constructing, renovating, improving and equipping County-owned facilities, and entered into a public / private partnership with the Regional Children's Campus (RCC), a 501(c)(3) non profit agency. In November 2000, the County issued \$2,000 of revenue bonds to finance the costs of acquiring land and constructing, renovating, improving and equipping certain facilities to be used as a vocational training center for developmentally disabled residents of Multnomah County. The County entered into a public / private partnership with Port City Development, a 501(c)(3) non profit agency. Also in November 2000, the County issued \$3,500 of revenue bonds to re-finance the costs of acquiring real property and constructing facility improvements related to the Oregon Food Bank. The total original amount of bonds issued in prior years was \$8,655.

Revenue bonds outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00-5.20%	<u>\$ 6,935</u>

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Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 515	\$ 314
2007	540	291
2008	560	267
2009	585	243
2010	620	215
2011-2015	3,575	596
2016	540	14
Total	<u>\$ 6,935</u>	<u>\$ 1,940</u>

Full Faith and Credit Bonds

On April 1, 1999, the County issued \$36,125 in Certificates of Participation with interest rates from 4.00% to 4.75% to finance the costs of acquiring land and facilities. In October 2004, the County advance refunded \$22,015 of the 1999 Certificates of Participation by issuing \$54,235 in full faith and credit bonds. Certificates of Participation are direct obligations and pledge the full faith and credit of the County. At June 30, 2005, \$7,770 of the 1999 Certificates of Participation were outstanding.

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds with interest rates from 6.49% to 7.74% to fund the County's unfunded accrued actuarial liability (UAAL). The County estimates that by funding the actuarial liability, the County will receive a present value savings of about \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Payment of principal and interest, except for a term bond, will be guaranteed by MBIA. At June 30, 2005, \$178,568 of these bonds were outstanding.

On April 1, 2000, the County issued \$61,215 in Full Faith and Credit Bonds with interest rates from 5.00% to 5.50% to finance the costs of acquiring and installing the integrated enterprise computer system, acquire land, acquire facilities and construct other County facilities and structures. In October 2004, the County advance refunded \$27,985 of these full faith and credit bonds by issuing \$54,235 in full faith and credit bonds. Full faith and credit bonds are direct obligations and pledge the full faith and credit of the County. At June 30, 2005, \$16,715 of these bonds were outstanding.

On May 15, 2003, the County issued \$9,615 in Full Faith and Credit Refunding Obligations, Series 2003 with interest rates from 1.50% to 3.25%. At June 30, 2005, \$8,775 of these bonds were outstanding.

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On October 1, 2004, the County issued \$54,235 in Full Faith and Credit Refunding Obligations, Series 2004 at a premium of \$5,089, with interest rates from 3.00% to 5.00%. This issue was used to refund \$27,985 of outstanding Full Faith and Credit Bonds, Series 2000 with interest rates from 5.00% to 5.50%, \$22,015 of outstanding Certificates of Participation, Series 1999 with interest rates from 4.00% to 4.75%, and \$4,960 of outstanding Certificates of Participation, Series 1998 with interest rates from 3.75% to 4.90%. The difference between the present value of the old debt service requirements and the present value of the new debt service requirements is a deferred charge of \$3,887, which is amortized as a component of interest expense over the life of the new debt. At June 30, 2005, the entire amount of this issue was outstanding.

Full faith and credit bond obligations outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.50-7.74%	<u>\$ 266,063</u>

Annual debt service requirements to maturity for full faith and credit bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 9,230	\$ 11,984
2007	10,420	11,490
2008	11,725	10,914
2009	11,700	10,246
2010	13,770	9,535
2011-2015	66,730	61,900
2016-2020	95,214	45,153
2021-2025	24,951	123,834
2026-2030	22,323	172,246
Total, before deferred charge	266,063	<u>\$ 457,302</u>
Deferred charge, net	(3,757)	
Premium on long-term debt, net	4,919	
Total	<u>\$ 267,225</u>	

Capital Leases

The County has entered into various lease/purchase agreements to acquire property and equipment. These lease agreements qualify as capital leases for accounting purposes and have been capitalized in accordance with accounting principles generally accepted in the United States of America. On June 30, 2005 the County entered into a new building lease which met the criteria for a capital lease. The

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building was capitalized at \$6,890 and the related debt was recorded to capital leases. Assets acquired through capital leases are as follows:

Asset	Governmental Activities
Buildings	\$ 73,251
Less: Accumulated depreciation	(19,578)
Total	<u>\$ 53,673</u>

Capital lease obligations outstanding at year-end are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.75-7.25%	<u>\$ 27,971</u>

Future minimum lease payments are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2006	\$ 3,191	\$ 1,317
2007	3,353	1,147
2008	3,539	966
2009	3,396	890
2010	2,865	842
2011-2015	10,955	1,619
2016	672	15
Total	<u>\$ 27,971</u>	<u>\$ 6,796</u>

Loans Payable

The County has entered into several loans with other governmental agencies for the purpose of making capital improvements. The loan obligations outstanding at year-end are as follows:

Purpose	Interest Rates	Amount
Governmental activities	5.65-7.20%	<u>\$ 542</u>

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Annual debt service requirements to maturity for long term loans outstanding at year-end are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 95	\$ 35
2007	87	27
2008	83	22
2009	90	15
2010	67	10
2011-2015	117	13
2016	3	-
Total	<u>\$ 542</u>	<u>\$ 122</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2005 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 86,445	\$ -	\$ 5,420	\$ 81,025	\$ 5,685
Revenue Bonds	7,425	-	490	6,935	515
Full Faith and Credit Bonds	270,203	55,397	58,375	267,225	9,310
Capital Leases	28,596	6,890	7,515	27,971	3,191
Loans Payable	634	-	92	542	95
Compensated Absences	17,247	22,022	20,650	18,619	5,565
Governmental activity long-term liabilities:	<u>\$ 410,550</u>	<u>\$ 84,309</u>	<u>\$ 92,542</u>	<u>\$ 402,317</u>	<u>\$ 24,361</u>
<u>Business-Type Activities</u>					
Compensated Absences	<u>\$ 15</u>	<u>\$ 38</u>	<u>\$ 34</u>	<u>\$ 19</u>	<u>\$ 9</u>

Defeased General Obligation Bonds

In prior years, the County defeased certain general obligation bond issues by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service on the old bonds. Accordingly, the trust account assets and related liability for the defeased bonds are not included in the County's financial statements. At June 30, 2005, the amount of these bonds outstanding totaled \$62,180.

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Defeased Full Faith and Credit Bonds

In the current year, the County defeased certain full faith and credit bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future service on the old bonds. Accordingly, the trust account assets and related liability for the defeased bonds are not included in the County's financial statements. At June 30, 2005, the amount of these bonds outstanding totaled \$27,985.

Defeased Certificates of Participation

In the current year, the County defeased certain Certificates of Participation by placing the proceeds of the new Full Faith and Credit bonds in irrevocable trusts to provide for all future service on the old debt. Accordingly, the trust account assets and related liability for the defeased debt are not included in the County's financial statements. At June 30, 2005, the amount of these bonds outstanding totaled \$26,975.

Conduit Financing

On November 1, 1997, the County issued \$31,600 in Educational Facilities Revenue Bonds which have not been recorded in the County's financial statements. The proceeds of these bonds were assigned to the University of Portland (the University) to finance capital improvements to the University, pay issue costs and advance refund \$17,750 of the Series 1994 issue. On April 1, 2000, the County issued an additional \$17,160 in Conduit Educational Revenue Bonds for the University to finance the construction of a student housing facility, parking garage and street lighting. These bonds are not recorded on the books of the County but are assigned 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 monies 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. As of June 30, 2005, \$38,300 of Educational Facilities Revenue Bonds were outstanding.

On December 3, 1998, the County created a component unit, the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). On March 1, 1999, the Authority issued \$26,000 in Hospital Revenue Bonds (Terwilliger Plaza). On December 4, 2003, the Authority issued an additional \$17,200 in Hospital Revenue Bonds (Holladay Park Plaza). On July 13, 2004, the Authority issued an additional

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\$100,000 in Hospital Revenue Bonds (Providence Health Systems). These bond issues have not been recorded as a liability for purposes of compliance with generally accepted accounting principles. The proceeds of these bonds were used by health care facilities to finance various capital projects and refund outstanding bonds. The Hospital Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the health care facilities. Terwilliger Plaza, Holladay Park Plaza, and Providence Health Systems have pledged the gross revenues of the health care facilities to secure payment of the bonds. The bonds shall not be payable from a charge upon any fund or asset, nor shall the County be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County. Upon completion of the project, the assets constructed or purchased are owned by Terwilliger Plaza, Holladay Park Plaza, and Providence Health Systems. Since the County does not own any of the assets or assume any of the liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County's financial statements. As of June 30, 2005, \$141,350 of these bonds were outstanding.

On December 1, 1999, the County issued \$9,830 in Higher Education Variable Rate Demand Revenue Bonds. The proceeds of these bonds were used to provide funds to reimburse Concordia University for the costs of acquiring, constructing and improving the educational facilities of University (the Project), fund a debt service reserve fund and pay the costs of issuing the bonds. The Higher Education Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by Concordia University. As the County does not own any of the assets constructed or assume any liabilities associated with the Project, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2005, \$8,880 of the Higher Education Variable Rate Demand Revenue Bonds were outstanding.

Note 4. Other information

A. Hospital Facilities Authority of Multnomah County

The primary purpose of the Authority is to issue conduit debt for various health care facilities. The Authority is a related organization for which the County is not financially accountable because the County does not control or have a financial benefit or burden relationship with the Authority even though the County's board is the same governing board as the Authority. At June 30, 2005 the net assets of the Authority were \$1,053.

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B. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County established risk management programs for liability and workers' compensation, whereby premiums are calculated on payroll expenses in all funds and are paid into the risk management fund. The funds are available to pay claims, claim reserves, and reduce administrative costs of the program. These interfund premiums are used to offset the amount of claims expenditure reported in the risk management fund. As of June 30, 2005, interfund premiums exceeded reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers claims in excess of \$750 for workers' compensation and \$1,000 for all other claims. Settlements have not exceeded coverages for each of the past three fiscal years.

Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal Year Ended 6/30/05	Fiscal Year Ended 6/30/04
Unpaid claims, beginning of fiscal year	\$ 10,590	\$ 10,006
Incurred claims (including IBNRs)	15,522	16,885
Claim payments	(15,872)	(16,301)
Unpaid claims, end of fiscal year	<u>\$ 10,240</u>	<u>\$ 10,590</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

C. Subsequent events

On July 1, 2005, the County issued \$20,000 in Tax and Revenue Anticipation Notes to meet current cash flow needs of the County, prior to the receipt of property tax revenues in November. The County received \$300 of these notes in June as a good faith deposit. This amount has been included in short-term debt, see note 3.F on page 60 for further detail. The interest rate on the notes is 4.0% and the yield is 2.6%. The notes mature on June 30, 2006.

D. Commitments and contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

The following is a schedule by years of future minimum rental payments required under operating leases for certain land, buildings and equipment used in governmental operations that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2005:

<u>Year ended June 30</u>	
2006	\$ 2,960
2007	2,176
2008	1,592
2009	1,727
2010	1,287
2011 - 2015	5,328
2016 - 2020	2,013
2021 - 2025	1,450
2026 - 2030	1,564
2031 - 2035	917
Total minimum payments	<u>\$ 21,014</u>

The County recorded \$3,908 in rent expense for the year ended June 30, 2005.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

E. Other post employment benefits

The County provides postretirement health care benefits, as per the requirements of collective bargaining agreements, for certain retirees and their dependents. The benefits vary by agreement, and depend upon a retiree's years of service. In general, the County pays 50% of the premiums of health care coverage for retirees from age 58 to age 65. The County's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

At June 30, 2005, there were 534 retirees that were receiving the post employment health care benefit. The County finances the plan by creating a reserve account that meets the actuarially determined amount of benefits that will be payable in the future. For the year ended June 30, 2005, the County paid \$2,352 for these benefits, which was net of \$2,713 of retiree contributions. The County has recorded a liability on the Statement of Net Assets for these post employment benefits in the amount of \$55,190.

F. Employee retirement systems, pension plans and deferred compensation plan

Pension plans

The County participates in the Oregon Public Employees Retirement System, a cost-sharing multiple-employer defined benefit public employee pension plan that covers substantially all employees; maintains a single employer defined benefit plan for employees transferred to the County from the former Library Association of Portland; and maintains a defined contribution plan for substantially all County employees for the purpose of individual retirement savings.

Oregon Public Employees Retirement System (PERS)

Plan description. The County participates in PERS, a cost-sharing, multiple-employer defined benefit pension plan administered by the PERS Pension board. PERS provides retirement, disability, and death benefits to plan members and their beneficiaries. State statutes authorize the State to establish and amend all plan provisions. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The reports may be obtained by writing:

PERS
PO Box 23700
Tigard, OR 97281-3700

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

Summary of significant accounting policies – basis of accounting and valuation of investments. The financial statements of PERS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair market value.

Funding policy. The contribution requirements of the County are established and may be amended by the State. The County is contractually obligated by collective bargaining agreements to contribute the required 6.0% of annual covered payroll. The County is also required to contribute at an actuarially determined rate; the current rate is 6.78% of annual covered payroll. In addition to the funding requirements, the County also charges an internal rate of 5.25% of payroll to departments to fund the repayment of the pension obligation bonds issued in 1999.

Annual pension cost. For 2005, the County's annual pension cost of \$22,969 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age normal actuarial cost method. This actuarial valuation is the most recent available at the time of printing this report. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 3.5% per year, and (c) projected wage growth, excluding seniority / merit raises, of 4.25% per year. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 2003, was 24 years.

Three Year Trend Information for PERS

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/03	\$ 31,419	100%	\$ -
6/30/04	27,388	100%	-
6/30/05	22,969	100%	-

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

Following is a Schedule of Funding Progress for PERS:

Public Employees Retirement System Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) – Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/93	\$ 147,577	\$ 249,433	\$ 101,856	59%	\$122,873	83%
12/31/95	201,614	330,154	128,540	61%	142,614	90%
12/31/97	291,095	449,588	158,493	65%	155,915	102%
12/31/99	935,746	859,337	(76,409)	109%	191,152	(40)%
12/31/01	1,292,287	1,088,583	(203,703)	119%	207,148	(98)%
12/31/03	1,237,061	1,287,860	50,799	96%	209,437	24%

The actuarial information included in the above table was prepared using the recently enacted amendments to PERS. The amendments made changes to the actuarial equivalency factors affecting retirement benefit amounts and calculation methods.

Multnomah County Library Retirement Plan

Plan description, summary of significant accounting policies, and funding requirements. The Multnomah County Library Retirement Plan is a single employer defined contribution plan. Prior to July 1, 1990, the Plan was administered by the Library Association of Portland (the Association), a not-for-profit association. Effective July 1, 1990, the Association was transferred to the County, and the County Board of Commissioners became responsible for amending Plan provisions. The Principal Financial Group is contracted by the County to be the trustee of the Plan, and the County's Chief Financial Officer is the Plan administrator. The Plan is now closed and all employees transferred are covered by PERS. The Plan does not issue a stand alone financial report. All related financial data is contained in this report, and is prepared using the accrual basis of accounting.

All former Association employees who were 21 years of age and had completed two years of service were eligible to participate in the Plan. 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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

At June 30, 2005, there were 266 plan members. Current employees have an annual covered payroll of \$5,175. The total payroll and covered payroll are the same because the Plan is frozen. There are 121 participants currently receiving benefits. The assets of the Plan consist of unallocated insurance contracts and therefore are appropriately valued at contract value. Employer contributions to the Plan, participant benefits, and participant refunds are recognized using the accrual basis of accounting. The costs of administering the Plan are deducted from the earnings. The annual required contribution, or annual pension cost, of the County was \$0, due to the Plan being fully funded. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the unit credit pro rate actuarial cost method. This actuarial valuation is the most recent available at the time of printing this report. The actuarial assumptions included (a) 6.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 3.0% per year, (c) projected wage growth of 3.0% per year and (d) adjustments to the retirement benefits related to the consumer price index of up to 2.0% per year. The remaining amortization period at December 31, 2003, was 18 years.

Following is a Schedule of Funding Progress for the Plan:

Multnomah County Library Retirement Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/98	\$ 5,655	\$ 6,715	\$ 1,060	84%	\$ 5,433	20%
1/1/99	10,750	11,445	695	94%	5,422	13%
1/1/00	10,998	11,321	323	97%	5,056	6%
1/1/01	11,197	11,240	43	100%	5,008	1%
1/1/02	13,273	11,552	(1,721)	115%	5,255	(33%)
1/1/03	14,739	13,014	(1,725)	113%	4,946	(35%)
1/1/04	14,332	12,912	(1,420)	111%	4,990	(28%)

Deferred Compensation Plan

Plan description. The County offers employees a deferred compensation plan (the Plan) administered by the County. The Plan is a defined contribution plan created in accordance with Internal Revenue Code Section 457. The Plan is available to all represented and non-represented County employees, and permits them to defer a portion of their salary until future years. Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency. All

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005
(dollar amounts expressed in thousands)

assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. No Plan assets have been used for purposes other than the payment of benefits.

At June 30, 2005, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$120,990. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Strategic Investment Program Fund
- Road Fund
- Emergency Communications Fund
- Bicycle Path Construction Fund
- County School Fund
- General Reserve Fund
- Land Corner Preservation Fund
- Tax Title Land Sales Fund
- Animal Control Fund
- Recreation Fund
- Library Fund
- Justice Services Special Operations Fund
- Inmate Welfare Fund
- Special Excise Tax Fund

Debt Service Funds

- Capital Debt Retirement Fund
- General Obligation Bond Fund
- PERS Pension Bond Fund
- Revenue Bond Fund

Capital Projects Funds

- Justice Bond Project
- SB 1145 Fund
- Building Project Fund
- Library Construction / 1996 Bonds Fund
- Capital Improvement Fund
- Capital Acquisition Fund
- Asset Preservation Fund

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 26,937	\$ 24,303	\$ 16,650	\$ 67,890
Receivables:				
Taxes	3,220	439	-	3,659
Accounts	5,272	114	3,024	8,410
Contracts	1,858	5,228	1,435	8,521
Due from other funds	-	-	1,100	1,100
Inventories	954	-	-	954
Prepaid items	157	-	-	157
Restricted cash and investments	1,059	1,597	-	2,656
Total assets	<u>\$ 39,457</u>	<u>\$ 31,681</u>	<u>\$ 22,209</u>	<u>\$ 93,347</u>
LIABILITIES				
Accounts payable	\$ 9,067	\$ -	\$ 4,046	\$ 13,113
Payrolls payable	783	-	1	784
Due to other funds	-	-	6,350	6,350
Deferred revenue	3,324	5,576	1,736	10,636
Total liabilities	<u>13,174</u>	<u>5,576</u>	<u>12,133</u>	<u>30,883</u>
FUND BALANCES				
Reserved for capital projects	-	-	10,076	10,076
Reserved for debt service	-	26,105	-	26,105
Reserved for inventories	954	-	-	954
Reserved for prepaid items	157	-	-	157
Unreserved, undesignated	25,172	-	-	25,172
Total fund balances	<u>26,283</u>	<u>26,105</u>	<u>10,076</u>	<u>62,464</u>
Total liabilities and fund balances	<u>\$ 39,457</u>	<u>\$ 31,681</u>	<u>\$ 22,209</u>	<u>\$ 93,347</u>

MULTNOMAH COUNTY, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 50,858	\$ 7,888	\$ -	\$ 58,746
Intergovernmental	32,730	-	369	33,099
Licenses and permits	2,577	-	-	2,577
Charges for services	7,279	450	2,596	10,325
Interest	822	502	545	1,869
Other	2,409	31,609	2,491	36,509
Total revenues	<u>96,675</u>	<u>40,449</u>	<u>6,001</u>	<u>143,125</u>
EXPENDITURES				
Current:				
General government	2,010	728	5,618	8,356
Social services	64	-	-	64
Public safety and justice	4,753	-	6,047	10,800
Community services	16,696	-	1,934	18,630
Library services	44,475	-	71	44,546
Roads and bridges	34,559	-	-	34,559
Capital outlay	3,088	-	5,111	8,199
Debt service:				
Principal	-	16,929	-	16,929
Interest	-	17,300	-	17,300
Total expenditures	<u>105,645</u>	<u>34,957</u>	<u>18,781</u>	<u>159,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,970)</u>	<u>5,492</u>	<u>(12,780)</u>	<u>(16,258)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from refunding bonds	-	54,235	-	54,235
Premium on long-term debt	-	5,089	-	5,089
Payments to escrow agent - defeased debt	-	(58,847)	-	(58,847)
Transfers in	17,451	1,348	4,852	23,651
Transfers out	(6,316)	(1,200)	(84)	(7,600)
Total other financing sources (uses)	<u>11,135</u>	<u>625</u>	<u>4,768</u>	<u>16,528</u>
Net change in fund balances	<u>2,165</u>	<u>6,117</u>	<u>(8,012)</u>	<u>270</u>
Fund balances - beginning	<u>24,118</u>	<u>19,988</u>	<u>18,088</u>	<u>62,194</u>
Fund balances - ending	<u>\$ 26,283</u>	<u>\$ 26,105</u>	<u>\$ 10,076</u>	<u>\$ 62,464</u>

NONMAJOR 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.
- **Bicycle Path Construction Fund** - accounts for revenue and expenditures for bicycle paths. Revenue is one percent of State motor vehicle fees.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **General Reserve Fund** – accounts for a reserve maintained separate from the General Fund at approximately 5% of the total budgeted revenues of the General Fund, to be used only for extreme emergencies related to disaster relief or public life and safety issues.
- **Land 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.
- **Recreation Fund** - accounts for State revenues and the pass through disbursements to Metro for the operation of parks.
- **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 justice department, district attorney's office, and sheriff's office.
- **Inmate Welfare Fund** - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- **Special Excise Tax Fund** - accounts for a transient lodging tax and motor vehicle tax collection to be used for convention center expenditures.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Bicycle Path Construction	County School	General Reserve
ASSETS						
Cash and investments	\$ 1,228	\$ 3,097	\$ 5	\$ 339	\$ -	\$ 11,952
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	3,928	89	-	-	9
Contracts	-	-	-	-	-	1,700
Inventories	-	720	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted investments	-	1,059	-	-	-	-
Total assets	<u>\$ 1,228</u>	<u>\$ 8,804</u>	<u>\$ 94</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$ 13,661</u>
LIABILITIES						
Accounts payable	\$ 139	\$ 5,276	\$ -	\$ -	\$ -	\$ -
Payroll Payable	-	156	-	-	-	-
Deferred revenue	-	213	-	-	-	1,700
Total liabilities	<u>139</u>	<u>5,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,700</u>
FUND BALANCES						
Reserved for inventories	-	720	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-
Unreserved, undesignated	1,089	2,439	94	339	-	11,961
Total fund balances	<u>1,089</u>	<u>3,159</u>	<u>94</u>	<u>339</u>	<u>-</u>	<u>11,961</u>
Total liabilities and fund balances	<u>\$ 1,228</u>	<u>\$ 8,804</u>	<u>\$ 94</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$ 13,661</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Total
\$ 1,065	\$ 785	\$ -	\$ 6	\$ 6,502	\$ 172	\$ 1,387	\$ 399	\$ 26,937
7	-	-	-	1,235	-	-	1,978	3,220
-	-	12	18	870	244	40	62	5,272
-	158	-	-	-	-	-	-	1,858
-	234	-	-	-	-	-	-	954
-	-	-	-	157	-	-	-	157
-	-	-	-	-	-	-	-	1,059
<u>\$ 1,072</u>	<u>\$ 1,177</u>	<u>\$ 12</u>	<u>\$ 24</u>	<u>\$ 8,764</u>	<u>\$ 416</u>	<u>\$ 1,427</u>	<u>\$ 2,439</u>	<u>\$ 39,457</u>
\$ 19	\$ 481	\$ -	\$ 24	\$ 876	\$ 76	\$ 55	\$ 2,121	\$ 9,067
12	4	-	-	552	46	13	-	783
-	392	-	-	1,019	-	-	-	3,324
<u>31</u>	<u>877</u>	<u>-</u>	<u>24</u>	<u>2,447</u>	<u>122</u>	<u>68</u>	<u>2,121</u>	<u>13,174</u>
-	234	-	-	-	-	-	-	954
-	-	-	-	157	-	-	-	157
1,041	66	12	-	6,160	294	1,359	318	25,172
<u>1,041</u>	<u>300</u>	<u>12</u>	<u>-</u>	<u>6,317</u>	<u>294</u>	<u>1,359</u>	<u>318</u>	<u>26,283</u>
<u>\$ 1,072</u>	<u>\$ 1,177</u>	<u>\$ 12</u>	<u>\$ 24</u>	<u>\$ 8,764</u>	<u>\$ 416</u>	<u>\$ 1,427</u>	<u>\$ 2,439</u>	<u>\$ 39,457</u>

MULTNOMAH COUNTY, OREGON
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Strategic Investment Program	Roads	Emergency Communications	Bicycle Path Construction	County School	General Reserve
REVENUES						
Taxes	\$ 1,492	\$ 7,404	\$ -	\$ -	\$ 220	\$ -
Intergovernmental	-	31,581	243	-	11	-
Licenses and permits	-	67	-	-	-	-
Charges for services	-	867	-	-	-	541
Interest	-	218	3	6	-	252
Other:						
Grants and contributions	-	-	-	-	-	-
Service reimbursements	-	-	-	-	-	-
Miscellaneous	-	86	-	-	-	-
Total revenues	<u>1,492</u>	<u>40,223</u>	<u>246</u>	<u>6</u>	<u>231</u>	<u>793</u>
EXPENDITURES						
Current:						
General government	1,139	57	-	-	-	-
Social services	64	-	-	-	-	-
Public safety and justice	-	-	-	-	-	-
Community services	-	-	210	5	231	-
Library services	-	-	-	-	-	-
Roads and bridges	-	33,901	-	-	-	-
Capital outlay	-	2,965	-	-	-	-
Total expenditures	<u>1,203</u>	<u>36,923</u>	<u>210</u>	<u>5</u>	<u>231</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>289</u>	<u>3,300</u>	<u>36</u>	<u>1</u>	<u>-</u>	<u>793</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	61	-	-
Transfers out	(578)	(4,763)	-	-	-	-
Total other financing sources (uses)	<u>(578)</u>	<u>(4,763)</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(289)	(1,463)	36	62	-	793
Fund balance - beginning	1,378	4,622	58	277	-	11,168
Fund balance - ending	<u>\$ 1,089</u>	<u>\$ 3,159</u>	<u>\$ 94</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$ 11,961</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Total
\$ -	\$ 355	\$ -	\$ 113	\$ 25,149	\$ -	\$ -	\$ 16,125	\$ 50,858
-	-	100	-	764	31	-	-	32,730
-	1	792	-	89	1,628	-	-	2,577
951	395	95	-	1,799	1,113	1,518	-	7,279
-	63	-	-	238	10	22	10	822
-	-	-	-	1,451	-	-	-	1,451
-	-	-	-	-	151	-	-	151
-	-	-	-	2	1	718	-	807
951	814	987	113	29,492	2,934	2,258	16,135	96,675
-	814	-	-	-	-	-	-	2,010
-	-	-	-	-	-	-	-	64
-	-	-	-	-	3,218	1,535	-	4,753
-	-	-	113	-	-	-	16,137	16,696
-	-	-	-	44,475	-	-	-	44,475
658	-	-	-	-	-	-	-	34,559
-	-	-	-	8	115	-	-	3,088
658	814	-	113	44,483	3,333	1,535	16,137	105,645
293	-	987	-	(14,991)	(399)	723	(2)	(8,970)
-	-	-	-	17,390	-	-	-	17,451
-	-	(975)	-	-	-	-	-	(6,316)
-	-	(975)	-	17,390	-	-	-	11,135
293	-	12	-	2,399	(399)	723	(2)	2,165
748	300	-	-	3,918	693	636	320	24,118
\$ 1,041	\$ 300	\$ 12	\$ -	\$ 6,317	\$ 294	\$ 1,359	\$ 318	\$ 26,283

MULTNOMAH COUNTY, OREGON
Strategic Investment Program Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes	\$ 1,743	\$ 1,743	\$ 1,492	\$ (251)
Total revenues	1,743	1,743	1,492	(251)
EXPENDITURES				
Nondepartmental	1,954	1,954	1,139	815
School and community	284	284	64	220
Total expenditures	2,238	2,238	1,203	1,035
Excess (deficiency) of revenues over (under) expenditures	(495)	(495)	289	784
OTHER FINANCING USES				
Transfers out	(710)	(710)	(578)	132
Net change in fund balances	(1,205)	(1,205)	(289)	916
Fund balances - beginning	1,205	1,205	1,378	173
Fund balances - ending	\$ -	\$ -	\$ 1,089	\$ 1,089

MULTNOMAH COUNTY, OREGON

Road Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2005

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Gasoline	\$ 7,700	\$ 7,700	\$ 6,744	\$ (956)
Forest reserve yield	654	654	660	6
Intergovernmental	33,211	33,211	31,581	(1,630)
Licenses and permits	65	65	67	2
Charges for services	465	465	867	402
Interest	212	212	218	6
Miscellaneous	931	931	86	(845)
Total revenues	<u>43,238</u>	<u>43,238</u>	<u>40,223</u>	<u>(3,015)</u>
EXPENDITURES				
Business and community services	<u>42,792</u>	<u>42,792</u>	<u>36,923</u>	<u>5,869</u>
Excess of revenues over expenditures	446	446	3,300	2,854
OTHER FINANCING USES				
Transfers out	<u>(5,343)</u>	<u>(5,343)</u>	<u>(4,763)</u>	<u>580</u>
Net change in fund balances	<u>(4,897)</u>	<u>(4,897)</u>	<u>(1,463)</u>	<u>3,434</u>
Fund balances - beginning	<u>4,897</u>	<u>4,897</u>	<u>4,622</u>	<u>(275)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,159</u>	<u>\$ 3,159</u>

MULTNOMAH COUNTY, OREGON
Emergency Communications Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 208	\$ 208	\$ 243	\$ 35
Interest	2	2	3	1
Total revenues	210	210	246	36
EXPENDITURES				
Sheriff	210	210	210	-
Excess of revenues over expenditures	-	-	36	36
Fund balances - beginning	-	-	58	58
Fund balances - ending	\$ -	\$ -	\$ 94	\$ 94

MULTNOMAH COUNTY, OREGON
Bicycle Path Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 3	\$ 3	\$ 6	\$ 3
Total revenues	3	3	6	3
EXPENDITURES				
Business and community services	330	330	5	325
Total expenditures	330	330	5	325
Excess (deficiency) of revenues over (under) expenditures	(327)	(327)	1	328
OTHER FINANCING SOURCES				
Transfers in	56	56	61	5
Net change in fund balances	(271)	(271)	62	333
Fund balances - beginning	271	271	277	6
Fund balances - ending	\$ -	\$ -	\$ 339	\$ 339

MULTNOMAH COUNTY, OREGON
County School Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Forest reserve yield	\$ 220	\$ 230	\$ 220	\$ (10)
Intergovernmental	-	-	11	11
Interest	-	1	-	(1)
Total revenues	<u>220</u>	<u>231</u>	<u>231</u>	<u>-</u>
EXPENDITURES				
Nondepartmental	<u>220</u>	<u>231</u>	<u>231</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
General Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 156	\$ 156	\$ 541	\$ 385
Interest	150	150	252	102
Total revenues	306	306	793	487
EXPENDITURES				
Nondepartmental	11,656	11,656	-	11,656
Excess (deficiency) of revenues over (under) expenditures	(11,350)	(11,350)	793	12,143
Fund balances - beginning	11,350	11,350	11,168	(182)
Fund balances - ending	\$ -	\$ -	\$ 11,961	\$ 11,961

MULTNOMAH COUNTY, OREGON
Land Corner Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 850	\$ 850	\$ 951	\$ 101
Total revenues	850	850	951	101
EXPENDITURES				
Business and community services	915	915	658	257
Nondepartmental	743	743	-	743
Total expenditures	1,658	1,658	658	1,000
Excess (deficiency) of revenues over (under) expenditures	(808)	(808)	293	1,101
Fund balances - beginning	808	808	748	(60)
Fund balances - ending	\$ -	\$ -	\$ 1,041	\$ 1,041

MULTNOMAH COUNTY, OREGON
Tax Title Land Sales Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Sales on foreclosures	\$ 29	\$ 29	\$ 355	\$ 326
Intergovernmental	200	200	-	(200)
Licenses and permits	1	1	1	-
Charges for services	371	371	395	24
Interest	20	20	63	43
Total revenues	621	621	814	193
EXPENDITURES				
Business and community services	921	921	814	107
Total expenditures	921	921	814	107
Deficiency of revenues under expenditures	(300)	(300)	-	300
Fund balances - beginning	300	300	300	-
Fund balances - ending	\$ -	\$ -	\$ 300	\$ 300

MULTNOMAH COUNTY, OREGON
Animal Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 100	\$ 100
Licenses and permits	871	871	792	(79)
Charges for services	145	145	95	(50)
Miscellaneous	100	100	-	(100)
Total revenues	1,116	1,116	987	(129)
OTHER FINANCING USES				
Transfers out	(1,116)	(1,116)	(975)	141
Net change in fund balances	-	-	12	12
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 12	\$ 12

MULTNOMAH COUNTY, OREGON
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Gasoline	\$ 116	\$ 116	\$ 113	\$ (3)
EXPENDITURES				
Business and community services	116	116	113	3
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON

Library Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2005

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - property	\$ 23,845	\$ 23,845	\$ 25,149	\$ 1,304
Intergovernmental	686	686	764	78
Licenses and permits	85	85	89	4
Charges for services	1,553	1,553	1,799	246
Interest	70	70	238	168
Other:				
Grants and contributions	1,228	1,228	1,451	223
Miscellaneous	91	91	2	(89)
Total revenues	<u>27,558</u>	<u>27,558</u>	<u>29,492</u>	<u>1,934</u>
EXPENDITURES				
Library	<u>45,948</u>	<u>45,948</u>	<u>44,483</u>	<u>1,465</u>
Deficiency of revenues under expenditures	(18,390)	(18,390)	(14,991)	3,399
OTHER FINANCING SOURCES				
Transfers in	<u>17,390</u>	<u>17,390</u>	<u>17,390</u>	<u>-</u>
Net change in fund balances	(1,000)	(1,000)	2,399	3,399
Fund balances - beginning	<u>1,000</u>	<u>1,000</u>	<u>3,918</u>	<u>2,918</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,317</u>	<u>\$ 6,317</u>

MULTNOMAH COUNTY, OREGON
Justice Services Special Operations Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 38	\$ 38	\$ 31	\$ (7)
Licenses and permits	1,629	1,678	1,628	(50)
Charges for services	1,249	1,249	1,113	(136)
Interest	1	1	10	9
Other:				
Service reimbursements	122	122	151	29
Miscellaneous	-	-	1	1
Total revenues	3,039	3,088	2,934	(154)
EXPENDITURES				
Community justice services	952	952	835	117
District attorney	104	104	39	65
Sheriff	2,410	2,459	2,459	-
Total expenditures	3,466	3,515	3,333	182
Deficiency of revenues under expenditures	(427)	(427)	(399)	28
Fund balances - beginning	427	427	693	266
Fund balances - ending	\$ -	\$ -	\$ 294	\$ 294

MULTNOMAH COUNTY, OREGON
Inmate Welfare Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 1,288	\$ 1,528	\$ 1,518	\$ (10)
Interest	-	-	22	22
Miscellaneous	22	22	718	696
Total revenues	<u>1,310</u>	<u>1,550</u>	<u>2,258</u>	<u>708</u>
EXPENDITURES				
Community justice services	19	19	18	1
Sheriff	<u>1,420</u>	<u>1,660</u>	<u>1,517</u>	<u>143</u>
Total expenditures	<u>1,439</u>	<u>1,679</u>	<u>1,535</u>	<u>144</u>
Excess (deficiency) of revenues				
over (under) expenditures	(129)	(129)	723	852
Fund balances - beginning	<u>129</u>	<u>129</u>	<u>636</u>	<u>507</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,359</u>	<u>\$ 1,359</u>

MULTNOMAH COUNTY, OREGON
Special Excise Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes	\$ 15,500	\$ 15,825	\$ 16,125	\$ 300
Interest	13	13	10	(3)
Total revenues	15,513	15,838	16,135	297
EXPENDITURES				
Nondepartmental	15,813	16,138	16,137	1
Deficiency of revenues under expenditures	(300)	(300)	(2)	298
Fund balances - beginning	300	300	320	20
Fund balances - ending	\$ -	\$ -	\$ 318	\$ 318

NONMAJOR 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 Debt Retirement Fund** – accounts for lease-purchase and full faith and credit principal and interest payments for buildings and major pieces of equipment acquired by the issuance of certificates of participation, lease-purchase arrangements and full faith and credit bonds. Revenues consist of certificates of participation proceeds, bond proceeds, service reimbursements and cash transfers from other County funds.
- **General Obligation Bond Fund** – accounts for payment of principal and interest on general obligation bonds. Revenue is derived from property taxes and interest.
- **PERS Pension Bond Fund** – accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's PERS unfunded liability. Revenues consist of charges to departments and interest.
- **Revenue Bond Fund** – accounts for payment of principal and interest on bonds to be issued to construct various facilities. The revenues are derived from the lease payments on the facilities and interest.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2005
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
ASSETS					
Cash and investments	\$ 469	\$ 7,466	\$ 14,809	\$ 1,559	\$ 24,303
Receivables:					
Taxes	-	439	-	-	439
Accounts	-	-	-	114	114
Contracts	-	-	-	5,228	5,228
Restricted cash	992	-	-	605	1,597
Total assets	<u>\$ 1,461</u>	<u>\$ 7,905</u>	<u>\$ 14,809</u>	<u>\$ 7,506</u>	<u>\$ 31,681</u>
LIABILITIES					
Deferred revenue	<u>\$ -</u>	<u>\$ 348</u>	<u>\$ -</u>	<u>\$ 5,228</u>	<u>\$ 5,576</u>
FUND BALANCES					
Reserved for debt service	1,461	7,557	14,809	2,278	26,105
Total liabilities and fund balances	<u>\$ 1,461</u>	<u>\$ 7,905</u>	<u>\$ 14,809</u>	<u>\$ 7,506</u>	<u>\$ 31,681</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
REVENUES					
Taxes	\$ -	\$ 7,888	\$ -	\$ -	\$ 7,888
Charges for services	-	-	-	450	450
Interest	29	161	279	33	502
Other - service reimbursements	13,344	-	18,265	-	31,609
Total revenues	<u>13,373</u>	<u>8,049</u>	<u>18,544</u>	<u>483</u>	<u>40,449</u>
EXPENDITURES					
Current:					
General government	478	2	1	247	728
Debt service:					
Principal	8,484	5,420	2,535	490	16,929
Interest	<u>5,015</u>	<u>3,786</u>	<u>8,163</u>	<u>336</u>	<u>17,300</u>
Total expenditures	<u>13,977</u>	<u>9,208</u>	<u>10,699</u>	<u>1,073</u>	<u>34,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(604)</u>	<u>(1,159)</u>	<u>7,845</u>	<u>(590)</u>	<u>5,492</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds	54,235	-	-	-	54,235
Premium on long-term debt	5,089	-	-	-	5,089
Payments to escrow agent - defeased debt	(58,847)	-	-	-	(58,847)
Transfers in	1,200	-	-	148	1,348
Transfers out	-	-	(1,200)	-	(1,200)
Total other financing sources (uses)	<u>1,677</u>	<u>-</u>	<u>(1,200)</u>	<u>148</u>	<u>625</u>
Net change in fund balances	<u>1,073</u>	<u>(1,159)</u>	<u>6,645</u>	<u>(442)</u>	<u>6,117</u>
Fund balances - beginning	388	8,716	8,164	2,720	19,988
Fund balances - ending	<u>\$ 1,461</u>	<u>\$ 7,557</u>	<u>\$ 14,809</u>	<u>\$ 2,278</u>	<u>\$ 26,105</u>

MULTNOMAH COUNTY, OREGON
Capital Debt Retirement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ -	\$ -	\$ 29	\$ 29
Other - service reimbursements	12,383	12,383	13,344	961
Total revenues	12,383	12,383	13,373	990
EXPENDITURES				
Nondepartmental	14,036	14,036	13,977	59
Deficiency of revenues under expenditures	(1,653)	(1,653)	(604)	1,049
OTHER FINANCING SOURCES (USES)				
Proceeds from refunding bonds	-	-	54,235	54,235
Premium on long-term debt	-	-	5,089	5,089
Payments to escrow agent - defeased debt	-	-	(58,847)	(58,847)
Transfers in	1,200	1,200	1,200	-
Total other financing sources	1,200	1,200	1,677	477
Net change in fund balances	(453)	(453)	1,073	1,526
Fund balances - beginning	453	453	388	(65)
Fund balances - ending	\$ -	\$ -	\$ 1,461	\$ 1,461

MULTNOMAH COUNTY, OREGON
General Obligation Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Property:				
Current year	\$ 7,841	\$ 7,841	\$ 7,655	\$ (186)
Prior years'	-	-	206	206
Penalties and interest	-	-	24	24
Sales on foreclosures	-	-	3	3
Interest	100	100	161	61
Total revenues	<u>7,941</u>	<u>7,941</u>	<u>8,049</u>	<u>108</u>
EXPENDITURES				
Nondepartmental	<u>16,720</u>	<u>16,720</u>	<u>9,208</u>	<u>7,512</u>
Deficiency of revenues under expenditures	<u>(8,779)</u>	<u>(8,779)</u>	<u>(1,159)</u>	<u>7,620</u>
Fund balances - beginning	<u>8,779</u>	<u>8,779</u>	<u>8,716</u>	<u>(63)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,557</u>	<u>\$ 7,557</u>

MULTNOMAH COUNTY, OREGON
PERS Pension Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 100	\$ 100	\$ 279	\$ 179
Other - service reimbursements	18,023	18,023	18,265	242
Total revenues	18,123	18,123	18,544	421
EXPENDITURES				
Nondepartmental	22,823	22,823	10,699	12,124
Excess (deficiency) of revenues over (under) expenditures	(4,700)	(4,700)	7,845	12,545
OTHER FINANCING USES				
Transfers out	(1,200)	(1,200)	(1,200)	-
Net change in fund balances	(5,900)	(5,900)	6,645	12,545
Fund balances - beginning	5,900	5,900	8,164	2,264
Fund balances - ending	\$ -	\$ -	\$ 14,809	\$ 14,809

MULTNOMAH COUNTY, OREGON
Revenue Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 427	\$ 427	\$ 450	\$ 23
Interest	30	30	33	3
Total revenues	457	457	483	26
EXPENDITURES				
Nondepartmental	3,348	3,348	1,073	2,275
Deficiency of revenues under expenditures	(2,891)	(2,891)	(590)	2,301
OTHER FINANCING SOURCES				
Transfers in	148	148	148	-
Net change in fund balances	(2,743)	(2,743)	(442)	2,301
Fund balances - beginning	2,743	2,743	2,720	(23)
Fund balances - ending	\$ -	\$ -	\$ 2,278	\$ 2,278

NONMAJOR CAPITAL PROJECTS FUNDS

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

- **Justice Bond Project Fund** – accounts for projects to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities and pay for data processing linkages in the Corrections system.
- **SB 1145 Fund** - accounts for State revenue to build jail beds to house convicted felons with sentences less than twelve months.
- **Building Project Fund** - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- **Library Construction / 1996 Bonds Fund** - accounts for the renovation of branch libraries and upgrades to Library computer systems and linkages.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Capital Acquisition Fund** - accounts for purchase of personal computers and capital purchases with economic payoffs of less than five years.
- **Asset Preservation Fund** – accounts for the expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement, etc. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005
(amounts expressed in thousands)

	Justice Bond Project	SB 1145	Building Project	Library Construction / 1996 Bonds
ASSETS				
Cash and investments	\$ 5,738	\$ 31	\$ 345	\$ 721
Receivables:				
Accounts	1,235	1,069	-	181
Contracts	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 6,973</u>	<u>\$ 1,100</u>	<u>\$ 345</u>	<u>\$ 902</u>
LIABILITIES				
Accounts payable	\$ 928	\$ -	\$ 16	\$ 17
Payroll payable	-	-	-	-
Due to other funds	4,085	1,100	1,165	-
Deferred revenue	-	-	-	-
Total liabilities	<u>5,013</u>	<u>1,100</u>	<u>1,181</u>	<u>17</u>
FUND BALANCES				
Reserved for capital projects	1,960	-	(836)	885
Total liabilities and fund balances	<u>\$ 6,973</u>	<u>\$ 1,100</u>	<u>\$ 345</u>	<u>\$ 902</u>

Capital Improvement	Capital Acquisition	Asset Preservation	Total
\$ 4,934	\$ 2,507	\$ 2,374	\$ 16,650
539	-	-	3,024
822	613	-	1,435
-	-	1,100	1,100
<u>\$ 6,295</u>	<u>\$ 3,120</u>	<u>\$ 3,474</u>	<u>\$ 22,209</u>
\$ 2,960	\$ 11	\$ 114	\$ 4,046
-	1	-	1
-	-	-	6,350
1,122	614	-	1,736
<u>4,082</u>	<u>626</u>	<u>114</u>	<u>12,133</u>
2,213	2,494	3,360	10,076
<u>\$ 6,295</u>	<u>\$ 3,120</u>	<u>\$ 3,474</u>	<u>\$ 22,209</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Justice Bond Project	SB 1145	Building Project	Library Construction / 1996 Bonds
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	1,833	-	-	-
Interest	200	-	11	27
Other:				
Service reimbursements	-	-	-	-
Miscellaneous	-	-	-	18
Total revenues	<u>2,033</u>	<u>-</u>	<u>11</u>	<u>45</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety and justice	6,047	-	-	-
Community services	-	-	298	-
Library services	-	-	-	71
Capital outlay	362	-	68	712
Total expenditures	<u>6,409</u>	<u>-</u>	<u>366</u>	<u>783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,376)</u>	<u>-</u>	<u>(355)</u>	<u>(738)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	930	-	210	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>930</u>	<u>-</u>	<u>210</u>	<u>-</u>
Net change in fund balances	<u>(3,446)</u>	<u>-</u>	<u>(145)</u>	<u>(738)</u>
Fund balances - beginning	5,406	-	(691)	1,623
Fund balances - ending	<u>\$ 1,960</u>	<u>\$ -</u>	<u>\$ (836)</u>	<u>\$ 885</u>

Capital Improvement	Capital Acquisition	Asset Preservation	Total
\$ 369	\$ -	\$ -	\$ 369
738	25	-	2,596
149	62	96	545
-	2,447	-	2,447
26	-	-	44
<u>1,282</u>	<u>2,534</u>	<u>96</u>	<u>6,001</u>
3,562	2,056	-	5,618
-	-	-	6,047
-	-	1,636	1,934
-	-	-	71
<u>3,544</u>	<u>75</u>	<u>350</u>	<u>5,111</u>
<u>7,106</u>	<u>2,131</u>	<u>1,986</u>	<u>18,781</u>
<u>(5,824)</u>	<u>403</u>	<u>(1,890)</u>	<u>(12,780)</u>
2,272	-	1,440	4,852
-	(84)	-	(84)
<u>2,272</u>	<u>(84)</u>	<u>1,440</u>	<u>4,768</u>
<u>(3,552)</u>	<u>319</u>	<u>(450)</u>	<u>(8,012)</u>
<u>5,765</u>	<u>2,175</u>	<u>3,810</u>	<u>18,088</u>
<u>\$ 2,213</u>	<u>\$ 2,494</u>	<u>\$ 3,360</u>	<u>\$ 10,076</u>

MULTNOMAH COUNTY, OREGON
Justice Bond Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 700	\$ 700	\$ -	\$ (700)
Charges for services	-	-	1,833	1,833
Interest	10	10	200	190
Total revenues	710	710	2,033	1,323
EXPENDITURES				
Business and community services	8,565	8,565	2,721	5,844
Sheriff	3,700	3,700	3,688	12
Total expenditures	12,265	12,265	6,409	5,856
Deficiency of revenues under expenditures	(11,555)	(11,555)	(4,376)	7,179
OTHER FINANCING SOURCES				
Financing proceeds	6,590	6,590	-	(6,590)
Transfers in	930	930	930	-
Total other financing sources	7,520	7,520	930	(6,590)
Net change in fund balances	(4,035)	(4,035)	(3,446)	589
Fund balances - beginning	4,035	4,035	5,406	1,371
Fund balances - ending	\$ -	\$ -	\$ 1,960	\$ 1,960

MULTNOMAH COUNTY, OREGON
Building Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 2	\$ 2	\$ 11	\$ 9
EXPENDITURES				
Business and community services	1,120	1,330	366	964
Deficiency of revenues under expenditures	(1,118)	(1,328)	(355)	973
OTHER FINANCING SOURCES				
Transfers in	-	210	210	-
Net change in fund balances	(1,118)	(1,118)	(145)	973
Fund balances - beginning	1,118	1,118	(691)	(1,809)
Fund balances - ending	\$ -	\$ -	\$ (836)	\$ (836)

MULTNOMAH COUNTY, OREGON
Library Construction / 1996 Bonds Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 21	\$ 21	\$ 27	\$ 6
Other - miscellaneous	-	-	18	18
Total revenues	21	21	45	24
EXPENDITURES				
Library	1,721	1,721	783	938
Deficiency of revenues under expenditures	(1,700)	(1,700)	(738)	962
Fund balances - beginning	1,700	1,700	1,623	(77)
Fund balances - ending	\$ -	\$ -	\$ 885	\$ 885

MULTNOMAH COUNTY, OREGON
Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 369	\$ (1,631)
Charges for services	1,484	1,484	738	(746)
Interest	100	100	149	49
Other - miscellaneous	20	20	26	6
Total revenues	<u>3,604</u>	<u>3,604</u>	<u>1,282</u>	<u>(2,322)</u>
EXPENDITURES				
Business and community services	<u>11,649</u>	<u>11,649</u>	<u>7,106</u>	<u>4,543</u>
Deficiency of revenues under expenditures	(8,045)	(8,045)	(5,824)	2,221
OTHER FINANCING SOURCES				
Transfers in	<u>2,272</u>	<u>2,272</u>	<u>2,272</u>	<u>-</u>
Net change in fund balances	(5,773)	(5,773)	(3,552)	2,221
Fund balances - beginning	<u>5,773</u>	<u>5,773</u>	<u>5,765</u>	<u>(8)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,213</u>	<u>\$ 2,213</u>

MULTNOMAH COUNTY, OREGON
Capital Acquisition Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 20	\$ 20	\$ 25	\$ 5
Interest	25	25	62	37
Other - service reimbursements	2,435	2,671	2,447	(224)
Total revenues	2,480	2,716	2,534	(182)
EXPENDITURES				
Nondepartmental	89	89	75	14
Business and community services	5,026	5,262	2,056	3,206
Total expenditures	5,115	5,351	2,131	3,220
Excess (deficiency) of revenues over (under) expenditures	(2,635)	(2,635)	403	3,038
OTHER FINANCING USES:				
Transfer out	(84)	(84)	(84)	-
Net change in fund balances	(2,719)	(2,719)	319	3,038
Fund balances - beginning	2,719	2,719	2,175	(544)
Fund balances - ending	\$ -	\$ -	\$ 2,494	\$ 2,494

MULTNOMAH COUNTY, OREGON
Asset Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Interest	75	75	96	21
Total revenues	<u>2,075</u>	<u>2,075</u>	<u>96</u>	<u>(1,979)</u>
EXPENDITURES				
Business and community services	<u>7,245</u>	<u>7,245</u>	<u>1,986</u>	<u>5,259</u>
Deficiency of revenues under expenditures	<u>(5,170)</u>	<u>(5,170)</u>	<u>(1,890)</u>	<u>3,280</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,440</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
Net change in fund balances	<u>(3,730)</u>	<u>(3,730)</u>	<u>(450)</u>	<u>3,280</u>
Fund balances - beginning	<u>3,730</u>	<u>3,730</u>	<u>3,810</u>	<u>80</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,360</u>	<u>\$ 3,360</u>

ENTERPRISE FUNDS

The County's Enterprise Funds are listed below.

- **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.)
- **Behavioral Health Managed Care Fund** - accounts for all financial activity associated with the State required behavioral health capitated services.

MULTNOMAH COUNTY, OREGON
Dunthorpe-Riverdale Service District No. 1 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - sewer:				
Current	\$ 401	\$ 401	\$ 402	\$ 1
Prior	-	-	6	6
Charges for services	-	-	14	14
Interest	6	6	10	4
Other	2	2	113	111
Total revenues	<u>409</u>	<u>409</u>	<u>545</u>	<u>136</u>
EXPENDITURES				
Business and community services	<u>592</u>	<u>592</u>	<u>445</u>	<u>147</u>
Excess (deficiency) of revenues				
over (under) expenditures	(183)	(183)	100	283
Fund balances - beginning	<u>183</u>	<u>183</u>	<u>239</u>	<u>56</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339</u>	<u>\$ 339</u>

MULTNOMAH COUNTY, OREGON
Dunthorpe - Riverdale Service District No. 1 Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Dunthorpe - Riverdale Service District No. 1 Fund	\$ 545	445
Deferred revenue current year	15	-
Deferred revenue prior year	(14)	-
Depreciation expense	-	44
Capital outlay	-	(109)
Loss on disposal of capital assets	-	106
Uncollectible prior year	-	(2)
Uncollectible current year	-	3
	<u> </u>	<u> </u>
Revenues and expenses - page 38	<u>\$ 546</u>	<u>487</u>

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - street lighting:				
Current year	\$ 275	\$ 275	\$ 284	\$ 9
Prior year	-	-	5	5
Interest	8	8	10	2
Total revenues	<u>283</u>	<u>283</u>	<u>299</u>	<u>16</u>
EXPENDITURES				
Business and community services	<u>718</u>	<u>718</u>	<u>395</u>	<u>323</u>
Deficiency of revenues under expenditures	<u>(435)</u>	<u>(435)</u>	<u>(96)</u>	<u>339</u>
Fund balances - beginning	<u>435</u>	<u>435</u>	<u>432</u>	<u>(3)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ 336</u>

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mid County Service District No. 14 Fund	\$ 299	\$ 395
Deferred revenue current year	11	-
Deferred revenue prior year	(11)	-
Depreciation expense	-	103
Capitalized outlay	-	(50)
Loss on disposal of capital assets	-	47
Uncollectible prior year	-	(2)
Uncollectible current year	-	2
	<u> </u>	<u> </u>
Revenues and expenses - page 38	<u>\$ 299</u>	<u>\$ 495</u>

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state and local	\$ 25,000	\$ 30,071	\$ 29,472	\$ (599)
Interest	48	48	101	53
Total revenues	<u>25,048</u>	<u>30,119</u>	<u>29,573</u>	<u>(546)</u>
EXPENDITURES				
Human services	25,000	30,071	29,480	591
Nondepartmental	961	961	-	961
Total expenditures	<u>25,961</u>	<u>31,032</u>	<u>29,480</u>	<u>1,552</u>
Excess (deficiency) of revenues				
over (under) expenditures	(913)	(913)	93	1,006
Fund balances - beginning	913	913	1,222	309
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,315</u>	<u>\$ 1,315</u>

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Behavioral Health Managed Care Fund	\$ 29,573	\$ 29,480
	<u>29,573</u>	<u>29,480</u>
Revenues and expenses - page 38	<u>\$ 29,573</u>	<u>\$ 29,480</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:

- **Risk Management Fund** - accounts for the County's risk management activities including insurance coverage.
- **Fleet Management Fund** - accounts for the County's motor vehicle fleet operations and electronics.
- **Telephone Fund** - accounts for the County's telephone operations.
- **Information Technology 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.
- **Business Services Fund** – accounts for the internal service reimbursements, revenues and expenses associated with the administration and operation of the County's human resource operations, financial operations and enterprise support system.

MULTNOMAH COUNTY, OREGON
Internal Service Funds
Combining Statement of Net Assets
June 30, 2005
(amounts expressed in thousands)

	Government Activities - Internal Service Funds			
	Risk Management	Fleet Management	Telephone	Information Technology
ASSETS				
Current assets:				
Cash and investments	\$ 19,954	\$ 3,843	\$ -	\$ 7,502
Accounts receivable	-	154	-	634
Inventories	-	489	-	102
Due from other funds	5,250	-	-	-
Prepaid items	398	-	-	541
Total current assets	<u>25,602</u>	<u>4,486</u>	<u>-</u>	<u>8,779</u>
Capital assets (net of accumulated depreciation)	-	2,837	-	2,463
Total assets	<u>25,602</u>	<u>7,323</u>	<u>-</u>	<u>11,242</u>
LIABILITIES				
Current liabilities:				
Accounts payable	11,579	232	-	1,842
Payroll payable	94	45	-	292
Due to other funds	-	-	-	-
Compensated absences	68	46	-	229
Total current liabilities	<u>11,741</u>	<u>323</u>	<u>-</u>	<u>2,363</u>
Noncurrent liabilities:				
Compensated absences	159	84	-	805
Total liabilities	<u>11,900</u>	<u>407</u>	<u>-</u>	<u>3,168</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	2,837	-	2,463
Unrestricted	13,702	4,079	-	5,611
Total net assets	<u>\$ 13,702</u>	<u>\$ 6,916</u>	<u>\$ -</u>	<u>\$ 8,074</u>

Mail / Distribution	Facilities Management	Business Services	Total Internal Service Funds
\$ 503	\$ 2,672	\$ 726	\$ 35,200
161	228	-	1,177
567	-	-	1,158
-	-	-	5,250
-	-	-	939
1,231	2,900	726	43,724
3	5	-	5,308
1,234	2,905	726	49,032
223	1,546	411	15,833
30	143	233	837
642	-	-	642
31	139	82	595
926	1,828	726	17,907
55	369	-	1,472
981	2,197	726	19,379
3	5	-	5,308
250	703	-	24,345
\$ 253	\$ 708	\$ -	\$ 29,653

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Government Activities - Internal Service Funds			
	Risk Management	Fleet Management	Telephone	Information Technology
OPERATING REVENUES				
Charges for sales and services	\$ 49,173	\$ 5,511	\$ -	\$ 26,914
Insurance premiums	5,008	-	-	-
Experience ratings and other	621	42	-	4
Total operating revenues	<u>54,802</u>	<u>5,553</u>	<u>-</u>	<u>26,918</u>
OPERATING EXPENSES				
Cost of sales and services	54,529	4,310	-	24,303
Administration	493	278	-	456
Depreciation	-	992	-	1,837
Total operating expenses	<u>55,022</u>	<u>5,580</u>	<u>-</u>	<u>26,596</u>
Operating income (loss)	<u>(220)</u>	<u>(27)</u>	<u>-</u>	<u>322</u>
NONOPERATING REVENUES				
Interest revenue	419	74	-	138
Gain on disposal of capital assets	-	129	-	24
Total nonoperating revenues	<u>419</u>	<u>203</u>	<u>-</u>	<u>162</u>
Income (loss) before contributions and transfers	199	176	-	484
Capital contributions in	-	75	-	965
Capital contributions out	-	-	(957)	-
Transfers in	-	-	-	1,025
Transfers out	-	-	(1,025)	-
Change in net assets	<u>199</u>	<u>251</u>	<u>(1,982)</u>	<u>2,474</u>
Total net assets - beginning	<u>13,503</u>	<u>6,665</u>	<u>1,982</u>	<u>5,600</u>
Total net assets - ending	<u>\$ 13,702</u>	<u>\$ 6,916</u>	<u>\$ -</u>	<u>\$ 8,074</u>

Mail / Distribution	Facilities Management	Business Services	Total Internal Service Funds
\$ 3,388	\$ 36,742	\$ 16,394	\$ 138,122
-	-	-	5,008
1	4	7	679
3,389	36,746	16,401	143,809
2,909	32,469	16,666	135,186
450	205	431	2,313
2	11	-	2,842
3,361	32,685	17,097	140,341
28	4,061	(696)	3,468
8	-	-	639
-	-	-	153
8	-	-	792
36	4,061	(696)	4,260
5	-	-	1,045
-	-	-	(957)
-	-	696	1,721
-	(3,712)	-	(4,737)
41	349	-	1,332
212	359	-	28,321
\$ 253	\$ 708	\$ -	\$ 29,653

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds			
	Risk Management	Fleet Management	Telephone	Information Technology
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 54,799	\$ 5,687	\$ 92	\$ 26,339
Payments to suppliers	(48,827)	(1,704)	(269)	(23,819)
Payments to employees	(4,322)	(2,034)	-	-
Internal activity - payments to other funds	(967)	(850)	-	-
Other receipts	4	-	-	-
Net cash provided by (used in) operating activities	<u>687</u>	<u>1,099</u>	<u>(177)</u>	<u>2,520</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	1,025
Transfers out	-	-	(1,025)	-
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,025)</u>	<u>1,025</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(574)	-	(685)
Proceeds on sales of capital assets	-	138	-	24
Net cash used in capital and related financing activities	<u>-</u>	<u>(436)</u>	<u>-</u>	<u>(661)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	419	74	-	138
Net cash provided by investing activities	<u>419</u>	<u>74</u>	<u>-</u>	<u>138</u>
Net increase (decrease) in cash and cash equivalents	<u>1,106</u>	<u>737</u>	<u>(1,202)</u>	<u>3,022</u>
Balances at beginning of the year	18,848	3,106	1,202	4,480
Balances at the end of the year	<u>\$ 19,954</u>	<u>\$ 3,843</u>	<u>\$ -</u>	<u>\$ 7,502</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (220)	\$ (27)	\$ -	\$ 322
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	992	-	1,837
Changes in assets and liabilities:				
Receivables	-	134	92	(579)
Inventories	-	(52)	-	(102)
Due from other funds	1,275	-	-	-
Prepaid items	(21)	-	-	(125)
Accounts payable	(387)	43	(224)	1,057
Compensated absences	11	8	(31)	86
Due to other funds	-	-	-	-
Payroll payable	29	1	(14)	24
Total adjustments	<u>907</u>	<u>1,126</u>	<u>(177)</u>	<u>2,198</u>
Net cash provided by (used in) operating activities	<u>\$ 687</u>	<u>\$ 1,099</u>	<u>\$ (177)</u>	<u>\$ 2,520</u>
Noncash financing activities:				
Contributions of capital assets	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 965</u>

<u>Mail /</u> <u>Distribution</u>	<u>Facilities</u> <u>Management</u>	<u>Business</u> <u>Services</u>	<u>Total</u> <u>Internal Service</u> <u>Funds</u>
\$ 3,236	\$ 36,856	\$ 16,401	\$ 143,410
(690)	(13,859)	42	(89,126)
(1,739)	(6,629)	(11,711)	(26,435)
(571)	(12,103)	(4,702)	(19,193)
-	-	-	4
<u>236</u>	<u>4,265</u>	<u>30</u>	<u>8,660</u>
-	-	696	1,721
-	(3,712)	-	(4,737)
-	(3,712)	696	(3,016)
-	-	-	(1,259)
-	-	-	162
-	-	-	(1,097)
8	-	-	639
8	-	-	639
244	553	726	5,186
259	2,119	-	30,014
<u>\$ 503</u>	<u>\$ 2,672</u>	<u>\$ 726</u>	<u>\$ 35,200</u>
\$ 28	\$ 4,061	\$ (696)	\$ 3,468
2	11	-	2,842
(153)	122	-	(384)
(549)	-	-	(703)
-	-	-	1,275
-	3	-	(143)
174	45	411	1,119
71	21	82	248
642	-	-	642
21	2	233	296
<u>208</u>	<u>204</u>	<u>726</u>	<u>5,192</u>
<u>\$ 236</u>	<u>\$ 4,265</u>	<u>\$ 30</u>	<u>\$ 8,660</u>
\$ 5	-	-	\$ 1,045

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 4,115	\$ 4,115	\$ 5,085	\$ 970
Interest	350	350	419	69
Other:				
Service reimbursements	50,223	51,137	49,173	(1,964)
Experience ratings and other	228	228	544	316
Total revenues	<u>54,916</u>	<u>55,830</u>	<u>55,221</u>	<u>(609)</u>
EXPENDITURES				
Business and community services	59,661	60,575	52,672	7,903
Nondepartmental	9,240	9,240	2,350	6,890
Total expenditures	<u>68,901</u>	<u>69,815</u>	<u>55,022</u>	<u>14,793</u>
Excess (deficiency) of revenues over (under) expenditures	(13,985)	(13,985)	199	14,184
Fund balances - beginning	13,985	13,985	13,503	(482)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,702</u>	<u>\$ 13,702</u>

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Risk Management Fund	\$ 55,221	\$ 55,022
	<u> </u>	<u> </u>
Revenues and expenses - page 119	<u>\$ 55,221</u>	<u>\$ 55,022</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 926	\$ 926	\$ 882	\$ (44)
Interest	60	60	74	14
Other:				
Miscellaneous	56	56	42	(14)
Service reimbursements	4,488	4,521	4,629	108
Total revenues	<u>5,530</u>	<u>5,563</u>	<u>5,627</u>	<u>64</u>
EXPENDITURES				
Business and community services	8,262	8,295	5,162	3,133
Nondepartmental	877	877	-	877
Total expenditures	<u>9,139</u>	<u>9,172</u>	<u>5,162</u>	<u>4,010</u>
Excess (deficiency) of revenues over (under) expenditures	(3,609)	(3,609)	465	4,074
OTHER FINANCING SOURCES				
Proceeds from sale of assets	-	-	138	138
Net change in fund balances	(3,609)	(3,609)	603	4,212
Fund balances - beginning	3,609	3,609	3,476	(133)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,079</u>	<u>\$ 4,079</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Fleet Management Fund	\$ 5,627	\$ 5,162
Depreciation expense	-	992
Capital outlay	-	(574)
Gain on disposal of capital assets	129	-
	<u> </u>	<u> </u>
Revenues and expenses - page 119	<u>\$ 5,756</u>	<u>\$ 5,580</u>

MULTNOMAH COUNTY, OREGON
Telephone Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
OTHER FINANCING USES				
Transfers out	\$ (770)	\$ (1,025)	\$ (1,025)	\$ -
Fund balances - beginning	770	1,025	1,025	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Telephone Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Telephone Fund	\$ -	\$ -
	<u> </u>	<u> </u>
Revenues and expenses - page 119	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Information Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for sales and services	\$ 1,362	\$ 1,362	\$ 1,252	\$ (110)
Interest	45	45	138	93
Other:				
Miscellaneous	-	-	4	4
Service reimbursements	25,025	24,922	25,662	740
Total revenues	26,432	26,329	27,056	727
EXPENDITURES				
Business and community services	29,130	29,282	25,444	3,838
Nondepartmental	45	45	-	45
Total expenditures	29,175	29,327	25,444	3,883
Excess (deficiency) of revenues over (under) expenditures	(2,743)	(2,998)	1,612	4,610
OTHER FINANCING SOURCES				
Proceeds from sale of assets	-	-	24	24
Transfers in	770	1,025	1,025	-
Total other financing sources	770	1,025	1,049	24
Net changes in fund balances	(1,973)	(1,973)	2,661	4,634
Fund balances - beginning	1,973	1,973	2,950	977
Fund balances - ending	\$ -	\$ -	\$ 5,611	\$ 5,611

MULTNOMAH COUNTY, OREGON
Information Technology Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Information Technology Fund	\$ 27,056	\$ 25,444
Depreciation expense	-	1,837
Capital outlay	-	(685)
Gain on disposal of capital assets	24	-
	<u> </u>	<u> </u>
Revenues and expenses - page 119	<u>\$ 27,080</u>	<u>\$ 26,596</u>

MULTNOMAH COUNTY, OREGON
Mail/Distribution Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state, and local	\$ 238	\$ 238	\$ 227	\$ (11)
Interest	3	3	8	5
Other - service reimbursements	3,313	3,337	3,162	(175)
Total revenues	<u>3,554</u>	<u>3,578</u>	<u>3,397</u>	<u>(181)</u>
EXPENDITURES				
Business and community services	3,558	3,582	3,359	223
Nondepartmental	198	198	-	198
Total expenditures	<u>3,756</u>	<u>3,780</u>	<u>3,359</u>	<u>421</u>
Excess (deficiency) of revenues				
over (under) expenditures	(202)	(202)	38	240
Fund balances - beginning	202	202	212	10
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 250</u>

MULTNOMAH COUNTY, OREGON
Mail / Distribution Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mail / Distribution Fund	\$ 3,397	\$ 3,359
Depreciation expense	-	2
	<u> </u>	<u> </u>
Revenues and expenses - page 120	<u>\$ 3,397</u>	<u>\$ 3,361</u>

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 1,476	\$ 1,476	\$ 2,211	\$ 735
Other:				
Miscellaneous	1,950	1,950	4	(1,946)
Service reimbursements	35,911	36,170	34,531	(1,639)
Total revenues	<u>39,337</u>	<u>39,596</u>	<u>36,746</u>	<u>(2,850)</u>
EXPENDITURES				
Business and community services	35,477	36,079	32,674	3,405
Non Departmental	148	148	-	148
Total expenditures	<u>35,625</u>	<u>36,227</u>	<u>32,674</u>	<u>3,553</u>
Excess of revenues over expenditures	3,712	3,369	4,072	703
OTHER FINANCING USES				
Transfers out	<u>(3,712)</u>	<u>(3,712)</u>	<u>(3,712)</u>	<u>-</u>
Net change in fund balances	-	(343)	360	703
Fund balances - beginning	-	343	343	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703</u>	<u>\$ 703</u>

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Facilities Management Fund	\$ 36,746	\$ 32,674
Depreciation expense	-	11
	<u> </u>	<u> </u>
Revenues and expenses - page 120	<u>\$ 36,746</u>	<u>\$ 32,685</u>

MULTNOMAH COUNTY, OREGON
Business Services Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7	\$ 7
Other:				
Miscellaneous	5	5	11	6
Service reimbursements	17,181	17,660	16,383	(1,277)
Total revenues	<u>17,186</u>	<u>17,665</u>	<u>16,401</u>	<u>(1,264)</u>
EXPENDITURES				
Business and community services	<u>17,186</u>	<u>19,165</u>	<u>17,097</u>	<u>2,068</u>
Deficiency of revenues under expenditures	-	(1,500)	(696)	804
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>1,500</u>	<u>696</u>	<u>(804)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Business Services Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Business Services Fund	\$ 16,401	\$ 17,097
	<u>16,401</u>	<u>17,097</u>
Revenues and expenses - page 120	<u>\$ 16,401</u>	<u>\$ 17,097</u>

AGENCY FUNDS

These funds account for resources received and held by the County in a purely custodial 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 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.
- **Department and Offices Agency Fund** – accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity.
- **Public Guardian Fund** – accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- **Visitors' Facilities Trust Fund** – accounts for collection and disbursement of Motor Vehicle Rental Tax and Transient Lodging Tax used for visitor facilities.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Agency Funds
June 30, 2005
(amounts expressed in thousands)

	<u>Sundry Taxing Bodies</u>	<u>Department and Offices Agency</u>	<u>Public Guardian</u>	<u>Visitors' Facilities Trust</u>	<u>Total</u>
ASSETS:					
Cash and Investments	\$ 9,531	\$ 9,393	\$ 590	\$ 205	\$ 19,719
Receivables:					
Taxes	36,718	66	-	2,209	38,993
Accounts	-	46	-	-	46
Restricted cash	-	1	-	-	1
Total assets	<u>\$ 46,249</u>	<u>\$ 9,506</u>	<u>\$ 590</u>	<u>\$ 2,414</u>	<u>\$ 58,759</u>
LIABILITIES:					
Accounts payable	\$ 6,028	\$ 716	\$ 60	\$ 936	\$ 7,740
Due to other governmental units	36,358	-	-	-	36,358
Amounts held in trust	3,863	8,790	530	1,478	14,661
Total liabilities	<u>\$ 46,249</u>	<u>\$ 9,506</u>	<u>\$ 590</u>	<u>\$ 2,414</u>	<u>\$ 58,759</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
SUNDRY TAXING BODIES:				
Assets:				
Cash and investments	\$ 7,385	\$ 1,569,177	\$ 1,567,031	\$ 9,531
Taxes receivable	37,546	787,062	787,890	36,718
Total assets	<u>\$ 44,931</u>	<u>\$ 2,356,239</u>	<u>\$ 2,354,921</u>	<u>\$ 46,249</u>
Liabilities:				
Accounts payable	\$ 6,224	\$ 742,060	\$ 742,256	\$ 6,028
Due to other governmental units	37,534	741,813	742,989	36,358
Amounts held in trust	1,173	735,327	732,637	3,863
Total liabilities	<u>\$ 44,931</u>	<u>\$ 2,219,200</u>	<u>\$ 2,217,882</u>	<u>\$ 46,249</u>
DEPARTMENT AND OFFICES AGENCY:				
Assets:				
Cash and investments	\$ 6,572	\$ 1,020,318	\$ 1,017,497	\$ 9,393
Taxes receivable	58	957,456	957,448	66
Accounts receivable	1,897	3,126	4,977	46
Restricted cash	1	3,073	3,073	1
Total assets	<u>\$ 8,528</u>	<u>\$ 1,983,973</u>	<u>\$ 1,982,995</u>	<u>\$ 9,506</u>
Liabilities:				
Accounts payable	\$ 670	\$ 82,587	\$ 82,541	\$ 716
Amounts held in trust	7,858	982,836	981,904	8,790
Total liabilities	<u>\$ 8,528</u>	<u>\$ 1,065,423</u>	<u>\$ 1,064,445</u>	<u>\$ 9,506</u>
PUBLIC GUARDIAN:				
Assets:				
Cash and investments	\$ 832	\$ 2,598	\$ 2,840	\$ 590
Accounts receivable	-	1,371	1,371	-
Total assets	<u>\$ 832</u>	<u>\$ 3,969</u>	<u>\$ 4,211</u>	<u>\$ 590</u>
Liabilities:				
Accounts payable	\$ 213	\$ 2,947	\$ 3,100	\$ 60
Amounts held in trust	619	1,410	1,499	530
Total liabilities	<u>\$ 832</u>	<u>\$ 4,357</u>	<u>\$ 4,599</u>	<u>\$ 590</u>
VISITORS FACILITIES TRUST:				
Assets:				
Cash and investments	\$ 7	\$ 13,667	\$ 13,469	\$ 205
Taxes receivable	1,950	3,183	2,924	2,209
Accounts receivable	2	3,105	3,107	-
Total assets	<u>\$ 1,959</u>	<u>\$ 19,955</u>	<u>\$ 19,500</u>	<u>\$ 2,414</u>
Liabilities:				
Accounts payable	\$ 1,959	\$ 2,617	\$ 3,640	\$ 936
Amounts held in trust	-	11,993	10,515	1,478
Total liabilities	<u>\$ 1,959</u>	<u>\$ 14,610</u>	<u>\$ 14,155</u>	<u>\$ 2,414</u>
TOTAL - ALL AGENCY FUNDS:				
Assets:				
Cash and investments	\$ 14,796	\$ 2,605,760	\$ 2,600,837	\$ 19,719
Taxes receivable	39,554	1,747,701	1,748,262	38,993
Accounts receivable	1,899	7,602	9,455	46
Restricted cash	1	3,073	3,073	1
Total assets	<u>\$ 56,250</u>	<u>\$ 4,364,136</u>	<u>\$ 4,361,627</u>	<u>\$ 58,759</u>
Liabilities:				
Accounts payable	\$ 9,066	\$ 830,211	\$ 831,537	\$ 7,740
Due to other governmental units	37,534	741,813	742,989	36,358
Amounts held in trust	9,650	1,731,566	1,726,555	14,661
Total liabilities	<u>\$ 56,250</u>	<u>\$ 3,303,590</u>	<u>\$ 3,301,081</u>	<u>\$ 58,759</u>

**CAPITAL ASSETS USED
IN THE OPERATION OF
GOVERNMENTAL FUNDS**

- **Schedule by Source**
- **Schedule by Function and Activity**
- **Schedule of Changes by Function and Activity**

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2005
(amounts expressed in thousands)

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 13,717	\$ 13,766
Work in progress	-	-
Buildings	414,183	398,858
Improvements other than buildings	343	433
Machinery and equipment	123,209	120,634
Bridges	94,729	84,202
Infrastructure	818,539	813,767
Total governmental funds capital assets	<u>\$ 1,464,720</u>	<u>\$ 1,431,660</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
Beginning balance	\$ 1,431,660	\$ 1,389,318
General fund	7,355	33,649
Road fund	4,687	3,095
Bicycle path construction fund	42	3
Federal and state program fund	247	642
Willamette river bridges fund	2,066	2
Library fund	(766)	1,346
Justice services special operations	86	51
Justice bond capital project fund	5,550	33
Building project fund	117	7
Library construction fund/1996	626	(44)
Capital improvement fund	11,936	-
Capital acquisition fund	75	-
Asset preservation fund	902	-
Fleet management fund	(312)	1,843
Telephone fund	-	(560)
Information technology fund	449	2,283
Mail distribution fund	-	(8)
Total governmental funds capital assets, ending balance	<u>\$ 1,464,720</u>	<u>\$ 1,431,660</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2005
(amounts expressed in thousands)

	<u>Land</u>	<u>Work in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Bridges</u>	<u>Infrastructure</u>	<u>Total</u>
FUNCTION AND ACTIVITY								
General government:								
Legislative	\$ 107	\$ -	\$ 3,229	\$ -	\$ -	\$ -	\$ -	\$ 3,336
Administrative	1,244	-	61,943	-	44,520	-	-	107,707
	<u>1,351</u>	<u>-</u>	<u>65,172</u>	<u>-</u>	<u>44,520</u>	<u>-</u>	<u>-</u>	<u>111,043</u>
Health and social services:								
Health	2,543	-	29,288	-	274	-	-	32,105
Social	4,354	-	77,838	-	1,107	-	-	83,299
	<u>6,897</u>	<u>-</u>	<u>107,126</u>	<u>-</u>	<u>1,381</u>	<u>-</u>	<u>-</u>	<u>115,404</u>
Public safety:								
Law enforcement	1,422	-	142,162	37	5,011	-	-	148,632
Justice services	54	-	6,127	-	440	-	-	6,621
	<u>1,476</u>	<u>-</u>	<u>148,289</u>	<u>37</u>	<u>5,451</u>	<u>-</u>	<u>-</u>	<u>155,253</u>
Community services:								
Community service development	-	-	1,661	108	14	-	-	1,783
Recreation	203	-	-	-	-	-	-	203
Library	2,970	-	58,733	140	70,640	-	-	132,483
	<u>3,173</u>	<u>-</u>	<u>60,394</u>	<u>248</u>	<u>70,654</u>	<u>-</u>	<u>-</u>	<u>134,469</u>
Roads and bridges:								
Roads and bridges	558	-	11,809	58	1,203	94,729	818,539	926,896
	<u>558</u>	<u>-</u>	<u>11,809</u>	<u>58</u>	<u>1,203</u>	<u>94,729</u>	<u>818,539</u>	<u>926,896</u>
External organizations:								
External use	262	-	21,393	-	-	-	-	21,655
	<u>\$13,717</u>	<u>\$ -</u>	<u>\$414,183</u>	<u>\$ 343</u>	<u>\$123,209</u>	<u>\$94,729</u>	<u>\$ 818,539</u>	<u>\$1,464,720</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended June 30, 2005
(amounts expressed in thousands)

	Governmental Funds Capital Assets June 30, 2004	Additions	Deductions & Reclassifications	Governmental Funds Capital Assets June 30, 2005
FUNCTION AND ACTIVITY				
General government:				
Legislative	\$ 4,778	\$ 28	\$ (1,470)	\$ 3,336
Administrative	66,629	6,822	34,256	107,707
	<u>71,407</u>	<u>6,850</u>	<u>32,786</u>	<u>111,043</u>
Health and social services:				
Health	31,618	1,088	(601)	32,105
Social	78,379	6,118	(1,198)	83,299
	<u>109,997</u>	<u>7,206</u>	<u>(1,799)</u>	<u>115,404</u>
Public safety:				
Law enforcement	170,819	6,076	(28,263)	148,632
Justice services	6,078	86	457	6,621
	<u>176,897</u>	<u>6,162</u>	<u>(27,806)</u>	<u>155,253</u>
Community services:				
Community service development	1,661	136	(14)	1,783
Recreation	203	-	-	203
Library	132,588	6,250	(6355)	132,483
	<u>134,452</u>	<u>6,386</u>	<u>(6369)</u>	<u>134,469</u>
Roads and bridges:				
Roads and bridges	911,252	15,688	(44)	926,896
	<u>911,252</u>	<u>15,688</u>	<u>(44)</u>	<u>926,896</u>
External organizations:				
External use	27,655	263	(6,263)	21,655
	<u>\$ 1,431,660</u>	<u>\$ 42,555</u>	<u>\$ (9,495)</u>	<u>\$ 1,464,720</u>

OTHER SCHEDULES

- Schedule of Property Tax Collections and Outstanding Balances
- Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
- Schedule of Revenue Bonds Outstanding
- Schedule of General Obligation Bonds Outstanding
- Schedule of Loans Outstanding
- Schedule of Full Faith and Credit Bonds Outstanding
- Schedule of General Long-Term Lease Obligations
- Schedule of Expenditures of Federal Awards and Related Notes

MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2005
(amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2004	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, 2005
2004-05	\$ -	\$ 963,958	\$ (6,803)	\$ 449	\$ (23,132)	\$ (906,573)	\$ 27,899
2003-04	28,567	-	(2,676)	1,051	63	(16,570)	10,435
2002-03	11,341	-	(968)	901	23	(5,880)	5,417
2001-02 and prior	9,320	-	(3,802)	(283)	93	(1,529)	3,799
	<u>\$ 49,228</u>	<u>\$ 963,958</u>	<u>\$ (14,249)</u>	<u>\$ 2,118</u>	<u>\$ (22,953)</u>	<u>\$ (930,552)</u>	<u>\$ 47,550</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2005

	Current Years' Levy	Prior Years' Levies	Total Property Taxes	Other Taxes*	Total
General fund	\$ 5,524	\$ 3,966	\$ 9,490	\$ 80,853	\$ 90,343
Special revenue funds:					
Library fund	753	482	1,235	-	1,235
Land corner preservation fund	-	-	-	7	7
Special excise tax fund	-	-	-	1,978	1,978
Total special revenue funds	<u>753</u>	<u>482</u>	<u>1,235</u>	<u>1,985</u>	<u>3,220</u>
General obligation bond fund	234	201	435	4	439
Agency funds	<u>21,367</u>	<u>14,990</u>	<u>36,357</u>	<u>2,636</u>	<u>38,993</u>
Sub-total taxes receivable	<u>27,878</u>	<u>19,639</u>	<u>47,517</u>	<u>85,478</u>	<u>132,995</u>
Special assessments collected through taxes	21	12	33	-	33
Total receivables	<u>\$ 27,899</u>	<u>\$ 19,651</u>	<u>\$ 47,550</u>	<u>\$ 85,478</u>	<u>\$ 133,028</u>

*Note - Other taxes includes personal income, transient lodging, motor vehicle and other tax related transactions.

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
For the Year Ended June 30, 2005
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

	Outstanding June 30, 2004		2004-05 Transactions			Outstanding June 30, 2005	
	Matured	Unmatured	Issued	Matured	Refunded or Paid	Matured	Unmatured
Dated March 1, 1994	\$ -	\$ 2,195	\$ -	\$ 1,070	\$ 1,070	\$ -	\$ 1,125
Dated October 1, 1994	-	410	-	410	410	-	-
Dated October 1, 1996	-	19,095	-	3,575	3,575	-	15,520
Dated February 1, 1999	-	64,745	-	365	365	-	64,380
	<u>\$ -</u>	<u>\$ 86,445</u>	<u>\$ -</u>	<u>\$ 5,420</u>	<u>\$ 5,420</u>	<u>\$ -</u>	<u>\$ 81,025</u>

GENERAL OBLIGATION BOND INTEREST COUPONS

Dated March 1, 1994	\$ 81
Dated October 1, 1994	11
Dated October 1, 1996	849
Dated February 1, 1999	2,846
	<u>\$ 3,787</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenue Bonds Outstanding
June 30, 2005
(amounts expressed in thousands)

REVENUE BONDS

Fiscal Year of Maturity	Series 1998 Dated 10/01/98 4.00 to 4.75%		Series 2000A Dated 11/01/00 4.45 to 5.20%		Series 2000B Dated 11/01/00 4.45 to 5.20%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 190	\$ 96	\$ 120	\$ 79	\$ 205	\$ 139	\$ 515	\$ 314
2007	200	88	125	74	215	129	540	291
2008	205	80	130	68	225	119	560	267
2009	215	72	135	62	235	109	585	243
2010	225	63	145	55	250	97	620	215
2011	230	53	150	48	265	85	645	186
2012	245	42	160	41	275	72	680	155
2013	255	31	165	33	295	58	715	122
2014	265	19	175	24	310	42	750	85
2015	275	7	185	15	325	26	785	48
2016	-	-	195	5	345	9	540	14
	<u>\$ 2,305</u>	<u>\$ 551</u>	<u>\$ 1,685</u>	<u>\$ 504</u>	<u>\$ 2,945</u>	<u>\$ 885</u>	<u>\$ 6,935</u>	<u>\$ 1,940</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds Outstanding
June 30, 2005
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

Fiscal Year of Maturity	Series 1994 Dated 03/01/94 3.70 to 5.25%		Series 1996A Dated 10/01/96 3.90 to 5.65%		Series 1996B Dated 10/01/96 3.90 to 5.65%	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,125	\$ 28	\$ 590	\$ 77	\$ 3,160	\$ 597
2007	-	-	620	48	3,320	440
2008	-	-	655	16	3,495	271
2009	-	-	-	-	3,680	92
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
	<u>\$ 1,125</u>	<u>\$ 28</u>	<u>\$ 1,865</u>	<u>\$ 141</u>	<u>\$ 13,655</u>	<u>\$ 1,400</u>

Series 1999			
Dated 2/01/99			
3.90 to 5.65%		Total	
Principal	Interest	Principal	Interest
\$ 810	\$ 2,823	\$ 5,685	\$ 3,525
2,020	2,768	5,960	3,256
2,105	2,685	6,255	2,972
2,875	2,585	6,555	2,677
6,860	2,387	6,860	2,387
7,160	2,093	7,160	2,093
7,470	1,780	7,470	1,780
7,490	1,451	7,490	1,451
7,835	1,106	7,835	1,106
6,780	773	6,780	773
6,330	466	6,330	466
6,645	158	6,645	158
<u>\$ 64,380</u>	<u>\$ 21,075</u>	<u>\$ 81,025</u>	<u>\$ 22,644</u>

MULTNOMAH COUNTY, OREGON
Schedule of Loans Outstanding
June 30, 2005
(amounts expressed in thousands)

GENERAL LONG-TERM LOANS

Fiscal Year of Maturity	Dated 02/15/96 7.2%		Dated 07/05/96 5.65%		Dated 10/01/96 7.2%		Dated 12/01/96 7.2%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 39	\$ 19	\$ 2	\$ 2	\$ 11	\$ 1	\$ 4	\$ -
2007	42	16	2	2	3	-	2	-
2008	45	13	2	1	-	-	-	-
2009	48	9	2	1	-	-	-	-
2010	52	6	2	1	-	-	-	-
2011	52	3	3	1	-	-	-	-
2012	-	-	3	1	-	-	-	-
2013	-	-	3	1	-	-	-	-
2014	-	-	3	-	-	-	-	-
2015	-	-	3	-	-	-	-	-
2016	-	-	3	-	-	-	-	-
	<u>\$ 278</u>	<u>\$ 66</u>	<u>\$ 28</u>	<u>\$ 10</u>	<u>\$ 14</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ -</u>

Dated 01/15/97 5.9%		Dated 02/08/99 5.9%		Dated 10/26/99 5.9%		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 7	\$ 1	\$ 17	\$ 4	\$ 15	\$ 8	\$ 95	\$ 35
4	-	18	3	16	6	87	27
-	-	19	2	17	6	83	22
-	-	21	1	19	4	90	15
-	-	-	-	13	3	67	10
-	-	-	-	11	3	66	7
-	-	-	-	10	2	13	3
-	-	-	-	12	1	15	2
-	-	-	-	13	1	16	1
-	-	-	-	4	-	7	-
-	-	-	-	-	-	3	-
<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ 75</u>	<u>\$ 10</u>	<u>\$ 130</u>	<u>\$ 34</u>	<u>\$ 542</u>	<u>\$ 122</u>

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
June 30, 2005
(amounts expressed in thousands)

FULL FAITH AND CREDIT BONDS

Fiscal Year of Maturity	Series 1999 Dated 04/01/99 4.00 to 4.75%		Series 2000A Dated 04/01/00 5.00 to 5.50%		Series 1999 Dated 12/01/99 6.49 to 7.74%	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,430	\$ 292	\$ 3,550	\$ 877	\$ 3,365	\$ 7,988
2007	1,490	233	3,735	691	4,295	7,753
2008	1,550	171	3,935	495	5,325	7,450
2009	1,615	106	2,675	288	6,470	7,072
2010	1,685	36	2,820	141	7,740	6,609
2011	-	-	-	-	9,150	6,052
2012	-	-	-	-	10,710	5,388
2013	-	-	-	-	4,479	12,563
2014	-	-	-	-	4,472	13,565
2015	-	-	-	-	4,469	14,618
2016	-	-	-	-	6,845	13,341
2017	-	-	-	-	16,985	4,358
2018	-	-	-	-	19,470	3,096
2019	-	-	-	-	22,200	1,649
2020	-	-	-	-	5,319	19,876
2021	-	-	-	-	5,208	21,407
2022	-	-	-	-	5,098	23,012
2023	-	-	-	-	4,989	24,686
2024	-	-	-	-	4,881	26,444
2025	-	-	-	-	4,775	28,285
2026	-	-	-	-	4,670	30,215
2027	-	-	-	-	4,566	32,234
2028	-	-	-	-	4,463	34,347
2029	-	-	-	-	4,362	36,563
2030	-	-	-	-	4,262	38,887
	<u>\$ 7,770</u>	<u>\$ 838</u>	<u>\$ 16,715</u>	<u>\$ 2,492</u>	<u>\$ 178,568</u>	<u>\$ 427,458</u>

Series 2003 Dated 05/15/03 1.50 to 3.25%		Series 2004 Dated 10/01/04 3.00 to 5.00%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 885	\$ 207	\$ -	\$ 2,620	\$ 9,230	\$ 11,984
900	193	-	2,620	10,420	11,490
915	178	-	2,620	11,725	10,914
940	160	-	2,620	11,700	10,246
960	138	565	2,611	13,770	9,535
990	113	5,410	2,468	15,550	8,633
1,025	84	5,705	2,190	17,440	7,662
1,060	52	6,010	1,897	11,549	14,512
1,100	19	5,965	1,597	11,537	15,181
-	-	6,185	1,294	10,654	15,912
-	-	4,600	1,027	11,445	14,368
-	-	4,810	794	21,795	5,152
-	-	5,055	560	24,525	3,656
-	-	4,845	338	27,045	1,987
-	-	5,085	114	10,404	19,990
-	-	-	-	5,208	21,407
-	-	-	-	5,098	23,012
-	-	-	-	4,989	24,686
-	-	-	-	4,881	26,444
-	-	-	-	4,775	28,285
-	-	-	-	4,670	30,215
-	-	-	-	4,566	32,234
-	-	-	-	4,463	34,347
-	-	-	-	4,362	36,563
-	-	-	-	4,262	38,887
<u>\$ 8,775</u>	<u>\$ 1,144</u>	<u>\$ 54,235</u>	<u>\$ 25,370</u>	<u>\$ 266,063</u>	<u>\$ 457,302</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Long-Term Lease Obligations
June 30, 2005
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS

Fiscal Year of Maturity	Dated 01/22/81 6.00% to 7.25%		Dated 02/01/98 3.75 to 4.90%		Dated 06/30/05 5.00%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 259	\$ 73	\$ 2,440	\$ 911	\$ 492	\$ 333	\$ 3,191	\$ 1,317
2007	281	50	2,555	789	517	308	3,353	1,147
2008	306	26	2,690	658	543	282	3,539	966
2009	-	-	2,825	636	571	254	3,396	890
2010	-	-	2,265	617	600	225	2,865	842
2011	-	-	2,370	480	631	194	3,001	674
2012	-	-	2,485	333	663	162	3,148	495
2013	-	-	2,605	175	697	128	3,302	303
2014	-	-	-	-	733	92	733	92
2015	-	-	-	-	771	55	771	55
2016	-	-	-	-	672	15	672	15
	<u>\$ 846</u>	<u>\$ 149</u>	<u>\$ 20,235</u>	<u>\$ 4,599</u>	<u>\$ 6,890</u>	<u>\$ 2,048</u>	<u>\$ 27,971</u>	<u>\$ 6,796</u>

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Administrative Services:			
Schools and Roads Grants to States	* 10.665	PL 106-393	\$ 1,003,023
Passed Through State Department of Education:			
School Breakfast Program	10.553	2613007	52,048
National School Lunch Program	10.555	2613007	92,842
Passed Through State Department of Human Services:			
Special Supplemental Nutrition Program for Women, Infants and Children	* 10.557	1936002309	2,206,963
Total Department of Agriculture			<u>3,354,876</u>
<u>U.S. Department of Commerce</u>			
Direct Programs:			
Technology Opportunities Program	11.552		212,812
Total Department of Commerce			<u>212,812</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		371,027
Supportive Housing Program	14.235		1,993,735
Passed Through City of Portland-Bureau of Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	0210215	293,259
Supportive Housing Program	14.235	0210215	15,000
HOME Investment Partnerships Program	14.239	0210215	84,151
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	310480	27,077
Passed Through City of Portland-Water Bureau:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	34990	105,000
Passed Through Oregon Housing and Community Services:			
Housing Opportunities for Persons with AIDS	14.241	ORH 010031	18,188
Total Department of Housing and Urban Development			<u>2,907,437</u>
<u>U.S. Department of Interior</u>			
Direct Programs:			
Payment in Lieu of Taxes	15.226		50,025
Distribution of Receipts to State and Local Governments	* 15.227		1,192,712
Total Department of Interior			<u>1,242,737</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Supervised Visitation, Safe Havens for Children	16.527		195,766
Local Law Enforcement Block Grants Program	16.592		190,947
Community Capacity Development Office	16.595		418,027
State Criminal Alien Assistance Program	16.606		444,322

(continued)

* Indicates a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
(continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Bulletproof Vest Partnership Program	16.607		16,120
Community Prosecution and Project Safe Neighborhoods	16.609		745,039
Passed Through Oregon Department of Corrections:			
Offender Reentry Program	16.202	2848	373,645
Passed Through SE Uplift:			
Community Capacity Development Office	16.595	Multnomah County	22,500
Community Capacity Development Office	16.595	102003/100104	57,117
Passed Through State Department of Justice:			
Crime Victim Assistance	16.575	03-2092/04-2266	137,421
Passed Through Oregon Health Sciences University:			
Education and Training to End Violence Against and Abuse of Women with Disabilities	16.529	GCDRCO109AC	8,265
Passed Through State Police:			
Juvenile Accountability Incentive Block Grants	16.523	02-625/03-625	608,401
Violence Against Women Formula Grants	16.588	02-764/03-766/04-761	64,400
Byrne Formula Grant Program	16.579	02-049/03-049	142,308
Byrne Formula Grant Program	16.579	02-034/03-034	129,419
Byrne Formula Grant Program	16.579	03-042	90,000
Byrne Formula Grant Program	16.579	01-05/10-02	110,172
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	LAO2004-85	16,733
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	96-316/96-323	262,593
Total Department of Justice			<u>4,033,195</u>
<u>U.S. Department of Transportation</u>			
Passed Through Oregon Sheriff's Association, Inc.:			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	Multnomah County	34,550
Passed Through State Department of Transportation:			
Highway Planning and Construction	20.205	0000132900-55	1,209,492
Highway Planning and Construction	20.205	59447-00	47,388
Total Department of Transportation			<u>1,291,430</u>
<u>Institute of Museum and Library Services</u>			
Passed Through Oregon State Library:			
State Library Program	45.310	05-5-6P	7,398
State Library Program	45.310	04-0-1	223,284
State Library Program	45.310	04-8-2P	105,068
Total Institute of Museum and Library Services			<u>335,750</u>

(continued)

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
(continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>National Endowment for the Humanities</u>			
Direct Programs:			
Promotion of the Humanities_Division of Preservation and Access	45.149		5,000
Promotion of the Humanities_Public Programs	45.164		950
Total National Endowment for the Humanities			<u>5,950</u>
<u>Environmental Protection Agency</u>			
Direct Programs:			
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034		19,240
Passed Through State Department of Human Resources:			
State Public Water System Supervision	66.432	1936002309	7,195
Capitalization Grants for Drinking Water State Revolving Funds	66.468	1936002309	8,459
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	1936002309	12,000
Total Environmental Protection Agency			<u>46,894</u>
<u>U.S. Department of Energy</u>			
Passed Through Oregon Housing and Community Services:			
Weatherization Assistance for Low-Income Persons	81.042	210009	346,525
Total Department of Energy			<u>346,525</u>
<u>U.S. Department of Education</u>			
Passed Through Oregon Department of Education:			
Twenty-First Century Community Learning Centers	84.287	02-21CCLC	454,646
Passed Through Oregon Department of Human Resources:			
Safe and Drug Free Schools and Communities_State Grants	84.186	1936002309	283,387
Passed Through Portland Public Schools:			
Title I Grants to Local Educational Agencies	84.010	310489	14,425
Passed Through Portland Community College:			
Adult Education_State Grant Program	84.002	0410557-1	58,977
TRIO_Dissemination Partnership Grants	84.344	0410547	6,203
Total Department of Education			<u>817,638</u>
<u>Elections Assistance Commission</u>			
Passed Through Oregon Secretary of State:			
Help America Vote College Pollworker Program	90.400	1936002309	3,000
Total Elections Assistance Committee			<u>3,000</u>
<u>U.S. Department of Health & Human Services</u>			
Direct Programs:			
Medical Reserve Corps Small Grant Program	93.008		48,860

(continued)

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
(continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Health Center Grants for Homeless Populations	93.151		548,897
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Care, and School Based Health Centers)	93.224		5,577,323
Consolidated Knowledge Development and Application (KD&A) Program	93.230		431,413
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		458,465
Healthy Communities Access Program	93.252		224,047
Drug Abuse and Addiction Research Programs	93.279		174,140
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		775,871
Refugee and Entrant Assistance Discretionary Grants	93.576		135,000
HIV Emergency Relief Project Grants	93.914		3,564,202
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease	93.918		780,589
Healthy Start Initiative	* 93.926		874,893
Special Projects of National Significance	93.928		397,861
Passed Through Legacy Health Systems: Consolidated Knowledge Development and Application (KD&A) Program	93.230	1U79TI13338-01	9,327
Passed Through National Association of City and County Health Officers: Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	6630	22,944
Passed Through Mount Hood Community College Head Start: Head Start	93.600	464812	52,730
Passed Through NW Family Services: Maternal and Child Health Federal Consolidated Programs	93.110	1 HID MC 00908	387,226
Passed Through Oregon Commission on Children and Families: Promoting Safe and Stable Families	93.556	1936002309	126,242
Child Care and Development Block Grant	93.575	1936002309	279,318
Social Services Block Grant	93.667	1936002309	700,744
Passed Through Oregon Housing and Community Services: Temporary Assistance for Needy Families	93.558	0310559	144,489
Low-Income Home Energy Assistance	93.568	0310559	4,910,833
Community Services Block Grant	93.569	0310559	937,908
Passed Through Oregon Health Sciences University: Health Education and Training Centers	93.189	GALHE008AC	37,141
Nursing Research	93.361	GSONO0136A D	10,111
Nursing Research	93.361	0310413	53,703
Child Care and Development Block Grant	93.994	AFF-2005-0025	70,493

(continued)

* Indicates a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
(continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed Through State Department of Human Resources:			
Public Health and Social Services Emergency Fund	93.003	1936002309	118,729
Special Programs for the Aging_ Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	1936002309	10,847
Special Programs for the Aging_ Title III, Part D_Disease Prevention and Health Promotion Services	93.043	1936002309	57,322
Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services & Senior Centers	* 93.044	1936002309	646,669
Special Programs for the Aging_ Title III, Part C_Nutrition Services	* 93.045	1936002309	838,082
National Family Caregiver Support	93.052	1936002309	427,337
Nutrition Services Incentive Program	* 93.053	1936002309	382,737
Project Grants & Cooperative Agreements for Tuberculosis Control	93.116	1936002309	161,372
Projects for Assistance in Transition From Homelessness (PATH)	93.150	1936002309	234,333
Health Program for Toxic Substances and Disease Registry	93.161	1936002309	4,254
Family Planning_Services	93.217	1936002309	281,060
Abstinence Education Program	93.235	1936002309	51,822
Occupational Safety and Health Program	93.262	1936002309	22,546
Immunization Grants	* 93.268	1936002309	1,117,565
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	1936002309	1,454,920
Temporary Assistance for Needy Families	93.558	1936002309	236,807
Community-Based Child Abuse Prevention Grants	93.590	1936002309	65,347
Medical Assistance Program	* 93.778	1936002309	12,803,538
HIV Care Formula Grants	93.917	1936002309	109,404
HIV Prevention Activities_Health Department Based	93.940	1936002309	877,541
Human Immunodeficiency Virus (HIV/Acquired Immunodeficiency Virus Syndrome (AIDS)) Surveillance	93.944	1936002309	108,573
Block Grants for Community Mental Health Services	93.958	1936002309	465,005
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1936002309	3,965,303
Cooperation Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	1936002309	9,642
Maternal and Child Health Services Block Grant to the States	93.994	1936002309	484,288
Passed Through Oregon Department of Justice:			
Child Support Enforcement	93.563	102324	1,580,813
Passed Through Oregon Research Institute:			
Alcohol Research Programs	93.273	R01AA11510	206,256
Passed Through University of California:			
Drug Abuse and Addiction Research Programs	93.279	2000 G FN563	77,710

(continued)

* Indicates a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
(continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed Through University of Washington:			
AIDS Education and Training Centers	93.145	0210068/0210069	90,651
Total Department of Health and Human Services			<u>48,625,243</u>
<u>U.S. Department of Homeland Security</u>			
Direct Programs:			
Port Security Research and Development Grant	97.060		104,572
Passed Through Oregon Emergency Management:			
Homeland Security Grant Program	* 97.067	03-155	2,739,815
Public Assistance Grants	97.036	1936002309	25,837
Emergency Management Performance Grants	97.042	1936002309	152,652
Passed Through Oregon State Marine Board:			
Boating Safety Financial Assistance	97.012	1936002309	590,461
Passed through Oregon State Police:			
State Homeland Security Program (SHSP)	97.073	02-113	630
Passed Through United Way:			
Emergency Food and Shelter National Board Program	97.024	708000-009	641,300
Total U.S. Department of Homeland Security			<u>4,255,267</u>
<u>Other Federal Assistance (No CFDA)</u>			
<u>Department of Agriculture</u>			
Direct Programs:			
U.S. Forest Service Patrol Contract		10-01-LE-110600-498	26,709
Total Other Federal Assistance			<u>26,709</u>
Total Federal Assistance			<u>\$ 67,505,463</u>

* Indicates a major program

MULTNOMAH COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

Note A – General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Multnomah County, Oregon (the County) for the year ended June 30, 2005. The County's reporting entity is defined in Note 1 to the County's June 30, 2005 basic financial statements.

Note B – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using a basis of accounting which is consistent with the basic financial statements, as described in Note 1 to the County's basic financial statements.

Note C – Relationship to General Purpose Financial Statements

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

Note D – Noncash Awards

The accompanying Schedule of Expenditures of Federal Awards 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 was determined by the granting agency. The amount expended and advanced at June 30, 2005 is calculated on a proportionate basis.

MULTNOMAH COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

Note E – Subrecipients

Of the federal expenditures presented in the schedule, Multnomah County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Technology Opportunities Program	11.552	\$ 1,019
Community Development Block Grants/Entitlement Grants	14.218	622,276
Supportive Housing Program	14.235	1,910,339
HOME investment Partnerships Program	14.239	76,529
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	2,352
Supervised Visitation, Safe Havens for Children	16.527	130,170
Byrne Formula Grant Program	16.579	63,115
Community Prosecution and Project Safe Neighborhoods	16.609	71,395
Surveys ,Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	2,055
Title I Grants to Local Educational Agencies	84.010	14,425
Safe and Drug Free Schools and Communities - State Grants	84.186	105,288
Twenty-First Century Community Learning Centers	84.287	423,416
TRIO_Dissemination Partnership Grants	84.344	6,000
Special Programs for the Aging _Title III, Part D_ Disease Prevention and Health Promotion Services	93.043	40,714
Special Programs for the Aging _Title III, Part B_ Grants for Supportive Services and Senior Centers	93.044	169,790
Special Programs for the Aging _Title III, Part C_ Nutrition Services	93.045	829,301
National Family Caregiver Support	93.052	135,171
Nutrician Services Incentive Program	93.053	382,737
Projects for Assistance in Transition From Homelessness (PATH)	93.150	236,769
Health Center Grants for Homeless Populations	93.151	12,205
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	437,587
Consolidated Knowledge Development and Application (KD&A) Program	93.230	248,508
Substance Abuse and Mental Health Services _Projects of Regional and National Significance	93.243	299,586
Healthy Communities Access Program	93.252	2,531
Alcohol Research Programs	93.273	3,655
Drug Abuse Research Programs	93.279	50,483
Centers for Disease Control and Prevention _Investigations and Technical Assistance	93.283	596,784

(continued)

MULTNOMAH COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

Note E – Subrecipients
(continued)

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Temporary Assistance for Needy Families	93.558	334,968
Low-Income Home Energy Assistance Program	93.568	421,476
Community Services Block Grant	93.569	765,134
Child Care and Development Block Grant (Discretionary Fund of the Child Care and Development Fund)	93.575	27,540
Community-Based Family Resource and Support Grants	93.590	0
Social Services Block Grant	93.667	642,848
HIV Emergency Relief Project Grants	93.914	2,363,342
Special Programs of National Significance	93.928	174,711
HIV Prevention Activities Health Department Based	93.940	292,611
Block grant for Community Mental Health Services	93.958	422,701
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3,110,000
Maternal and Child Health Services Block Grant to the States	93.994	4,330
Emergency Food and Shelter National Board Program	97.024	159,958
Homeland Security Grant Program	97.067	1,017,348
Total subrecipient pass through		<u>\$ 16,611,163</u>

STATISTICAL INFORMATION SECTION (UNAUDITED)

This part of Multnomah County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. This section contains the following tables and information:

- **Financial Trends** - These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.
- **Revenue Capacity** - These schedules contain information to help the reader assess the County's most significant local revenue sources: personal income tax, property tax, and business income tax.
- **Debt Capacity** - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the County's ability to issue additional debt in the future.
- **Economic and Demographic Information** - These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.
- **Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. Note that the County implemented Governmental Accounting Standards Board Statement No. 34 in 2002; therefore schedules presenting government-wide information include only information beginning in that fiscal year and going forward.

MULTNOMAH COUNTY, OREGON
Net Assets by Component
Last Four Fiscal Years
(amounts expressed in thousands)
(accrual basis of accounting)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 523,606	\$ 511,277	\$ 475,949	\$ 472,133
Restricted	76,612	62,954	62,535	74,973
Unrestricted	<u>21,365</u>	<u>(12,431)</u>	<u>(26,225)</u>	<u>(139,086)</u>
Total governmental activities net assets	<u><u>\$ 621,583</u></u>	<u><u>\$ 561,800</u></u>	<u><u>\$ 512,259</u></u>	<u><u>\$ 408,020</u></u>
Business-Type Activities:				
Invested in capital assets, net of related debt	\$ 2,577	\$ 2,480	\$ 2,474	\$ 2,405
Unrestricted	<u>2,012</u>	<u>1,915</u>	<u>2,095</u>	<u>3,136</u>
Total business-type activities net assets	<u><u>\$ 4,589</u></u>	<u><u>\$ 4,395</u></u>	<u><u>\$ 4,569</u></u>	<u><u>\$ 5,541</u></u>
Primary Government:				
Invested in capital assets, net of related debt	\$ 526,183	\$ 513,757	\$ 478,423	\$ 474,538
Restricted	76,612	62,954	62,535	74,973
Unrestricted	<u>23,377</u>	<u>(10,516)</u>	<u>(24,130)</u>	<u>(135,950)</u>
Total primary government net assets	<u><u>\$ 626,172</u></u>	<u><u>\$ 566,195</u></u>	<u><u>\$ 516,828</u></u>	<u><u>\$ 413,561</u></u>

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Changes in Net Assets
Last Four Fiscal Years
(amounts expressed in thousands)
(accrual basis of accounting)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Program Revenues				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$ 20,486	\$ 16,394	\$ 15,976	\$ 12,712
Health services	44,145	44,006	40,901	13,762
Social services	1,175	1,805	759	543
Public safety and justice	16,394	15,901	23,216	14,224
Community services	1	4	-	6
Library	1,887	2,042	2,537	1,745
Roads and bridges	1,867	1,880	1,250	910
Operating grants and contributions	256,489	249,079	256,659	277,418
Capital grants and contributions	34,149	9,809	4,461	86
Total governmental activities program revenues	<u>376,593</u>	<u>340,920</u>	<u>345,759</u>	<u>321,406</u>
Business-type activities:				
Charges for services:				
Dunthorpe	423	344	248	249
Mid County	289	235	233	235
Behavioral Health	29,472	25,603	32,486	32,781
Operating grants and contributions	-	435	897	337
Capital grants and contributions	238	-	-	-
Total business-type activities program revenues	<u>30,422</u>	<u>26,617</u>	<u>33,864</u>	<u>33,602</u>
Total primary government program revenues	<u>407,015</u>	<u>367,537</u>	<u>379,623</u>	<u>355,008</u>
Expenses				
Governmental activities:				
General government	128,871	154,646	36,374	17,673
Health services	106,551	110,968	110,322	92,109
Social services	181,194	167,746	169,218	188,043
Public safety and justice	192,005	182,941	180,503	184,213
Community services	21,795	18,391	17,925	23,877
Library	41,357	40,843	43,934	39,529
Roads and bridges	56,781	57,374	58,354	57,478
Interest on long-term debt	18,058	19,543	20,127	21,139
Total governmental activities expenses	<u>746,612</u>	<u>752,452</u>	<u>636,757</u>	<u>624,061</u>
Business-type activities:				
Dunthorpe	487	355	344	306
Mid County	495	723	468	419
Behavioral Health	29,480	25,787	33,739	34,951
Total business-type activities expenses	<u>30,462</u>	<u>26,865</u>	<u>34,551</u>	<u>35,676</u>
Total primary government expenses	<u>777,074</u>	<u>779,317</u>	<u>671,308</u>	<u>659,737</u>

(continued)

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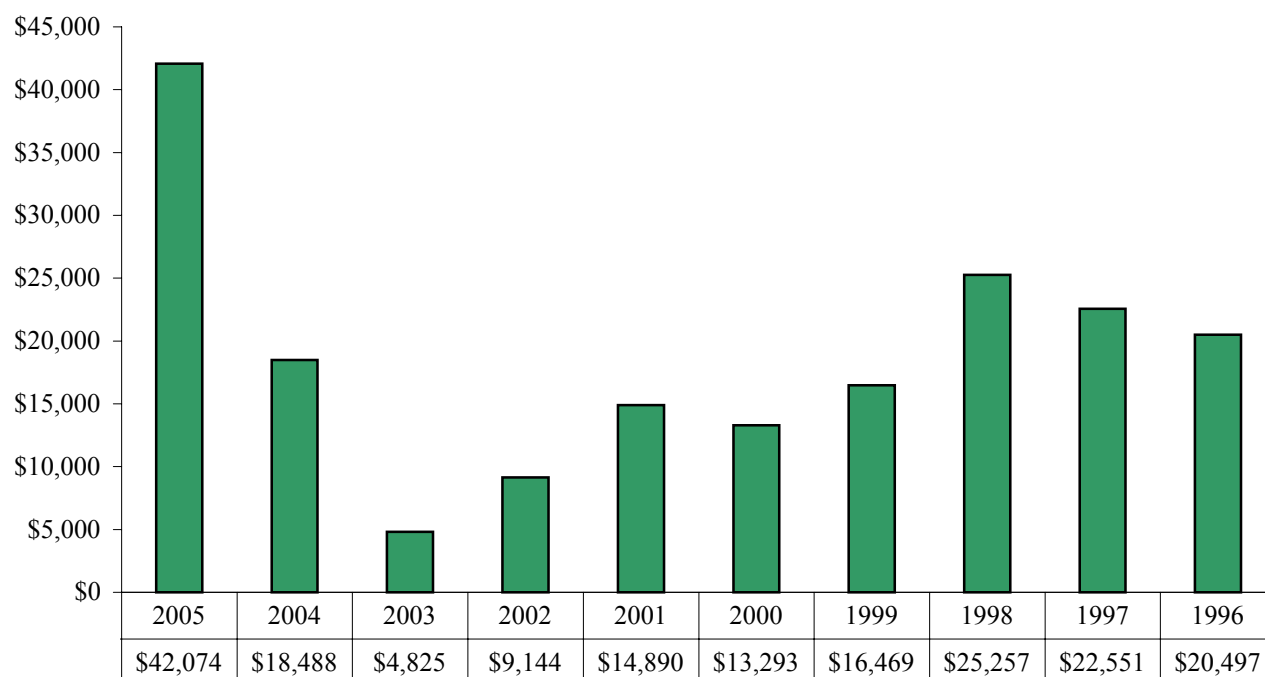
	2005	2004	2003	2002
Net Expense				
Governmental activities	\$ (370,019)	\$ (411,532)	\$ (290,998)	\$ (302,655)
Business-type activities	(40)	(248)	(687)	(2,074)
Total primary government net expense	<u>\$ (370,059)</u>	<u>\$ (411,780)</u>	<u>\$ (291,685)</u>	<u>\$ (304,729)</u>
 General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 209,056	\$ 201,278	\$ 193,912	\$ 195,130
Debt service	7,815	7,326	9,699	11,114
Personal income taxes	124,577	175,325	-	-
Business income taxes	36,463	30,286	26,491	26,935
Selective excise and use taxes	33,646	32,404	33,199	32,799
Payments in lieu of taxes	3,012	2,184	2,899	1,810
State government shared revenues	6,741	7,584	6,206	-
Grants and contributions not restricted to specific programs	1,150	166	70	60
Interest and investment earnings	4,943	2,443	4,226	7,982
Gain on sale of capital assets	166	200	1,711	-
Miscellaneous	2,233	1,877	2,917	4,496
Transfers	-	-	440	(3)
Total governmental activities	<u>429,802</u>	<u>461,073</u>	<u>281,770</u>	<u>280,323</u>
 Business-type activities:				
Interest and investment earnings	121	74	131	339
Miscellaneous	113	-	24	6
Transfers	-	-	(440)	3
Total business-type activities	<u>234</u>	<u>74</u>	<u>(285)</u>	<u>348</u>
 Total primary government	<u>430,036</u>	<u>461,147</u>	<u>281,485</u>	<u>280,671</u>
 Change in Net Assets				
Governmental activities	59,783	49,541	(9,228)	(22,332)
Business-type activities	194	(174)	(972)	(1,726)
Total primary government change in net assets	<u>\$ 59,977</u>	<u>\$ 49,367</u>	<u>\$ (10,200)</u>	<u>\$ (24,058)</u>

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)
(modified accrual basis of accounting)

	2005	2004	2003	2002
General Fund				
Reserved	\$ 342	\$ 1,004	\$ 961	\$ -
Unreserved	42,074	18,488	4,825	9,144
Total general fund	42,416	19,492	5,786	9,144
All Other Governmental Funds				
Reserved	37,292	39,224	63,810	75,627
Unreserved, reported in:				
Special revenue funds	55,890	27,375	23,601	24,563
Total all other governmental funds	93,182	66,599	87,411	100,190
Total governmental funds	\$ 135,598	\$ 86,091	\$ 93,197	\$ 109,334

Unreserved General Fund Balance



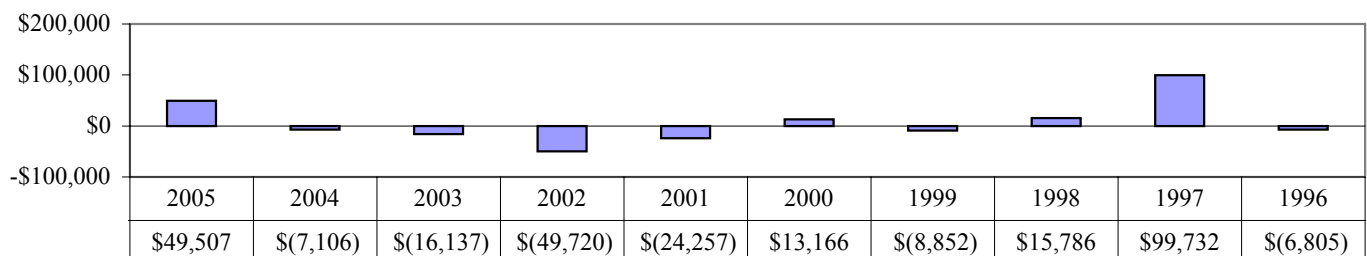
Source: Current and prior years' financial statements

2001	2000	1999	1998	1997	1996
\$ 869	\$ 969	\$ 605	\$ 616	\$ 748	\$ 735
14,890	13,293	16,469	25,257	22,551	20,497
15,759	14,262	17,074	25,873	23,299	21,232
123,342	145,418	126,815	125,499	118,972	25,406
19,953	23,625	26,250	27,619	20,934	16,835
143,295	169,043	153,065	153,118	139,906	42,241
\$ 159,054	\$ 183,305	\$ 170,139	\$ 178,991	\$ 163,205	\$ 63,473

MULTNOMAH COUNTY, OREGON
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)
(modified accrual basis of accounting)

	2005	2004	2003	2002
Revenues				
Taxes	\$ 422,212	\$ 375,204	\$ 268,225	\$ 267,641
Intergovernmental	284,527	252,978	261,020	290,077
Licenses and permits	14,743	14,760	14,496	8,134
Charges for services	61,399	55,180	66,325	18,586
Interest	4,134	1,960	3,499	6,972
Miscellaneous	51,926	50,385	37,495	58,415
Total revenues	<u>838,941</u>	<u>750,467</u>	<u>651,060</u>	<u>649,825</u>
Expenditures				
Current:				
General government	146,626	124,459	52,375	53,134
Health services	112,562	111,745	106,408	95,847
Social services	184,335	168,648	168,329	186,280
Public safety and justice	198,608	197,251	200,114	190,122
Community services	22,266	19,318	19,398	21,552
Library	44,546	42,753	40,741	42,706
Roads and bridges	39,844	40,454	39,497	36,829
Capital Outlay	9,288	11,968	17,770	31,822
Debt service:				
Principal	16,929	25,179	15,186	18,711
Interest	17,928	19,543	20,082	21,050
Total expenditures	<u>792,932</u>	<u>761,318</u>	<u>679,900</u>	<u>698,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,009</u>	<u>(10,851)</u>	<u>(28,840)</u>	<u>(48,228)</u>
Other Financing Sources (Uses)				
Certificates of participation proceeds	-	-	-	-
Proceeds from sale of capital assets	5	425	-	-
Proceeds of refunding certificates of participation	-	-	-	-
Lease / purchase proceeds	-	-	-	-
Bond proceeds	-	-	-	-
Proceeds from refunding bonds	54,235	-	9,615	-
Loan proceeds	-	-	-	-
Payment to escrow agent - refunded debt	(58,847)	-	-	-
Premium on long-term debt	5,089	-	-	-
Transfers in	29,907	32,641	39,819	128,682
Transfers out	(26,891)	(29,321)	(36,731)	(130,174)
Total other financing sources (uses)	<u>3,498</u>	<u>3,745</u>	<u>12,703</u>	<u>(1,492)</u>
Net change in fund balances	<u>\$ 49,507</u>	<u>\$ (7,106)</u>	<u>\$ (16,137)</u>	<u>\$ (49,720)</u>
Debt service as a percentage of noncapital expenditures	<u>4.7%</u>	<u>6.3%</u>	<u>5.6%</u>	<u>6.3%</u>

Net Change in Fund Balance, Governmental Funds



Source: Current and prior years' financial statements

2001	2000	1999	1998	1997	1996
\$ 266,466	\$ 254,514	\$ 250,416	\$ 215,100	\$ 217,295	\$ 185,008
308,993	242,966	232,715	223,962	184,697	172,031
5,037	2,734	3,026	2,934	2,751	2,703
20,234	15,008	15,515	14,471	14,882	12,864
14,760	12,201	11,688	12,080	9,691	5,476
51,994	49,575	42,337	37,190	37,244	29,888
667,484	576,998	555,697	505,737	466,560	407,970
36,612	219,323	35,786	28,474	28,298	35,086
285,999	237,566	209,788	190,941	190,540	181,526
-	-	-	-	-	-
183,897	179,799	165,792	140,510	113,263	96,519
85,143	72,429	75,996	47,764	56,913	35,707
-	-	-	-	-	-
35,110	35,969	37,604	35,197	34,052	32,596
30,517	37,141	59,425	36,773	33,717	33,069
17,863	13,695	11,540	14,071	10,403	3,543
22,069	14,857	9,953	10,206	7,960	5,105
697,210	810,779	605,884	503,936	475,146	423,151
(29,726)	(233,781)	(50,187)	1,801	(8,586)	(15,181)
-	60,835	36,125	15,694	-	1,846
-	-	-	-	-	-
-	-	-	28,621	-	-
-	-	-	-	-	316
5,499	184,548	3,155	-	108,700	-
-	-	66,115	-	-	-
-	204	154	-	1,672	5,383
-	-	(67,057)	(28,886)	-	-
-	-	-	-	-	-
124,819	131,026	126,334	77,814	74,133	68,244
(124,849)	(129,666)	(123,491)	(79,258)	(76,187)	(67,413)
5,469	246,947	41,335	13,985	108,318	8,376
\$ (24,257)	\$ 13,166	\$ (8,852)	\$ 15,786	\$ 99,732	\$ (6,805)
6.4%	3.8%	4.1%	5.5%	4.3%	2.3%

MULTNOMAH COUNTY, OREGON
Program Revenues by Function/Program
Last Four Fiscal Years
(amounts expressed in thousands)
(accrual basis of accounting)

	2005	2004	2003	2002
Function/Program				
Governmental activities:				
General government	\$ 33,367	\$ 31,429	\$ 23,463	\$ 24,644
Health services	71,924	77,315	72,730	63,191
Social services	139,569	126,534	136,045	140,391
Public safety and justice	62,497	63,534	71,518	57,336
Community services	4,387	1,830	2,730	2,530
Library	4,079	4,018	4,572	3,502
Roads and bridges	60,770	36,260	34,701	29,812
Total governmental activities	<u>376,593</u>	<u>340,920</u>	<u>345,759</u>	<u>321,406</u>
Business-type activities:				
Dunthorpe-Riverdale	423	344	256	251
Mid County	527	235	484	570
Behavioral Health	29,472	26,038	33,124	32,781
Total business-type activities	<u>30,422</u>	<u>26,617</u>	<u>33,864</u>	<u>33,602</u>
Total primary government	<u>\$ 407,015</u>	<u>\$ 367,537</u>	<u>\$ 379,623</u>	<u>\$ 355,008</u>

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)
(modified accrual basis of accounting)

Year	Property Taxes	Business Income Taxes	Transient Lodging Taxes	Motor Vehicle Rental Taxes	County Gasoline Taxes	Personal Income Taxes	Other Taxes	Total
1996	\$131,622	\$ 30,040	\$ 5,032	\$ 8,694	\$ 7,647	\$ -	\$ 1,973	\$185,008
1997	158,878	33,255	6,162	9,589	7,288	-	2,123	217,295
1998	157,886	32,524	5,842	10,205	7,272	-	1,371	215,100
1999	183,157	40,904	6,192	10,782	7,358	-	2,023	250,416
2000	187,255	39,934	5,956	12,445	7,111	-	1,813	254,514
2001	197,724	30,377	15,228	14,593	7,262	-	1,282	266,466
2002	206,097	26,935	11,131	13,717	7,832	-	1,929	267,641
2003	204,447	26,491	12,227	13,429	7,432	-	4,199	268,225
2004	209,018	30,286	12,352	12,930	7,011	100,114	3,493	375,204
2005	217,750	36,463	13,467	13,321	6,744	130,187	4,280	422,212

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Assessed Valuation and Actual Values of Taxable Property (1)
Last Ten Fiscal Years
(amounts expressed in thousands)

Year	Residential Property	Commercial Property	Public Utility Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value
1996	\$19,792,331	\$11,818,004	\$ 1,748,028	\$ 1,325,133	\$34,683,496	3.88	\$34,683,496
1997	22,380,651	12,705,874	1,849,993	1,524,420	38,460,938	4.23	38,460,938
1998 (2)	18,771,490	9,966,389	1,865,805	2,053,477	32,657,161	4.89	42,432,442
1999	20,156,020	11,350,597	2,107,164	2,169,234	35,783,015	5.39	45,532,239
2000 (3)	21,177,768	11,853,881	2,401,538	2,167,686	37,600,873	5.25	52,268,770
2001	22,163,841	12,407,629	2,709,063	2,315,045	39,595,578	5.31	56,377,119
2002	23,115,866	13,273,892	2,799,601	2,549,782	41,739,141	5.21	61,345,077
2003	24,165,517	13,294,395	2,558,357	2,330,850	42,349,119	5.17	63,391,339
2004	25,057,728	13,606,043	2,392,404	2,352,588	43,408,763	5.27	66,491,001
2005	26,264,819	14,003,443	2,484,887	2,158,073	44,911,222	5.28	70,457,625

(1) Prior to the passage of Measure # 50 in 1997, assessed value equaled real market value.

(2) Under Measure #50, assessed value is used for computation of taxes.

(3) Prior to 2000 amounts did not include urban renewal excess in taxable real market value.

MULTNOMAH COUNTY, OREGON
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Fiscal Years

Year	Multnomah County				Overlapping Rates						Total
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	
1996	\$ 2.96	\$ 0.84	\$ 0.10	\$3.90	\$5.79	\$ 0.68	\$ 5.58	\$ -	\$ 0.08	\$ 0.07	\$16.10
1997	2.83	1.09	0.32	4.24	5.47	0.55	6.20	-	0.07	0.47	17.00
1998 (2)	3.01	1.31	0.54	4.86	6.03	0.68	7.27	-	0.07	1.08	19.99
1999	4.32	0.50	0.46	5.28	5.98	0.67	6.95	-	0.07	1.00	19.95
2000	4.31	0.51	0.31	5.13	5.97	0.61	6.93	-	0.07	0.97	19.68
2001	4.32	0.50	0.37	5.19	6.06	0.62	7.21	0.01	0.07	1.06	20.22
2002	4.32	0.50	0.27	5.09	5.91	0.60	7.58	0.01	0.07	1.15	20.41
2003	4.25	0.48	0.24	4.97	6.04	0.55	7.77	0.01	0.08	1.26	20.68
2004	4.22	0.55	0.19	4.96	6.74	0.55	7.73	0.01	0.08	1.32	21.39
2005	4.25	0.58	0.18	5.01	6.68	0.55	7.75	0.01	0.08	1.40	21.48

(1) These are average rates and are stated in dollars and cents.

(2) Measure #50 went into effect which decreases the assessed valuation and results in an increase in tax rates.

MULTNOMAH COUNTY, OREGON
Property Tax Levies And Collections
Last Ten Fiscal Years
(amounts expressed in thousands)
(modified accrual basis of accounting)

Fiscal Year Ended June 30	Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
1996	\$ 135,104	\$ 127,611	94.45 %	\$ 4,706	*	\$ 132,317	97.94 %
1997	162,985	154,195	94.61	5,392	*	159,587	97.92
1998	158,856	152,342	95.90	5,420	*	157,762	99.31
1999	188,837	178,736	94.65	4,954	*	183,690	97.27
2000	193,076	181,772	94.15	5,501	*	187,273	96.99
2001	205,468	192,777	93.82	6,672		199,449	97.07
2002	212,329	198,884	93.67	5,276		204,160	96.15
2003	210,411	197,233	93.74	5,074		202,307	96.15
2004	215,031	202,692	94.26	3,596		206,288	95.93
2005	224,978	211,480	94.00	-		211,480	94.00

* Note : Collections actually decreased due to large refunds in FY05 for prior tax years.

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Principal Taxpayers
December 31, 2004 and December 31, 1995
(amounts expressed in thousands)

December 31, 2004			
Taxpayer	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
QWEST Corporation	\$ 551,810	1	1.23 %
Portland General Electric	350,967	2	0.78
Pacificorp (PP&L)	235,222	3	0.52
Wacker Siltronic Corp	169,330	4	0.38
Boeing Co	163,457	5	0.36
Northwest Natural Gas	146,202	6	0.33
LC Portland LLC	134,660	7	0.30
United Airlines	123,407	8	0.27
LSI Logic Corp	118,161	9	0.26
Alaska Airlines	117,000	10	0.26
	<u>\$ 2,110,216</u>		<u>4.70 %</u>
Total Assessed Valuation	<u>\$ 44,911,222</u>		

December 31, 1995			
Taxpayer	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
US West Communications	\$ 397,788	1	1.15 %
Pacificorp (PP&L)	230,168	2	0.67
Portland General Electric	194,541	3	0.56
Boeing Co	185,316	4	0.53
Northwest Natural Gas	110,984	5	0.32
SI - Lloyd Associates	98,294	6	0.28
United Airlines	88,421	7	0.25
Wacker Siltronic Corp	77,851	8	0.22
US Bancorp	75,414	9	0.22
Fujitsu Microelectronics	72,177	10	0.21
	<u>\$ 1,530,954</u>		<u>4.41 %</u>
Total Assessed Valuation	<u>\$ 34,683,496</u>		

(1) Assessed valuation based on the valuation of property for taxes collected in 2004 and 1995 respectively.

MULTNOMAH COUNTY, OREGON
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capitalized Lease Obligations	Full Faith and Credit Bonds	Revenue Bonds	Loans Payable			
1996	\$ 28,710	\$ 58,445	\$ -	\$ -	\$ 5,379	\$ 92,534	0.54 %	\$ 145
1997	136,375	54,920	-	-	715	192,010	1.08	297
1998	128,470	65,058	-	-	4,977	198,505	1.05	304
1999	124,170	100,480	-	3,155	792	228,597	1.16	348
2000	115,555	57,705	281,888	3,155	939	459,242	2.15	694
2001	106,260	51,942	277,713	8,500	870	445,285	1.98	666
2002	96,535	46,613	272,833	8,335	797	425,113	1.86	629
2003	91,610	41,501	276,763	7,890	718	418,482	1.82	617
2004	86,445	28,596	270,203	7,425	634	393,303	N/A	573
2005	81,025	27,971	266,063	6,935	542	382,536	N/A	558

N/A: Data was not available for this fiscal year.

Source: Current and prior year financial statements and US Department of Commerce-Bureau of Economic Analysis

MULTNOMAH COUNTY, OREGON
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita
1996	\$ 28,710	\$ 34,683,496	0.08 %	\$ 45
1997	136,375	38,460,938	0.35	211
1998	128,470	32,657,161	0.39	197
1999	124,170	35,783,015	0.35	189
2000	115,555	37,600,873	0.31	174
2001	106,260	39,595,578	0.27	159
2002	96,535	41,739,141	0.23	144
2003	91,610	42,349,119	0.22	135
2004	86,445	43,408,763	0.20	126
2005	81,025	44,911,222	0.18	118

Source: Current and prior year financial statements, Multnomah County Division of Assessment and Taxation, Center for Population Research and Census at Portland State University

MULTNOMAH COUNTY, OREGON
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

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

	2005	2004	2003	2002
Real market value	\$ 70,457,625	\$ 66,491,001	\$ 63,391,339	\$ 61,345,077
Debt limit rate	2.00%	2.00%	2.00%	2.00%
Debt limit	1,409,153	1,329,820	1,267,827	1,226,902
Less bonded debt at June 30	81,025	86,445	91,610	96,535
Legal debt margin	<u>\$ 1,328,128</u>	<u>\$ 1,243,375</u>	<u>\$ 1,176,217</u>	<u>\$ 1,130,367</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.11%	0.13%	0.14%	0.16%

ORS 287.053 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's boundaries.

Real market value	\$ 70,457,625	\$ 66,491,001	\$ 63,391,339	\$ 61,345,077
Debt limit rate	1.00%	1.00%	1.00%	1.00%
Debt limit	704,576	664,910	633,913	613,451
Less bonded debt at June 30	266,063	270,203	276,763	272,833
Legal debt margin	<u>\$ 438,513</u>	<u>\$ 394,707</u>	<u>\$ 357,150</u>	<u>\$ 340,618</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.38%	0.41%	0.44%	0.44%

Source: Current and prior years' financial statements, Multnomah County Division of Assessment and Taxation

2001	2000	1999	1998	1997	1996
\$ 56,377,119	\$ 52,268,770	\$ 45,532,239	\$ 42,432,442	\$ 38,460,938	\$ 34,683,496
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
1,127,542	1,045,375	910,645	848,649	769,219	693,670
106,260	115,555	124,170	128,470	136,375	28,710
<u>\$ 1,021,282</u>	<u>\$ 929,820</u>	<u>\$ 786,475</u>	<u>\$ 720,179</u>	<u>\$ 632,844</u>	<u>\$ 664,960</u>

0.19%

0.22%

0.27%

0.30%

0.35%

0.08%

\$ 56,377,119	\$ 52,268,770
1.00%	1.00%
563,771	522,688
277,713	281,888
<u>\$ 286,058</u>	<u>\$ 240,800</u>

0.49%

0.54%

Note: The County did not have any full faith and credit bonds prior to 2000.

MULTNOMAH COUNTY, OREGON
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>PMSA* Unemployment Rate</u>
1996	639,587	\$ 16,988,935	\$ 26,562	4.3 %
1997	647,083	17,851,213	27,587	4.1
1998	652,416	18,949,705	29,045	4.2
1999	657,740	19,735,801	30,005	4.3
2000	661,392	21,384,426	32,332	4.1
2001	668,969	22,504,958	33,641	5.9
2002	675,438	22,854,748	33,856	8.0
2003	677,850	23,055,931	34,017	8.5
2004	685,950	N/A	N/A	7.2
2005	685,950 (1)	N/A	N/A	6.1 (2)

N/A: Data was not available for this calendar year.

(1) Population data for July 1, 2005 is not available at this time.

(2) As of June 30, 2005

* Portland Metropolitan Statistical Area

Source: US Department of Commerce-Bureau of Economic Analysis, US Department of Labor-Bureau of Labor Statistics

MULTNOMAH COUNTY, OREGON

**Principal Employers
Current Year and Nine Years Ago**

2004-05			
Taxpayer	Employees	Rank	Percentage of Total PMSA* Employment
U.S. Government	15,585	1	1.41 %
Intel Corporation	14,890	2	1.34
Providence Health System	13,496	3	1.22
Oregon Health and Science University	11,400	4	1.03
Fred Meyer Stores	10,500	5	0.95
State of Oregon	9,771	6	0.88
Kaiser Foundation Health Plan	8,000	7	0.72
Legacy Health System	7,972	9	0.72
City of Portland	7,845	8	0.71
Safeway Inc.	6,000	10	0.54
	<u>105,459</u>		<u>9.51 %</u>
Total PMSA* employment	<u>1,109,100</u>		

1995-96			
Taxpayer	Employees	Rank	Percentage of Total PMSA* Employment
U.S. Government	18,254	1	1.97 %
State of Oregon	15,396	2	1.66
Intel Corporation	8,000	3	0.86
Fred Meyer Stores	7,803	4	0.84
Portland School District	6,600	5	0.74
Kaiser Foundation Health Plan	6,071	6	0.66
Providence Health System	5,785	7	0.62
City of Portland	4,904	8	0.53
U.S. Bancorp	4,895	9	0.53
Legacy Health System	4,791	10	0.52
	<u>82,499</u>		<u>8.90 %</u>
Total PMSA* employment	<u>926,553</u>		

* Portland Metropolitan Statistical Area

Source: State of Oregon Employment Department, Portland Business Alliance, and Regional Financial Advisors Inc.

MULTNOMAH COUNTY, OREGON
Full Time Equivalent County Employees
by Function/Program and Bargaining Unit
Last Ten Fiscal Years

	2005	2004	2003	2002
Function/Program				
Governmental activities:				
General government	676.0	695.0	657.5	658.5
Health services	802.5	832.5	892.5	884.5
Social services	596.0	538.5	565.5	754.0
Public safety and justice	1,585.0	1,584.5	1,596.0	1,740.5
Community services	73.0	73.0	72.0	96.0
Library	413.5	487.5	465.5	462.0
Roads and bridges	159.5	164.0	176.0	184.0
Total governmental activities	<u>4,305.5</u>	<u>4,375.0</u>	<u>4,425.0</u>	<u>4,779.5</u>
Business-type activities:				
Behavioral Health	17.0	45.5	34.5	38.0
Total business-type activities	<u>17.0</u>	<u>45.5</u>	<u>34.5</u>	<u>38.0</u>
Total primary government budgeted FTE	<u><u>4,322.5</u></u>	<u><u>4,420.5</u></u>	<u><u>4,459.5</u></u>	<u><u>4,817.5</u></u>
 MULTNOMAH COUNTY EMPLOYEES				
Management and exempt	<u>669</u>	<u>654</u>	<u>668</u>	<u>735</u>
Bargaining units:				
General employees (Local 88)	2,648	2,785	2,792	3,012
Electricians (Local 48)	21	21	22	22
Operating engineers (Local 701)	14	13	12	13
Paint makers (Local 1094)	2	2	3	3
Corrections (Teamsters 223)	450	454	467	497
Deputy sheriffs association	96	97	93	89
Oregon nurses association	239	256	269	263
Juvenile group workers (Local 86)	56	58	65	69
Prosecuting attorneys association	86	86	79	85
Parole and Probation Officers	133	0	0	0
Total bargaining units	<u>3,745</u>	<u>3,772</u>	<u>3,802</u>	<u>4,053</u>
Temporary County employees	<u>109</u>	<u>92</u>	<u>100</u>	<u>481</u>
Total actual County employees	<u><u>4,523</u></u>	<u><u>4,518</u></u>	<u><u>4,570</u></u>	<u><u>5,269</u></u>

N/A: Data was not available for this fiscal year.

Source: Multnomah County payroll records

2001	2000	1999	1998	1997	1996
565.0	583.0	593.0	731.0	749.0	685.0
864.5	820.5	853.0	1,268.0	1,145.0	1,316.0
788.5	783.0	692.0	700.0	676.0	559.0
1,803.0	1,863.0	1,740.0	1,819.0	1,585.0	1,645.0
93.0	91.0	N/A	N/A	N/A	N/A
491.5	456.0	494.0	551.0	461.0	473.0
182.0	186.0	190.0	185.0	185.0	185.0
4,787.5	4,782.5	4,562.0	5,254.0	4,801.0	4,863.0
32.0	35.0	32.0	30.0	28.0	N/A
32.0	35.0	32.0	30.0	28.0	-
4,819.5	4,817.5	4,594.0	5,284.0	4,829.0	4,863.0
794	742	N/A	N/A	N/A	N/A
N/A	N/A				
N/A	N/A				
N/A	N/A				
N/A	N/A				
N/A	N/A				
N/A	N/A				
N/A	N/A				
N/A	N/A				
N/A	N/A				
4,033	4,068				
N/A	N/A				
N/A	N/A				

MULTNOMAH COUNTY, OREGON
Operating Indicators by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2005	2004	2003
Governmental Activities:			
General Government			
Number of property tax accounts - residential	225,445	224,367	219,682
Number of property tax accounts - personal	58,082	63,497	62,171
Number of property tax accounts - commercial	34,199	33,173	33,182
Number of marriage licenses issued	6,203	9,037	6,297
Health Services			
Total clinic visits	N/A	373,460	348,619
County residents who rate their health good or better	84%	82%	84%
Environmental health inspections	N/A	9,978	9,204
Women, infants, and children (WIC) served in the WIC program	N/A	31,471	24,810
Flu vaccinations at health clinics	N/A	3,629	3,666
Social Services			
Households that have received assistance with energy bills	N/A	10,868	11,787
Clients with developmental disabilities served	N/A	3,417	3,300
Senior and physically disabled clients served	N/A	42,781	44,037
Alcohol and drug treatment clients / episodes (e)	N/A	17,902	19,463
Early childhood mental health clients	N/A	7,899	7,053
Public Safety and Justice			
Sheriff			
Responses to calls for services	41,260	35,500	36,972
Number of arrests (parts 1, 2 and 3 crimes)	N/A	3,383	3,714
Corrections			
Number of inmates booked	37,577	36,260	35,532
Average daily jail population	1,577	1,654	1,682
Average length of jail stay in days	17	18	19
Inmates held for court at Courthouse	N/A	N/A	13,545
Juvenile			
Youth admitted to detention center	N/A	N/A	2,357
Average length of stay in days in youth detention center	N/A	N/A	10
Community service hours completed	N/A	N/A	7,672
Average number of youth on probation per month	582	573	606
Adult			
Community service hours completed	N/A	N/A	122,391
Adults participating in in educational classes	N/A	N/A	596
Clients receiving GED's	N/A	N/A	73
Average no. adults on probation & post-prison supervision/month (continued)	9,118	9,347	9,171

N/A: Data was not available for this fiscal year.

Sources: Service Efforts and Accomplishments Social and Health Services, Service Efforts and Accomplishments Public Safety, Current and prior year financial statements

2002	2001	2000	1999	1998	1997	1996
218,911	217,041	214,770	213,138	206,862	206,438	193,689
60,999	60,140	39,346	36,626	60,163	53,874	51,313
33,410	33,683	31,744	33,488	32,681	32,938	38,482
5,878	6,270	6,078	6,006	6,044	6,428	6,059
340,639	342,869	339,478	327,571	302,573	220,496	225,395
86%	88%	N/A	N/A	N/A	N/A	N/A
10,245	9,847	10,503	8,757	N/A	N/A	N/A
25,158	24,091	22,337	23,589	24,112	23,599	N/A
2,640	2,251	3,017	3,197	3,158	2,805	2,544
15,813	15,733	11,754	12,432	N/A	N/A	N/A
3,336	2,577	3,050	2,975	2,779	2,763	2,785
47,678	43,562	N/A	33,688	32,625	N/A	N/A
18,142	17,983	(e) 27,114	(e) 24,806	(e) 24,877	N/A	N/A
7,226	7,000	3,038	1,523	1,400	N/A	N/A
36,063	37,414	36,346	N/A	N/A	N/A	N/A
3,165	3,634	3,311	2,412	1,925	2,523	2,393
37,658	40,120	43,078	N/A	N/A	N/A	N/A
1,871	2,054	2,036	N/A	N/A	N/A	N/A
20	20	18	18	N/A	N/A	N/A
13,558	14,334	14,133	14,319	11,573	11,609	14,377
2,611	2,816	2,913	3,940	4,116	3,668	N/A
11	11	9	11	12	11	N/A
10,117	9,606	11,754	14,142	N/A	N/A	N/A
704	735	850	946	N/A	N/A	N/A
127,439	117,890	N/A	105,774	101,382	N/A	N/A
567	531	446	519	545	420	N/A
95	66	49	64	N/A	N/A	N/A
9,042	10,603	10,674	10,198	9,454	9,619	N/A

MULTNOMAH COUNTY, OREGON
Operating Indicators by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2005	2004	2003
Public Safety and Justice (continued)			
District Attorney			
Cases of adult criminal activity prosecuted	N/A	N/A	22,390
Juvenile delinquency cases prosecuted	N/A	N/A	1,332
Hours of community service completed	N/A	N/A	2,601
Community Services			
Number of registered voters	430,693	363,589	363,843
Number of votes cast in last general election	365,530	245,238	245,238
Percent of registered voters who voted in last general election	85%	*67%	67%
Animal Control - Total Intake - Dogs and Cats	N/A	8,939	8,448
Library			
New library cards issued annually	74,805	76,161	73,012
Books circulated	19,462,344	18,762,556	17,854,110
Borrowers who used their cards in last three years	474,292	465,223	436,104
Library Satisfaction	96%	96%	97%
Web site hits	N/A	93,764,392	66,650,158
Business-type activities:			
Dunthorpe-Riverdale			
Sewage disposal - number of accounts	539	538	528

N/A: Data was not available for this fiscal year.

Sources: Service Efforts and Accomplishments Social and Health Services, Service Efforts and Accomplishments Public Safety, Current and prior year financial statements

* Community Service general elections are held on even years.

2002	2001	2000	1999	1998	1997	1996
19,895	21,246	23,154	22,041	N/A	N/A	N/A
1,486	1,845	1,236	1,510	2,011	N/A	N/A
1,765	777	240	274	N/A	N/A	N/A
383,915	365,596	341,210	381,939	389,337	404,098	382,821
300,065	300,065	217,894	217,894	273,594	273,594	248,052
*82%	82%	*57%	57%	*68%	68%	*66%
7,739	7,534	6,979	8,763	9,306	11,112	11,088
70,219	68,599	68,752	67,626	65,592	62,163	46,365
16,133,945	14,008,166	12,152,743	9,450,963	8,486,034	8,032,655	7,364,822
509,949	515,184	444,219	393,610	N/A	390,732	N/A
96%	97%	N/A	N/A	N/A	N/A	N/A
44,568,574	43,346,524	42,323,312	9,203,676	1,067,797	285,047	18,625
528	519	519	565	553	553	554

MULTNOMAH COUNTY, OREGON
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2005	2004	2003	2002
Governmental Activities:				
General Government				
Buildings owned	87	88	86	86
Buildings leased	59	62	67	71
Automobiles	302	311	322	339
Vehicles (excluding automobiles)	292	300	272	289
Heavy equipment	135	139	140	138
Health Services				
Health & dental centers	8	8	8	8
School based health centers	12	12	12	12
Social Services				
Aging & Disability offices	9	9	11	13
Public Safety and Justice				
Sheriff				
Vehicular patrol units	48	44	35	36
Number of employees (sworn and civilian)	814	847	835	896
River Patrol offices	3	3	3	3
Corrections				
Jails:				
Facilities	4	4	3	5
Population	1,537	1,651	1,531	1,775
Community Justice				
Adult probation & parole offices	6	6	7	8
Adult housing program offices	5	5	5	6
Juvenile counseling offices	4	5	6	6
Library				
Regional	2	2	2	2
Neighborhood	14	14	13	14
Leased	4	4	4	4
Roads & Bridges				
Miles of streets maintained by County:				
Paved	326	326	326	365
Unpaved	24	24	24	11
Bridges:				
Major	6	6	6	6
Minor	21	21	21	21
Business-type activities:				
Mid County				
Street lighting - lights and poles	4,219	3,974	3,710	3,837
Dunthorpe-Riverdale				
Pump stations	1	1	1	1
Miles of sewer (approximate)	15	15	15	15

Sources: Multnomah County Departments

N/A = not available

2001	2000	1999	1998	1997	1996
85	N/A	N/A	51	N/A	N/A
72	N/A	N/A	53	N/A	N/A
419	355	371	350	374	339
320	296	275	279	271	254
146	142	142	139	143	141
8	8	8	8	8	8
12	12	12	12	12	12
13	13	13	13	13	13
34	34	30	26	28	26
934	961	914	831	729	726
3	3	3	3	3	3
5	5	5	5	5	5
1,860	2,001	1,990	1,677	1,406	1,440
9	9	8	8	8	7
5	N/A	N/A	N/A	N/A	N/A
6	6	6	6	6	6
2	2	2	2	2	2
15	15	14	14	14	14
3	3	3	-	-	-
365	245	245	245	322	317
11	25	30	30	11	9
6	6	6	6	6	6
21	21	21	21	21	21
3,837	3,612	3,693	3,225	3,113	2,916
1	1	1	1	1	1
15	15	15	15	15	15

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS REQUIRED BY STATUTES

- Report of Independent Certified Public Accountants on the County's Compliance and Certain Items Based on an Audit of Basic Financial Statements Performed in Accordance with Federal and Oregon Auditing Standards
- Report of Independent Certified Public Accountants on the County's Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards
- Report of Independent Certified Public Accountants Applicable the County's Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133
- Schedule of Findings and Questioned Costs

Report of Independent Certified Public Accountants on the County's
Compliance and Certain Items Based on an Audit of Basic
Financial Statements Performed in Accordance
with Federal and Oregon Auditing Standards

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 4, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants, the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, 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 basic financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Multnomah County, Oregon is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the basic 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, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. Certain areas covered, as required by Oregon Administrative Rules 162-10-230 through 162-10-320 included, but were not limited to the following:

Accounting and Internal Control Structure - Our report on the accounting and internal control structure is presented separately under this cover.

Programs Funded from Outside Sources – Our report related to such programs is presented separately under this cover.

Financial Reporting Requirements - Whether financial reports and related data filed with other governmental agencies in conjunction with programs funded wholly or partially by such agencies were in agreement with or supported by the accounting records.

Compliance with Legal or Other Requirements

Accounting Records – Pertaining to the condition and adequacy of accounting records.

Collateral - Pertaining to the amount and adequacy of collateral pledged by depositories to secure the deposit of public funds (see requirements for public fund deposits as specified in Oregon Revised Statutes (ORS) 295).

Indebtedness - Relating to debt and the limitation on the debt amount, liquidation of debt within the prescribed period of time, and compliance with provisions of indentures or agreements, including restrictions on the use of monies available to retire indebtedness.

Insurance - Relating to insurance and fidelity bond coverage.

Investments - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046).

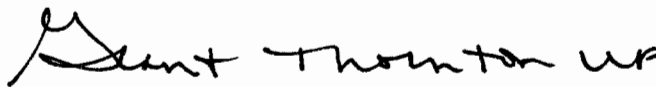
Budget - Relating to the preparation, adoption and execution of the annual budget for the current fiscal year and the preparation and adoption of the budget for the next succeeding fiscal year (see ORS 294.305 to 294.565).

Public Contracts and Purchasing - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

Taxes on Motor Vehicle Use and Fuel and use of a Road Fund - Pertaining to (as contained in Article IX, section 3a of the Oregon Constitution) the use of revenue from taxes on motor vehicle use and fuel and use of a road fund (as contained in ORS 294 and 373).

The results of our tests indicate that, with respect to the items tested, Multnomah County complied, in all material respects, with the provisions referred to above. With respect to items not tested, nothing came to our attention that caused us to believe that Multnomah County had not complied, in all material respects, with those provisions.

This report is intended solely for the information and use of management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Kent Thornton" followed by a stylized flourish.

Portland, Oregon
November 4, 2005

Report of Independent Certified Public Accountants on
Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Basic Financial Statements Performed in
Accordance with Government Auditing Standards

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2005, and have issued our report thereon dated November 4, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

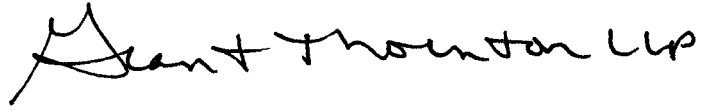
Compliance

As part of obtaining reasonable assurance about whether Multnomah County, Oregon's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Multnomah County, Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to management of Multnomah County in a separate letter dated November 4, 2005.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners and the Secretary of State, Division of Audits, of the State of Oregon, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Scott Thornton" followed by a stylized flourish or initials.

Portland, Oregon
November 4, 2005

Report of Independent Certified Public Accountants
on the County's Compliance with Requirements Applicable to Each Major
Program and Internal Control Over Compliance in Accordance with
OMB Circular A-133

The Board of County Commissioners
Multnomah County, Oregon

Compliance

We have audited the compliance of the Multnomah County, Oregon with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2005. Multnomah County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Multnomah County, Oregon's management. Our responsibility is to express an opinion on Multnomah County, Oregon's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Multnomah County, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Multnomah County, Oregon's compliance with those requirements.

In our opinion, Multnomah County, Oregon complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2005.

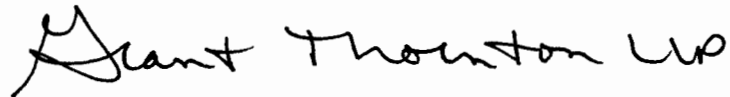
Internal Control Over Compliance

The management of Multnomah County, Oregon is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Multnomah County, Oregon's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Portland, Oregon
November 4, 2005

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major programs:

CFDA Number	<u>Name of Federal Program</u>
10.557	Department of Agriculture, Special Supplemental Nutrition Program for Women, Infants and Children
93.926	Department of Health and Human Services, Healthy Start Initiative
93.268	Department of Health and Human Services, Immunization Grants
15.227	Department of Interior, Distribution of Receipts to State and Local Governments
97.067	Department of Homeland Security, Homeland Security Grant Program
10.xxx	Schools and Roads Cluster
93.xxx	Medicaid Cluster
93.xxx	Aging Cluster

Dollar threshold used to distinguish between type A and type B programs: \$2,021,736

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current year or prior year findings and questioned costs reported.