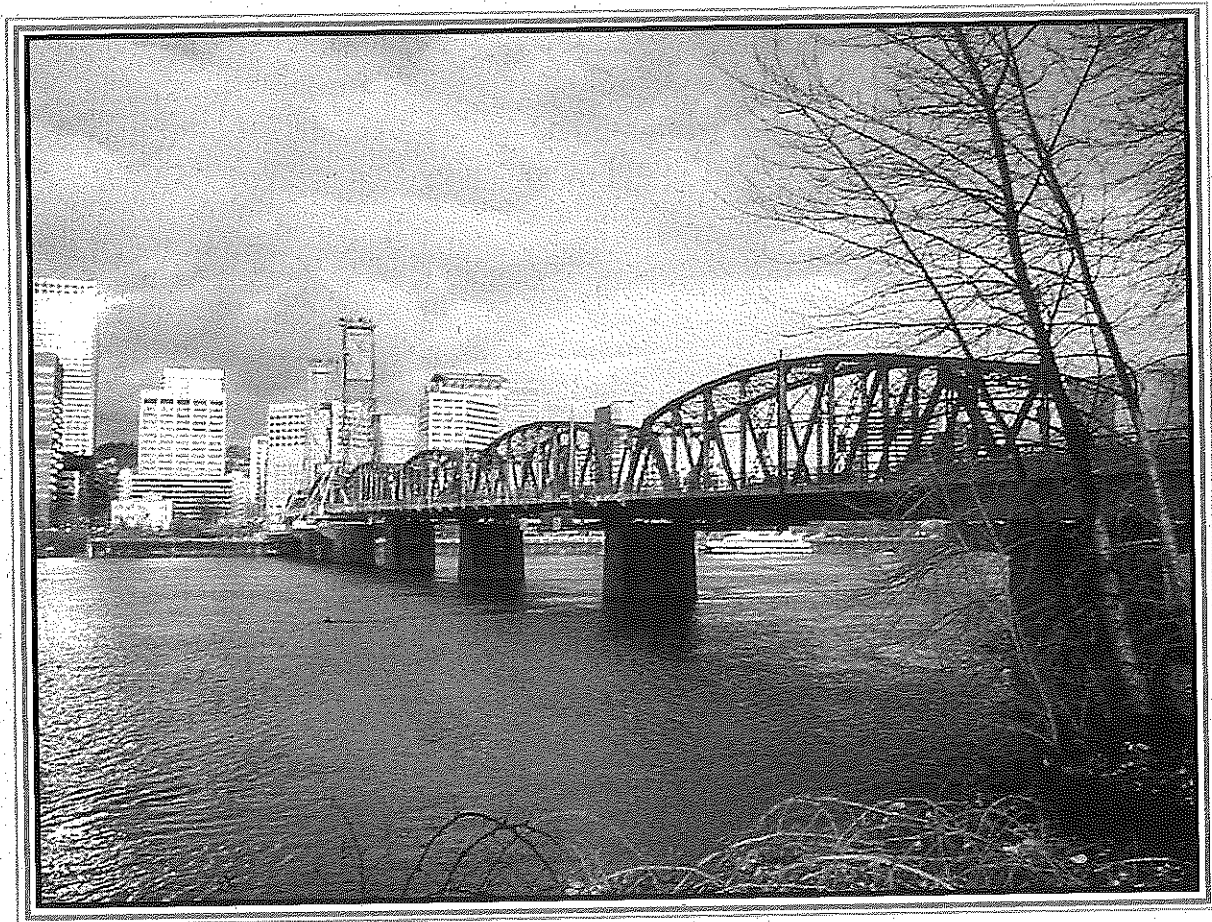


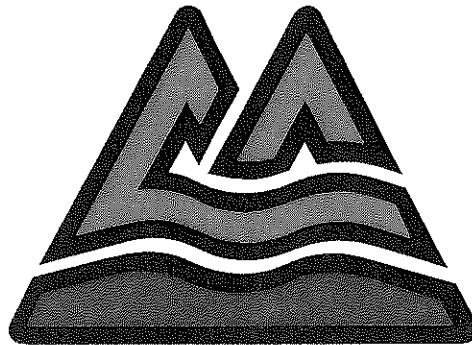
MULTNOMAH COUNTY OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 1999



MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999



Prepared by:
Finance Division
David A. Boyer, Finance Director
1120 SW Fifth Avenue, Suite 1430
PO Box 14700
Portland, Oregon 97293-0700

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



BEVERLY STEIN
Chair



DIANE LINN
Commissioner



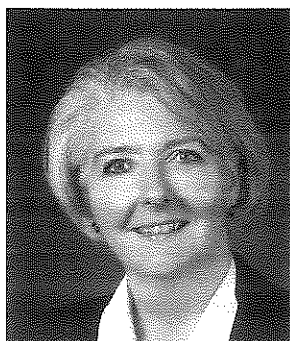
SHARRON KELLEY
Commissioner



SERENA CRUZ
Commissioner



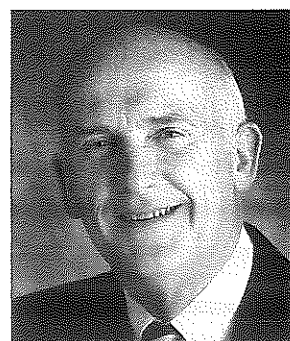
LISA NAITO
Commissioner



SUZANNE FLYNN
Auditor



DAN NOELLE
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
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For the fiscal year ended June 30, 1999
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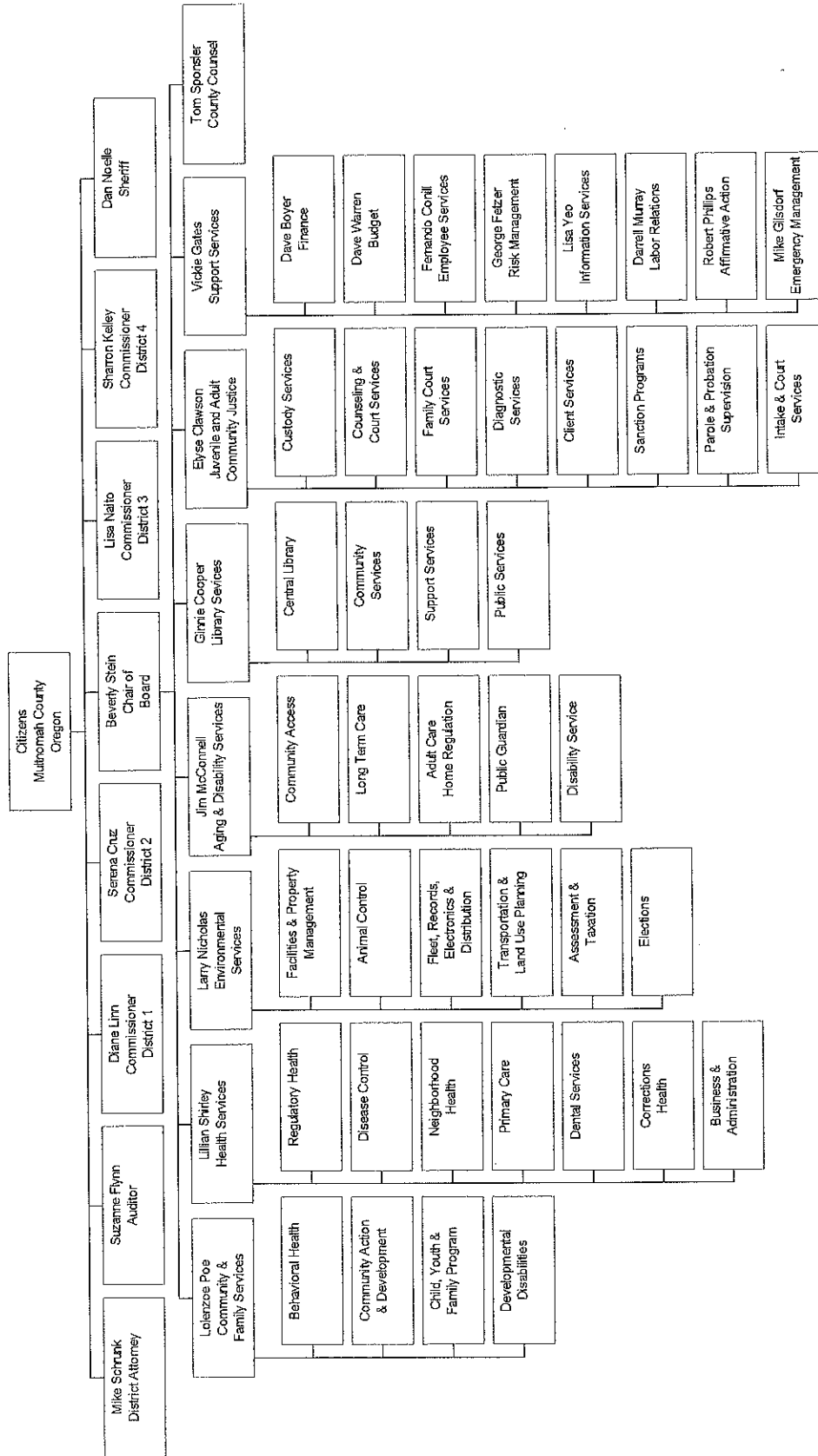
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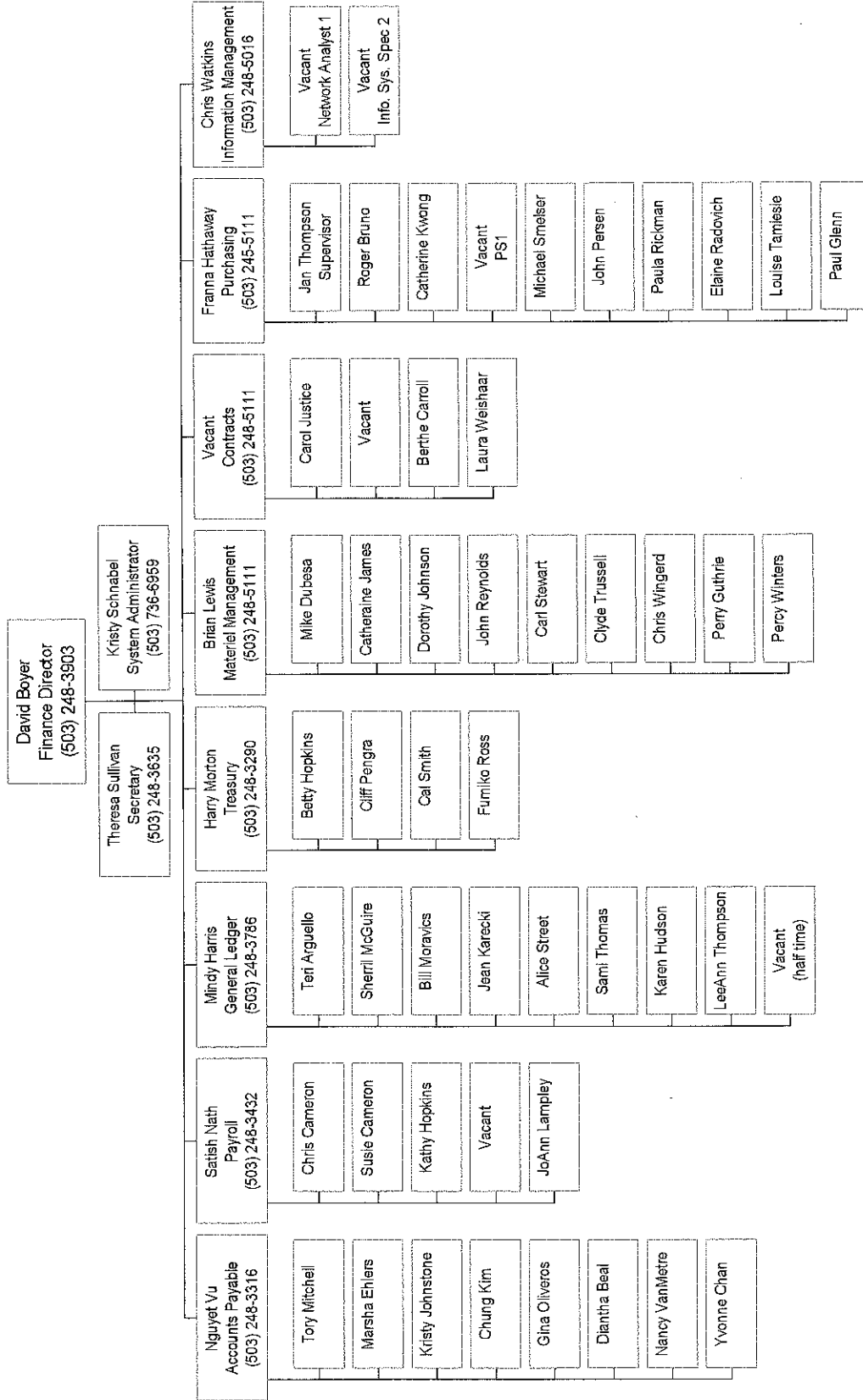
INTRODUCTORY SECTION

MULTNOMAH COUNTY, OREGON



MULTNOMAH COUNTY, OREGON

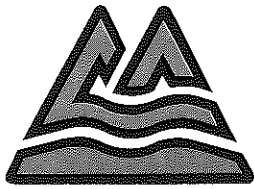
Finance Division



MULTNOMAH COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 1999

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
<u>Board of County Commissioners</u>		
Chair of Board	Beverly Stein 1120 SW Fifth Ave., Suite 1510 Portland, OR 97204-1976	12/31/2002
District No. 1	Diane Linn 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/2000
District No. 2	Serena Cruz 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/2002
District No. 3	Lisa Naito 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/2000
District No. 4	Sharron E. Kelley 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/2000
<u>Other Elected Officers</u>		
County Auditor	Suzanne Flynn 1120 SW Fifth Ave., Suite 1400 Portland, OR 97204-1976	12/31/2002
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/2000
County Sheriff	Dan Noelle 12240 NE Glisan Street Portland, OR 97230	12/31/2002
<u>Other Appointed Officers</u>		
Department of Support Services Director	Vickie S. Gates	Not elected
Finance Director	David A. Boyer	Not elected
Accounting Manager	Mindy Harris	Not elected
County Counsel	Thomas Sponsler	Not elected

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MULTNOMAH COUNTY OREGON

COUNTY COMMISSIONERS

BEVERLY STEIN, CHAIR
DIANE LINN, DISTRICT #1
SERENA CRUZ, DISTRICT #2
LISA NAITO, DISTRICT #3
SHARRON KELLEY, DISTRICT #4

DIRECTORS OFFICE
ACCOUNTS PAYABLE
GENERAL LEDGER
PAYROLL
TREASURY
LAN ADMINISTRATION

PORTLAND BUILDING
1120 SW FIFTH AVENUE, SUITE 1430
P.O. BOX 14700
PORTLAND, OR 97293-0700
PHONE (503) 248-3312
FAX (503) 248-3292

DEPARTMENT OF SUPPORT SERVICES FINANCE DIVISION

CONTRACTS
MATERIEL MANAGEMENT
PURCHASING

FORD BUILDING
2505 S.E. 11TH 1ST FLOOR
PORTLAND, OR 97202
PHONE (503) 248-5111
FAX (503) 248-3252
TDD (503) 248-5170

December 10, 1999

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, 1999, 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 Finance Division and is organized into three primary sections: Introductory, Financial and Statistical. The Introductory Section includes this letter of transmittal, the County's and Finance Division's organizational charts and a list of principal officers. This section is intended to inform the reader of the organization, services, scope and financial activities of the County. The Financial Section includes the General Purpose Financial Statements, the related notes and additional information. The additional information contains the combining and individual fund and account group statements and schedules, and other schedules. This section provides summary and more detailed financial statements and schedules of County activities. The Statistical Section contains historical financial and statistical information, generally presented on a multi-year basis. The Statistical Section provides broader financial data for a more comprehensive understanding of the County.

This report also includes Audit Comments and Disclosures 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 has been issued under separate cover.

Multnomah County management is responsible for the information in this report and we believe that the information presented is accurate in all material respects and is organized in a manner to clearly present the financial position and results of the operations of the County's various funds and account groups. Further, all necessary disclosures have been included to enable the reader to gain maximum understanding of the financial affairs of the County.

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

REPORTING ENTITY

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

ECONOMY AND FINANCIAL OUTLOOK

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

Multnomah County is the most populous county in the state with a July 1, 1998, population of 642,000. The cities of Portland, with a population of 508,500, and Gresham, with a population of 81,865, are the largest incorporated cities located in the County.

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

The Portland-Vancouver, OR-WA PMSA's (Primary Metropolitan Statistical Area), which includes Multnomah, Clackamas, Washington, Columbia and Yamhill counties in Oregon and Clark County in Washington, economy remained strong during fiscal year 1999. Over the last 12 months the Portland PMSA's payrolls have added 18,600 jobs, a growth rate of about 2%. The Portland PMSA's total nonfarm payroll employment rose from 940,600 employees at June 30, 1998, to 959,200 employees at June 30, 1999. The area's preliminary unemployment rate was 4.4% at June 30, 1999, compared to the same 4.2% rate at June 30, 1998. The Portland-Vancouver Consumer Price Index (CPI) (1982-84 = 100) was 166.2 at June 30, 1999, and represents a 2% increase from June 30, 1998.

Financial outlook: The financial outlook for the County's General Fund over the next five years is expected to remain steady. Local government revenues in Oregon have been constrained in the 1990's by two citizen initiated property tax limitation measures. Measure 5 passed in 1990, and Measure 47 passed in 1996 and was enacted into law under the provisions of Measure 50. Property tax revenues account for about 55% of total discretionary revenue and, under Measure 50, is generally limited to 3% annual growth. New construction can be added to the assessed values and will raise the property tax growth slightly over the 3% limitation.

Although most indicators would seem to point to continued growth, it is likely that the regional economy will not continue to grow at the pace seen over the last five years. The State of Oregon's recent forecast suggests a slowdown in the rate of growth of business activity.

While a slowdown in the rate of economic growth is likely to have some impact on the County's revenue stream, we are expecting our Business Income Tax and Motor Vehicle Rental Tax to grow by about 3.5 to 5%. Overall revenue growth is forecast between 3% to 3.5% over the next few years. If inflation remains at its current low levels, the level of revenue growth should be sufficient to provide funding at current service levels.

COUNTY STRUCTURE AND SERVICES PROVIDED

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

Department of Community and Family Services: Services include:

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

Department of Health Services: Services include:

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

Department of Aging and Disability Services: Services to senior citizens include:

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

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

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

Department of Library Services: Services include:

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

Department of Environmental Services: Services include:

- Animal Control is responsible for the community's animal ownership ordinances that protect people and animals and operating an animal shelter for lost, stray and unwanted animals;
- Assessment and Taxation is responsible for property assessment, tax collection, recording, property records management, property foreclosures, Board of Equalization and Tax Title Fund management;
- Elections is responsible for performing all functions relating to the conduct of all elections for governmental jurisdictions in Multnomah County;
- Facilities and Property Management is responsible for facilities operations and maintenance, property management, tax foreclosed property, and capital improvement projects;
- Fleet, Records, Electronics and Distribution is responsible for operational support services in the areas of county vehicles, records management, electronic equipment maintenance and interoffice and US mail processing; and
- Transportation and Land Use Planning is responsible for road, bridge and bikeway maintenance and capital projects, and to regulate planning activities in Multnomah County.

Sheriff's Office: Services include:

- Corrections programs such as work release and out-of-custody supervision for pre-trial and sentenced offenders in Multnomah County;
- In-jail alcohol and drug intervention services;
- Patrol services to rural areas of unincorporated Multnomah County;
- Narcotics education and intervention through the D.A.R.E. Program and narcotics enforcement through the Special Investigations Unit;
- Civil process service and civil court enforcement of "execution process";
- Water safety education and patrol of 97 miles of waterways within the boundaries of the County; and
- Secure incarceration of inmates and the transportation of inmates both inter and intrastate.

Department of Support Services: Services include:

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

District Attorney's Office: Services include:

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

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

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

Employees: At June 30, 1999, the County had 4,593 employees not including temporary employees. There are nine bargaining units representing 3,902 employees as listed below. In addition, there are 691 management and exempt employees.

<u>Bargaining Unit</u>	<u>Employees</u>
General Employees (Local 88)	2,825
Electricians (Local 48)	23
Operating Engineers (Local 87)	13
Paint Makers (Local 55)	3
Corrections (Teamsters 223)	504
Deputy Sheriffs Association	89
Oregon Nurses Association	280
Juvenile Group Workers (Local 86)	79
Prosecuting Attorneys Association	86
Total	<u>3,902</u>

MAJOR INITIATIVES

In fiscal year 1999. The County continued the RESULTS campaign. RESULTS stands for Reaching Excellent Service Using Leadership and Team Strategies and is Multnomah County's program for redesigning government. The goals of RESULTS are to build our capacity to meet our community and county benchmarks, to make sure we use tax dollars efficiently and to ensure quality services. The County applied for the Oregon Quality Award for 1999 and was informed in November 1999 that they had received this prestigious award.

During the year. The County prepared an Integrated Enterprise System (IES) Business Case study to determine the feasibility of replacing the legacy financial, payroll and procurement systems. The final recommendation made by the County Executive team was to replace the system and SAP was selected through the request for proposal process as the software vendor. The County will install this software system over the next year with a conversion date of July 1, 2000.

In July 1998. Multnomah County received a letter from PERS informing us that our employer costs would increase from 10.66 to 12.55% effective July 1, 1999. In October 1998 we were notified that instead of the rate increasing to 12.55%, it would increase to 15.24%. This is a 43% increase. PERS required this increase after an actuarial study was performed and over the most recent five year period, the County's unfunded liability for retirement grew from \$50,900 to \$158,500. In addition HB 3349, adopted by the 1995 Legislature, added benefits to retirement pay due to retirement benefits becoming taxable at the State level. This added about \$25,000 to the County's unfunded liability and represents one fifth of the increase.

The increased rate will cost Multnomah County over \$9,000 annually when the rate is fully implemented. This \$9,000 will be increased by the growth in the County's payroll which is currently about 4% and will be in effect for the next 30 years. On December 1, 1999, the County issued pension obligation bonds to fund the unfunded liability and the present value savings will be about \$35,776 by funding this liability. (See subsequent events.)

On October 1, 1998. The County issued \$3,155 of revenue bonds to finance the construction, renovation, improvement 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. RCC in turn entered into agreements with Multnomah Education Service District, Edgefield Children's Center, the Janus Program and Morrison center to participate in the development of the campus to enable them to provide a full consortium of mental health prevention and treatment services.

On February 1, 1999. The County issued \$66,115 in General Obligation Bonds with a net interest cost of 5.12% to advance refund \$62,180 in outstanding general obligation bonds. The County advanced refunded the bonds to reduce its total debt service payments over the next 16 years by \$3,042 and to obtain an economic gain of \$2,016.

On April 1, 1999. The County issued \$36,125 in Certificates of Participation at a net interest cost of 4.71% to finance the costs of acquiring the Multnomah Building, an administrative office building.

For the future. School funding continues to be a high priority of the County. The County is not in a position to repeat the fiscal year 1997 \$10,000 one-time-only contribution to county schools or the Business Income Tax \$12,500 surcharge approved in fiscal year 1998, but continues working with City of Portland officials, school district officials, members of the business community and citizens to find short-term and long-term solutions to funding schools.

The County continues to use the three long-term benchmarks adopted September 16, 1996, as a factor in developing the fiscal year 2000 budget. Agencies charged with community planning will continue to develop strategies and outcomes, work with community experts, analyze research data and determine the most cost effective ways to deliver these services. The Departments will also work to align programs and services around common strategies.

The County is also continuing to work with the Public Safety Council to develop programs for an alcohol and drug treatment relapse program, mental health treatment for dual diagnosis individuals and drug free housing.

FINANCIAL AND ACCOUNTING POLICIES

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds and account groups of the County at June 30, 1999, and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles (GAAP).

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

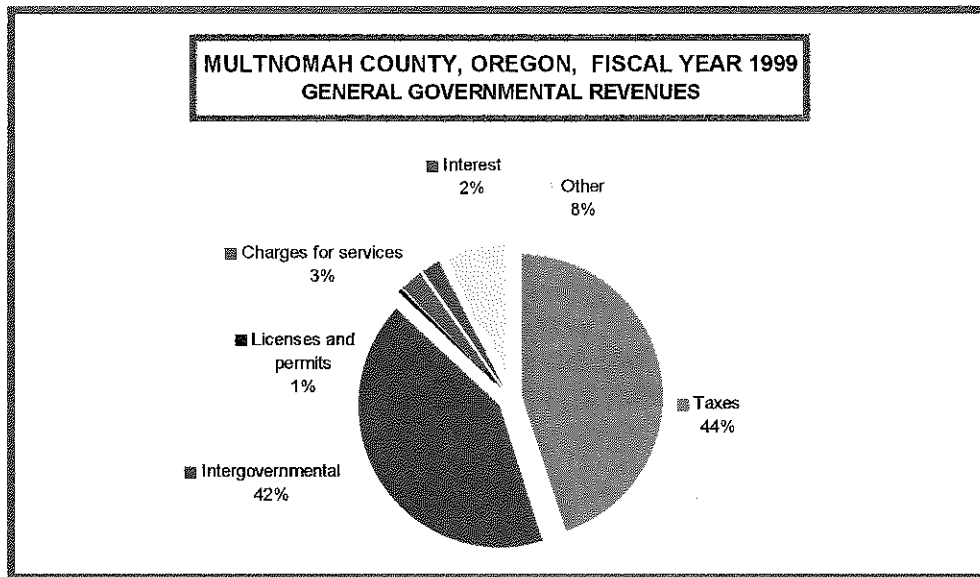
INTERNAL ACCOUNTING CONTROLS AND BUDGETARY PROCESS

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

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

FINANCIAL SUMMARY OF GENERAL GOVERNMENT FUNCTIONS

Governmental Fund Type Revenues: Revenues accounted for in the Governmental Fund Types totaled \$555,697 for the fiscal year 1999. The revenues, percent of total revenue by source and changes from 1998 are shown in the following chart and table:

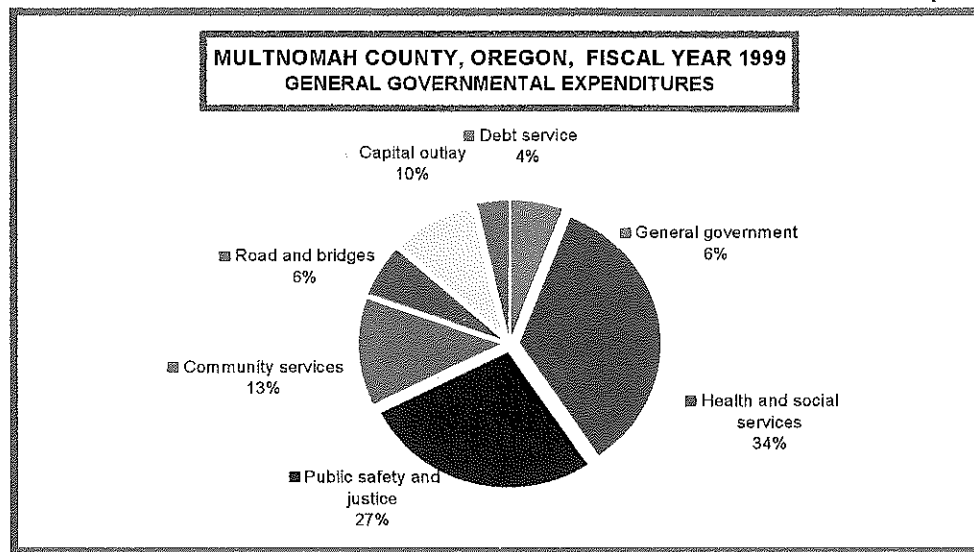


	1999 Amount	1998 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$ 250,416	\$ 215,100	\$ 35,316	16.4%
Intergovernmental	232,715	223,962	8,753	3.9%
Licenses and permits	3,026	2,934	92	3.1%
Charges for services	15,515	14,471	1,044	7.2%
Interest	11,688	12,080	(392)	-3.2%
Other	42,337	37,190	5,147	13.8%
Total	\$ 555,697	\$ 505,737	\$ 49,960	9.9%

The major increases are:

- The increase of taxes is due to an increase in property tax collections as a result of a Library special Levy and increase business income tax collections.
- The increase of intergovernmental revenues is due to an increase in federal and state funded programs.

Governmental Fund Type Expenditures: Expenditures accounted for in the Governmental Fund Types totaled \$605,884 for fiscal year 1999. The expenditures, percent of total by function and changes from the previous fiscal year are shown in the following chart and table.



	1999 Amount	1998 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
General government	\$ 35,786	\$ 28,474	\$ 7,312	25.7%
Health and social services	209,788	190,941	18,847	9.9%
Public safety and justice	165,792	140,510	25,282	18.0%
Community services	75,996	47,764	28,232	59.1%
Road and bridges	37,604	35,197	2,407	6.8%
Capital outlay	59,425	36,773	22,652	61.6%
Debt service	21,493	24,277	(2,784)	-11.5%
Total	\$ 605,884	\$ 503,936	\$ 101,948	20.2%

The major increases are:

- Public safety and justice increased due to cost of living increases and an increase in state funded programs.
- Community services increased due to expanded library services and the funding of \$12,500 to schools as a result of the business income tax increase.
- Capital outlay increased due to the purchase of the Multnomah Building.

PROPRIETARY OPERATIONS

Operating revenues accounted for in the Proprietary Funds, exclusive of the pension trust fund, for the fiscal year ended June 30, 1999, were \$101,731, an increase of \$16,703 from fiscal year 1998. Operating expenses totaled \$100,359 for the fiscal year ended June 30, 1999, an increase of \$12,007 from fiscal year 1998. The net loss for the year ended June 30, 1999, was \$60 compared to the net loss of \$1,807 for fiscal year 1998.

FIDUCIARY OPERATIONS

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

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

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

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

YEAR 2000 PREPARATIONS

The County continues to treat Year 2000 compliance as a serious issue with the potential for significant impact on County business functions. The County views Year 2000 compliance efforts as a business issue and not merely an information technology issue. The County has investigated and analyzed the impact of the Year 2000 date change on electronic information systems and other aspects of the County's operations. The County has established a Year 2000 Project Office with oversight responsibility for Year 2000 compliance activity.

As of June 30, 1999, the County has expended \$4,300 to remediate Year 2000 compliance issues on mission critical systems.

Three major mission critical systems that the County relies on are the property tax assessment and collection system, accounting system and payroll system. All are Year 2000 compliant.

The County has developed contingency plans for most of its functions in the event the County does not have mission critical systems Year 2000 compliant by December 31, 1999. More detailed information on the County's Year 2000 efforts is included in the Additional Information Section of this report.

RISK MANAGEMENT

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

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

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

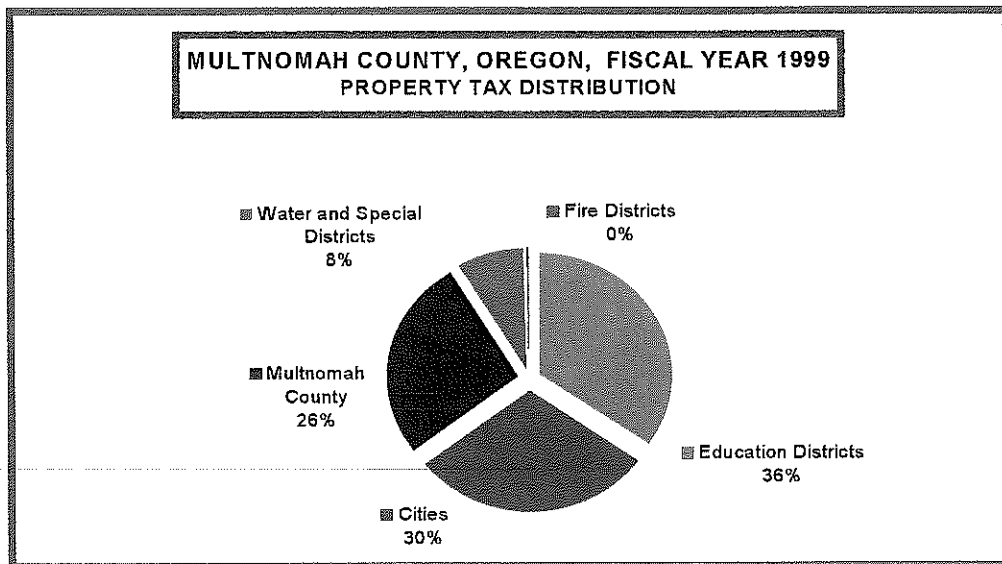
The County also funds post retirement benefits for a portion of medical insurance benefits for retirees between the ages of 58 to 65. Every two years an actuarial valuation is performed on the program to evaluate the unfunded liability and funding requirements. The next actuarial valuation will be performed in the spring of 2000 and will include the costs associated with the Retirement Incentive Program approved by the Board of County Commissioners.

GENERAL FIXED ASSETS

The general fixed assets of the County are those fixed assets used in the performance of general governmental functions and exclude fixed assets of the Enterprise and Internal Service Funds. At June 30, 1999, the general fixed assets of the County amounted to \$324,913. This amount represents the original or estimated cost of the assets and is considerably less than the estimated replacement cost.

PROPERTY TAXES

Multnomah County serves as the property tax assessor and collector for all taxing bodies located in the County. The total levy for all entities within the County, as extended by the assessor, was \$713,897 for fiscal year 1999. The major levying entities, amounts, and changes from the previous year are displayed in the following chart and table:



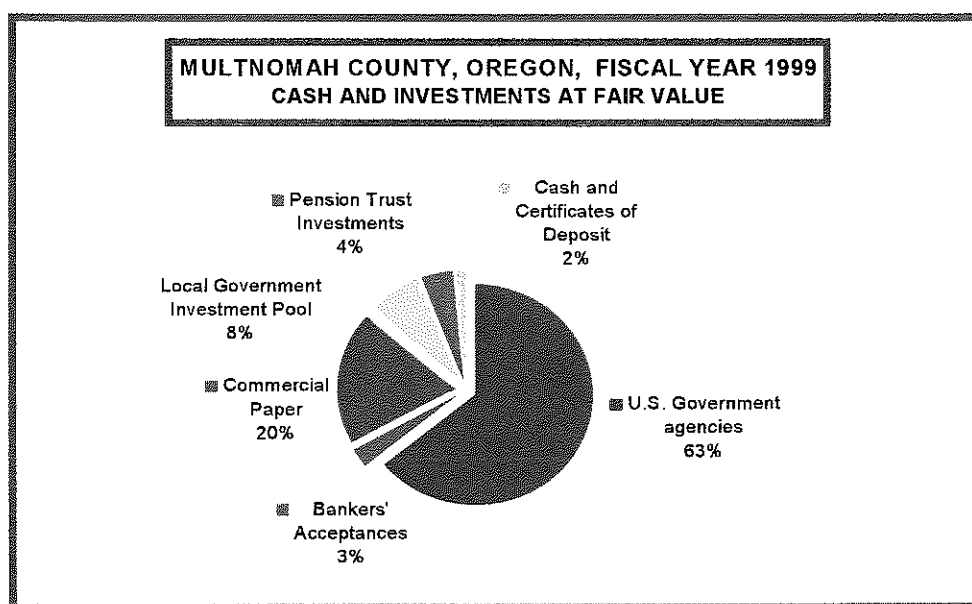
	1999 Amount	1998 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Education Districts	\$ 248,622	\$ 237,275	\$ 11,347	4.8%
Cities	214,148	196,846	17,302	8.8%
Multnomah County	188,837	158,856	29,981	18.9%
Water and Special Districts	59,868	57,819	2,049	3.5%
Fire Districts	2,422	2,323	99	4.3%
Total	\$ 713,897	\$ 653,119	\$ 60,778	9.3%

CASH AND INVESTMENTS

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

The average daily balance of investments for all funds, including trust funds, for fiscal year 1999 was \$266,480 and the average yield on these investments was 5.23%, as compared to the fiscal year 1998 average balance of \$244,648 and average yield of 5.64%. Investment interest earnings on all funds, excluding trust funds, for the fiscal year 1999 was \$13,419. The fair value of Cash and Investments at June 30, 1999, totaled \$249,404. The County recorded \$655 of unrealized losses as a result of marking its investments to fair value.

The investments are displayed in a note to the financial statements disclosing the fair values. The note also discloses the "level of credit risk" associated with the investment types. The following table and chart represents the various cash and investment types, at fair value, changes from fiscal year 1998 and percent of total:



	1999 Amount	1998 Amount	Amount Increase (Decrease)
U.S. Government securities	\$ -	\$ 10,166	\$ (10,166)
U.S. Government agencies	159,817	143,805	16,012
Repurchase Agreements	-	24,000	(24,000)
Bankers' Acceptances	7,030	9,902	(2,872)
Commercial Paper	48,817	47,234	1,583
Local Government Investment Pool	19,007	16,354	2,653
Pension Trust Investments	10,975	10,722	253
Cash and Certificates of Deposit	3,758	3,521	237
Total	\$ 249,404	\$ 265,704	\$ (16,300)

DEBT ADMINISTRATION

General Obligation Bonds: Under Oregon Revised Statutes 287.054 the County's total general obligation bonded debt issues are subject to a limitation of 2% of the real market value of taxable property. On June 30, 1999, this limit was \$910,645 and the County had \$124,170 outstanding. Multnomah County has an Aa1 rating from Moody's Investors Service, Inc. on all general obligation bonds issued.

On March 1, 1994, the County issued general obligation bonds in the amount of \$22,000 to renovate the Central Library and to build a new Midland Branch Library. The debt service is paid from the proceeds of a property tax levy. A portion of these bonds were advance refunded by the 1999 issue. The remaining bonds mature each October through October 2005. At June 30, 1999, \$6,865 was outstanding.

On October 1, 1994, the County issued general obligation bonds in the amount of \$9,000 to renovate the Central Library and to build a new Midland Branch Library. The debt service is paid from the proceeds of a property tax levy. A portion of these bonds were advance refunded by the 1999 issue. The remaining bonds mature each October through October 2004. At June 30, 1999, \$2,155 was outstanding.

On October 1, 1996, the County issued \$29,000 in General Obligation Library Bonds Series 1996A to finance the construction, acquisition and reconstruction of certain library facilities and equipment. A portion of these bonds were advance refunded by the 1999 issue. The debt service is paid from the proceeds of a property tax levy. The remaining bonds mature each October through October 2007. At June 30, 1999, \$14,570 was outstanding.

On October 1, 1996, the County issued \$79,700 in General Obligation Public Safety Bonds Series 1996B to finance the construction, acquisition and reconstruction of certain public safety facilities and equipment. The debt service is paid from the proceeds of a property tax levy. A portion of these bonds were advance refunded by the 1999 issue. The bonds mature each October through October 2008. At June 30, 1999, \$34,465 was outstanding.

On February 1, 1999, the County issued \$66,115 in General Obligation Bonds with a net interest cost of 5.12% to advance refund \$62,180 in outstanding general obligation bonds. The County advanced refunded the bonds to reduce its total debt service payments over the next 16 years by \$3,042 and to obtain an economic gain of \$2,016. The bonds mature each October through October 2016. At June 30, 1999, \$66,115 was outstanding.

Revenue Bonds: On October 1, 1998, the County issued Revenue Bonds Series 1998 in the amount of \$3,155 to finance the costs of construction, renovation, improvement and equipping of certain facilities located on County-owned property known as the Regional Children's Campus, Inc. (RCC). The facility is to be operated as a children's service center. The County has pledged its Motor Vehicle Rental Tax revenues as the source of repayment of the bonds. The total interest cost on the bonds is 4.52%. At June 30, 1999, \$3,155 was outstanding. The bonds are rated A3 by Moody's Investors Service, Inc.

Tax and Revenue Anticipation Notes: On July 1, 1998, the County issued \$11,000 in Tax and Revenue Anticipation Notes (TRANS). The notes had a stated interest rate of 4.50% and a yield of 3.50%. The TRANS were rated MIG1 by Moody's Investors Service, Inc. The notes matured on June 30, 1999.

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

	Values	Per Capita	Percent of RMV
Population June 30, 1998	642,000		
1998-99 real market value (RMV)	\$45,532,239	\$70,922	
Gross G.O. bonded debt	\$124,170	\$193	.27%
Net direct debt (G.O.) and overlapping debt	\$815,740	\$1,271	1.79%

INTERGOVERNMENTAL AGREEMENTS, LOANS AND CAPITAL LEASES

Multnomah County has entered into various lease/purchase, loan and intergovernmental agreements to acquire or improve facilities and to acquire equipment. These acquisitions have been capitalized in the Data Processing Fund and Telephone Fund, Internal Service Funds, or in the General Fixed Assets Account Group. At June 30, 1999, the total amount payable in the General Long-Term Obligations Account Group is \$95,112, \$5,244 in the Data Processing Fund, and \$124 in the Telephone Fund. The following is a summary of the various types of transactions the County has entered into:

Intergovernmental Agreement: On January 22, 1981, the County entered into an intergovernmental agreement in the amount of \$3,475 with the City of Portland for the purchase of two floors in the Portland Building. This agreement will be paid in full in fiscal year 2008. At June 30, 1999, \$2,024 was outstanding.

Loans: On February 15, 1996, the County entered into an intergovernmental agreement in the amount of \$528 with the State of Oregon to obtain an energy loan to replace the Multnomah County Courthouse chillers. This agreement will be paid in full in fiscal year 2011. At June 30, 1999, \$460 was outstanding.

On July 5, 1996, the County entered into two intergovernmental agreements in the total amount of \$42 with the City of Gresham for sewer assessment loans. These agreements will be paid in full in fiscal year 2016. At June 30, 1999, \$37 was outstanding.

On October 1, 1996, the County entered into an intergovernmental agreement in the amount of \$86 with the State of Oregon to obtain an energy loan for conservation measures at the McCoy Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1999, \$67 was outstanding.

On December 1, 1996, the County entered into an intergovernmental agreement in the amount of \$35 with the State of Oregon to obtain an energy loan for conservation measures at the Elections Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1999, \$27 was outstanding.

On January 15, 1997, the County entered into an intergovernmental agreement in the amount of \$56 with the State of Oregon to obtain an energy loan for conservation measures at the Kelly Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1999, \$46 was outstanding.

On February 8, 1999, the County entered into an intergovernmental agreement in the amount of \$155 with the State of Oregon to obtain an energy loan for conservation measures for various County facilities. This agreement will be paid in full in fiscal year 2009. At June 30, 1999, \$155 was outstanding.

Lease/Purchase Contracts: On February 1, 1994, the County entered into a lease/purchase contract in the amount of \$534 with U.S. National Bank to purchase data processing equipment. The contract was paid in full in fiscal year 1999.

On January 9, 1996, the County entered into a lease/purchase contract in the amount of \$317 with Ameritech to purchase library data processing equipment. The contract will be paid in full in fiscal year 2000. At June 30, 1999, \$70 was outstanding.

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

On September 1, 1996, the County entered into a lease/purchase contract in the amount of \$299 with Xerox to purchase a laser printer. The contract will be paid in full in fiscal year 2002. At June 30, 1999, \$130 was outstanding.

On March 1, 1999, the County entered into a lease/purchase contract in the amount of \$1,656 with IBM to purchase data processing equipment. The contract will be paid in full in fiscal year 2002. At June 30, 1999, \$1,526 was outstanding.

Certificates of Participation: Certificates of Participation represent a long-term lease under an optional contract for purchase between Multnomah County and a bank's trust department. The County obtains the initial financing and then assigns the ownership of the assets to the trustee to whom the County makes lease payments. With the exception of the March 1, 1995, and June 1, 1996, equipment issues, the County has maintained an Aa3 rating from Moody's Investors Service, Inc. on Certificates of Participation issues. The Equipment issues are rated A1 by Moody's Investors Service, Inc.

On July 1, 1990, the County acquired an office for the County's probation program by issuing \$455 in Certificates of Participation "Series 1990C". At June 30, 1999, \$115 was outstanding. The certificates mature each July through July 2000.

On May 1, 1993, the County advance refunded three Certificates of Participation issues and issued additional certificates for the purpose of financing the acquisition and improvements of certain other health care facilities. The certificates were issued in two series, "1993A and 1993B". The 1993A was issued in the amount of \$17,845 and the Series 1993B, a taxable issue, was issued in the amount of \$2,045, for a total of \$19,890. At June 30, 1999, \$ 14,390 was outstanding. These certificates mature each July through July 2013.

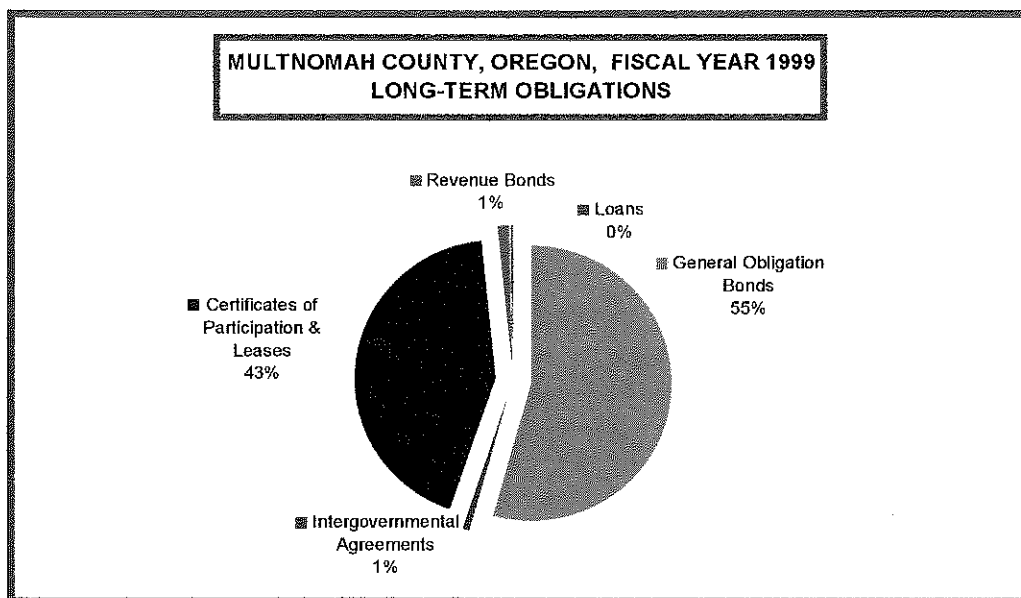
On March 1, 1995, the County issued Certificates of Participation in the amount of \$2,445 to purchase computer equipment. At June 30, 1999, \$535 was outstanding. \$329 is recorded in the General Long-Term Obligations Account Group and \$206 is recorded in the Internal Service Funds. The certificates mature each September through September 1999.

On June 1, 1996, the County issued Certificates of Participation in the amount of \$1,845 to purchase computer equipment. At June 30, 1999, \$790 was outstanding. The certificates mature each December through December 2000.

On February 1, 1998, the County issued Certificates of Participation in the amount of \$48,615 to advance refund the August 1, 1992, (Series 1992A) Certificate of Participation and to finance the acquisition of computer equipment and the construction and improvements of certain other County facilities and structures. At June 30, 1999, \$44,775 was outstanding.

On April 1, 1999, the County issued Certificates of Participation in the amount of \$36,125 to finance the acquisition of an administrative building, renovating, constructing and improving certain other County facilities and structures. At June 30, 1999, \$36,125 was outstanding. The certificates mature each August through August 2019.

The outstanding amount of general obligation bonds, certificates of participation, lease purchases, loans and intergovernmental agreements for 1999 and 1998, changes from the previous fiscal year and percent of total are shown in the following chart and table:



	1999 Amount	1998 Amount	Increase (Decrease)
General Obligation Bonds	\$ 124,170	\$ 128,470	\$ (4,300)
Intergovernmental Agreements	2,024	2,170	(146)
Certificates of Participation & Leases	98,456	67,189	31,267
Revenue Bonds	3,155	-	3,155
Loans	792	677	115
Total	<u>\$ 228,597</u>	<u>\$ 198,506</u>	<u>\$ 30,091</u>

SUBSEQUENT EVENTS

On July 1, 1999, the County issued \$11,000 in Tax and Revenue Anticipation Notes to meet anticipated cash flow requirements prior to the collection of property taxes in November and other revenues received after November. The stated interest rate is 3.75% with a yield of 3.35%. The notes mature on June 30, 2000, and are rated MIG1 by Moody's Investors Service, Inc.

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds to fund the County's Public Employees Retirement System (PERS) unfunded accrued actuarial liability (UAAL). The present value savings by issuing the debt to fund the UAAL instead of paying PERS, over a thirty year period, will be \$35,776. The total interest cost is 7.67%. Payment of principal and interest, except for a term bond, will be guaranteed by MBIA. The term bond is rated Aa2 by Moody's Investor Service, Inc.

INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada "GFOA" awarded the Certificate of Achievement for Excellence in Financial Reporting to Multnomah County, Oregon, for its comprehensive annual financial report for the fiscal year ended June 30, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. Multnomah County has received a Certificate of Achievement award for fifteen consecutive years. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

SUMMARY

Multnomah County's financial position continues to remain strong. As of June 30, 1999, the fund balances in the Governmental Fund Types was \$170,139 as compared to the June 30, 1998, balance of \$178,991. At June 30, 1999, \$21,983 of the fund balances is reserved for debt retirement, \$102,297 is reserved for capital projects, \$1,340 is reserved for inventories, \$785 is reserved for prepaid items, \$765 is reserved for foreclosed property and \$250 is reserved for the Oregon Medical Assistance Program.

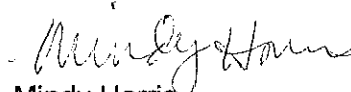
ACKNOWLEDGMENTS

We wish to express our sincere appreciation to the employees in the Finance Division who maintained the records and assisted in the preparation of this report. Special thanks is extended to the General Ledger Staff who were instrumental in preparing this report. Appreciation is also extended to the Chair of the Board, Board of County Commissioners, Department Managers, Budget & Quality Services 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
Finance Director



Mindy Harris
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

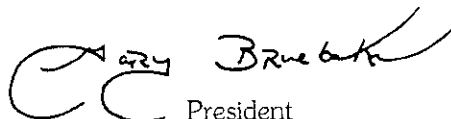
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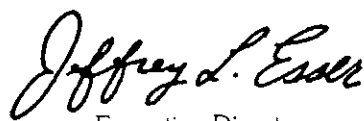
Multnomah County,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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.




President


Executive Director

FINANCIAL SECTION

Report of Independent Certified Public Accountants

The Board of County Commissioners
Multnomah County, Oregon

We have audited the accompanying general purpose financial statements of the Multnomah County, Oregon as of June 30, 1999 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Multnomah County, Oregon's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Multnomah County, Oregon as of June 30, 1999 and the results of its operations and the cash flows of its proprietary fund types and the changes in plan net assets for its pension trust fund for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Audit Standards*, we issued our reports dated December 8, 1999 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.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Multnomah County, Oregon. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole. The Year 2000 supplementary information on page 130 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Multnomah County, Oregon is or will become Year 2000 compliant, that Multnomah County, Oregon's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which Multnomah County, Oregon does business are or will become Year 2000 compliant.

The statistical section listed in the table of contents is not a required part of the basic financial statements. We did not audit or apply limited procedures to such information and do not express any assurance on such information.

GRANT THORNTON LLP

Portland, Oregon
December 8, 1999

By 

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

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MULTNOMAH COUNTY, OREGON
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999
(amounts expressed in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Cash and investments	\$ 14,928	\$ 37,487	\$ 22,008	\$ 104,428
Receivables:				
Taxes	8,072	926	861	-
Accounts	5,909	36,716	12	1,692
Loans	-	1,492	-	-
Interest	2,320	-	-	-
Special assessments	22	-	-	-
Contracts	6,990	746	4,361	2,079
Due from other funds	-	-	-	1,452
Inventories	552	788	-	-
Prepaid items	53	732	-	-
Foreclosed properties	-	765	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
Other debits:				
Amount available for retirement of long-term obligations	-	-	-	-
Amount to be provided for retirement of long-term obligations	-	-	-	-
Total assets and other debits	<u>\$ 38,846</u>	<u>\$ 79,652</u>	<u>\$ 27,242</u>	<u>\$ 109,651</u>
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Payroll payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	3,748	27,877	119	3,291
Due to other funds	-	10,809	-	1,452
Interest payable	-	-	-	-
Compensated absences	3,751	6,073	-	7
Deferred revenue	14,275	6,108	5,140	2,604
Due to other governmental units	-	-	-	-
Amounts held in trust	-	-	-	-
General obligation bonds payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Capitalized leases	-	-	-	-
Loans payable	-	-	-	-
Total liabilities	<u>21,772</u>	<u>50,867</u>	<u>5,259</u>	<u>7,354</u>
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings, unreserved	-	-	-	-
Fund balances:				
Reserved for capital projects	-	-	-	102,297
Reserved for debt service	-	-	21,983	-
Reserved for employees' retirement benefits	-	-	-	-
Reserved for inventories	552	788	-	-
Reserved for foreclosed properties	-	765	-	-
Reserved for prepaid items	53	732	-	-
Reserved for Oregon Medical Assistance	-	250	-	-
Unreserved, undesignated	16,469	26,250	-	-
Total equity and other credits	<u>17,074</u>	<u>28,785</u>	<u>21,983</u>	<u>102,297</u>
Total liabilities, equity and other credits	<u>\$ 38,846</u>	<u>\$ 79,652</u>	<u>\$ 27,242</u>	<u>\$ 109,651</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	(Memorandum Only)
\$ 7,930	\$ 14,308	\$ 48,315	\$ -	\$ -	\$ 249,404
-	-	28,970	-	-	38,829
576	1,102	415	-	-	46,422
-	-	-	-	-	1,492
-	-	-	-	-	2,320
24	-	-	-	-	46
-	-	-	-	-	14,176
-	10,809	-	-	-	12,261
-	360	-	-	-	1,700
-	596	-	-	-	1,381
-	-	-	-	-	765
1,508	10,667	-	324,913	-	337,088
-	-	-	-	21,983	21,983
-	-	-	-	203,353	203,353
<u>\$ 10,038</u>	<u>\$ 37,842</u>	<u>\$ 77,700</u>	<u>\$ 324,913</u>	<u>\$ 225,336</u>	<u>\$ 931,220</u>
\$ -	\$ -	\$ 13,705	\$ -	\$ -	\$ 13,705
4,629	10,754	8,084	-	-	58,500
-	-	-	-	-	12,261
-	-	1	-	-	1
53	917	-	-	2,107	12,908
-	-	-	-	-	28,127
-	-	28,970	-	-	28,970
-	-	15,965	-	-	15,965
-	-	-	-	124,170	124,170
-	-	-	-	3,155	3,155
-	5,368	-	-	95,112	100,480
-	-	-	-	792	792
<u>4,682</u>	<u>17,039</u>	<u>66,725</u>	<u>-</u>	<u>225,336</u>	<u>399,034</u>
-	-	-	324,913	-	324,913
3,432	9,144	-	-	-	12,576
1,924	11,659	-	-	-	13,583
-	-	-	-	-	102,297
-	-	-	-	-	21,983
-	-	10,975	-	-	10,975
-	-	-	-	-	1,340
-	-	-	-	-	765
-	-	-	-	-	785
-	-	-	-	-	250
-	-	-	-	-	42,719
<u>5,356</u>	<u>20,803</u>	<u>10,975</u>	<u>324,913</u>	<u>-</u>	<u>532,186</u>
<u>\$ 10,038</u>	<u>\$ 37,842</u>	<u>\$ 77,700</u>	<u>\$ 324,913</u>	<u>\$ 225,336</u>	<u>\$ 931,220</u>

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
REVENUES:					
Taxes	\$ 201,795	\$ 32,816	\$15,805	\$ -	\$250,416
Intergovernmental	17,282	206,933	-	8,500	232,715
Licenses and permits	1,879	1,147	-	-	3,026
Charges for services	7,448	8,036	-	31	15,515
Interest	3,432	1,386	1,630	5,240	11,688
Other	23,172	8,029	7,746	3,390	42,337
Total revenues	<u>255,008</u>	<u>258,347</u>	<u>25,181</u>	<u>17,161</u>	<u>555,697</u>
EXPENDITURES:					
Current:					
General government	18,416	11,893	761	4,716	35,786
Health and social services	12,818	196,970	-	-	209,788
Public safety and justice	84,769	76,990	-	4,033	165,792
Community services	29,546	42,714	-	3,736	75,996
Roads and bridges	-	37,604	-	-	37,604
Capital outlay	458	6,625	-	52,342	59,425
Debt service:					
Principal	-	-	11,540	-	11,540
Interest	494	-	9,459	-	9,953
Total expenditures	<u>146,501</u>	<u>372,796</u>	<u>21,760</u>	<u>64,827</u>	<u>605,884</u>
Excess of revenues over (under) expenditures	<u>108,507</u>	<u>(114,449)</u>	<u>3,421</u>	<u>(47,666)</u>	<u>(50,187)</u>
OTHER FINANCING SOURCES (USES):					
Certificates of participation proceeds	-	-	2,847	33,278	36,125
Proceeds of refunding bonds	-	-	66,115	-	66,115
Loan proceeds	-	-	-	154	154
Bond proceeds	-	-	416	2,739	3,155
Payment to refunded bonds escrow agent	-	-	(67,057)	-	(67,057)
Operating transfers in	1,078	117,865	-	7,391	126,334
Operating transfers out	(118,384)	(4,622)	-	(485)	(123,491)
Total other financing sources (uses)	<u>(117,306)</u>	<u>113,243</u>	<u>2,321</u>	<u>43,077</u>	<u>41,335</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(8,799)</u>	<u>(1,206)</u>	<u>5,742</u>	<u>(4,589)</u>	<u>(8,852)</u>
FUND BALANCES, JUNE 30, 1998	<u>25,873</u>	<u>29,991</u>	<u>16,241</u>	<u>106,886</u>	<u>178,991</u>
FUND BALANCES, JUNE 30, 1999	<u>\$ 17,074</u>	<u>\$ 28,785</u>	<u>\$21,983</u>	<u>\$ 102,297</u>	<u>\$170,139</u>

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

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MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
REVENUES:						
Taxes	\$ 204,991	\$ 201,795	\$ (3,196)	\$ 33,746	\$ 32,816	\$ (930)
Intergovernmental	18,332	17,282	(1,050)	222,855	206,933	(15,922)
Licenses and permits	1,806	1,879	73	1,572	1,147	(425)
Charges for services	7,052	7,448	396	7,526	8,036	510
Interest	3,095	3,432	337	1,215	1,386	171
Other	25,314	23,172	(2,142)	9,147	8,029	(1,118)
Total revenues	260,590	255,008	(5,582)	276,061	258,347	(17,714)
EXPENDITURES:						
Current:						
General government	21,181	18,416	2,765	13,294	11,893	1,401
Health and social services	13,351	12,818	533	209,203	196,970	12,233
Public safety and justice	89,714	84,769	4,945	93,316	76,990	16,326
Community services	31,158	29,546	1,612	49,531	42,714	6,817
Roads and bridges	-	-	-	46,333	37,604	8,729
Capital outlay	353	458	(105)	14,156	6,625	7,531
Debt service:						
Principal	-	-	-	-	-	-
Interest	550	494	56	-	-	-
Total expenditures	156,307	146,501	9,806	425,833	372,796	53,037
Excess of revenues over (under) expenditures	104,283	108,507	4,224	(149,772)	(114,449)	35,323
OTHER FINANCING SOURCES (USES):						
Certificates of participation proceeds	-	-	-	500	-	(500)
Proceeds of refunding bonds	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-
Bond sales	-	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	-	-
Operating transfers in	1,524	1,078	(446)	121,298	117,865	(3,433)
Operating transfers (out)	(122,398)	(118,384)	4,014	(5,068)	(4,622)	446
Total other financing sources (uses)	(120,874)	(117,306)	3,568	116,730	113,243	(3,487)
Excess of revenues and other sources over (under) expenditures and other uses	(16,591)	(8,799)	7,792	(33,042)	(1,206)	31,836
FUND BALANCES, JUNE 30, 1998	24,730	25,873	1,143	26,419	29,991	3,572
FUND BALANCES, JUNE 30, 1999	\$ 8,139	\$ 17,074	\$ 8,935	\$ (6,623)	\$ 28,785	\$ 35,408

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

Debt Service Funds			Capital Projects Funds			Totals (Memorandum only)		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
\$ 15,652	\$ 15,805	\$ 153	\$ -	\$ -	\$ -	\$ 254,389	\$ 250,416	\$ (3,973)
-	-	-	27,942	8,500	(19,442)	269,129	232,715	(36,414)
-	-	-	-	-	-	3,378	3,026	(352)
-	-	-	140	31	(109)	14,718	15,515	797
383	1,630	1,247	3,593	5,240	1,647	8,286	11,688	3,402
9,247	7,746	(1,501)	3,547	3,390	(157)	47,255	42,337	(4,918)
25,282	25,181	(101)	35,222	17,161	(18,061)	597,155	555,697	(41,458)
54	761	(707)	11,731	4,716	7,015	46,260	35,786	10,474
-	-	-	-	-	-	222,554	209,788	12,766
-	-	-	8,024	4,033	3,991	191,054	165,792	25,262
-	-	-	10,033	3,736	6,297	90,722	75,996	14,726
-	-	-	-	-	-	46,333	37,604	8,729
-	-	-	189,384	52,342	137,042	203,893	59,425	144,468
14,125	11,540	2,585	-	-	-	14,125	11,540	2,585
11,292	9,459	1,833	-	-	-	11,842	9,953	1,889
25,471	21,760	3,711	219,172	64,827	154,345	826,783	605,884	220,899
(189)	3,421	3,610	(183,950)	(47,666)	136,284	(229,628)	(50,187)	179,441
3,705	2,847	(858)	61,600	33,278	(28,322)	65,805	36,125	(29,680)
-	66,115	66,115	-	-	-	-	66,115	66,115
-	-	-	7,075	154	(6,921)	7,075	154	(6,921)
-	416	416	-	2,739	2,739	-	3,155	3,155
-	(67,057)	(67,057)	-	-	-	-	(67,057)	(67,057)
-	-	-	7,484	7,391	(93)	130,306	126,334	(3,972)
-	-	-	(485)	(485)	-	(127,951)	(123,491)	4,460
3,705	2,321	(1,384)	75,674	43,077	(32,597)	75,235	41,335	(33,900)
3,516	5,742	2,226	(108,276)	(4,589)	103,687	(154,393)	(8,852)	145,541
14,128	16,241	2,113	108,276	106,886	(1,390)	173,553	178,991	5,438
\$ 17,644	\$ 21,983	\$ 4,339	\$ -	\$ 102,297	\$ 102,297	\$ 19,160	\$ 170,139	\$ 150,979

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum only)</u>
OPERATING REVENUES:			
Charges for sales and services	\$ 23,485	\$ 77,253	\$ 100,738
Insurance premiums	-	892	892
Experience ratings and refunds	-	101	101
Total operating revenues	<u>23,485</u>	<u>78,246</u>	<u>101,731</u>
OPERATING EXPENSES:			
Salaries and wages	1,236	10,817	12,053
Employee benefits	424	3,670	4,094
Repairs and maintenance	-	2,425	2,425
Utilities	371	3,190	3,561
Equipment rental	-	4,335	4,335
Facility rental	54	762	816
Professional services	965	8,784	9,749
Communications	30	1,923	1,953
Operating supplies	64	3,427	3,491
Medical claims	21,608	-	21,608
Insurance claims and premiums	-	23,910	23,910
Administrative	480	-	480
Internal support	31	394	425
Depreciation	108	4,138	4,246
Other expenses	52	7,161	7,213
Total operating expenses	<u>25,423</u>	<u>74,936</u>	<u>100,359</u>
Operating income (loss)	<u>(1,938)</u>	<u>3,310</u>	<u>1,372</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	415	1,315	1,730
Interest expense	-	(213)	(213)
Loss on disposal of fixed assets	-	(106)	(106)
Total nonoperating revenues (expenses)	<u>415</u>	<u>996</u>	<u>1,411</u>
Net income (loss) before operating transfers	<u>(1,523)</u>	<u>4,306</u>	<u>2,783</u>
OPERATING TRANSFERS IN	971	1,999	2,970
OPERATING TRANSFERS (OUT)	<u>-</u>	<u>(5,813)</u>	<u>(5,813)</u>
Net income (loss)	<u>(552)</u>	<u>492</u>	<u>(60)</u>
RETAINED EARNINGS, JUNE 30, 1998	2,476	11,167	13,643
RETAINED EARNINGS, JUNE 30, 1999	<u>\$ 1,924</u>	<u>\$ 11,659</u>	<u>\$ 13,583</u>

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

MULTNOMAH COUNTY, OREGON
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

ADDITIONS:

Contributions	\$ 128
Investments income - interest	790
Total additions	<u>918</u>

DEDUCTIONS:

Benefits	596
Refunds	46
Administrative expense	23
Total deductions	<u>665</u>
Net increase	253

Net assets held in trust for pension benefits

Beginning of year	10,722
End of year	<u>\$ 10,975</u>

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

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Enterprise	Internal Service	Totals (Memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,938)	\$ 3,310	\$ 1,372
Adjustments to reconcile operating income (loss) to cash and cash equivalents used by operating activities:			
Depreciation	108	4,138	4,246
Changes in assets and liabilities:			
(Increase) in accounts receivable	(85)	(527)	(612)
Decrease in inventories	-	78	78
(Increase) in due from other funds	-	(10,809)	(10,809)
(Increase) decrease in prepaid items	7	(9)	(2)
Increase in accounts payable	1,568	340	1,908
Increase (decrease) in compensated absences	(3)	90	87
Net cash provided (used) by operating activities	<u>(343)</u>	<u>(3,389)</u>	<u>(3,732)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	971	1,999	2,970
Operating transfers out	<u>-</u>	<u>(5,813)</u>	<u>(5,813)</u>
Net cash provided (used) by noncapital financing activities	<u>971</u>	<u>(3,814)</u>	<u>(2,843)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	(387)	(5,171)	(5,558)
Principal paid on capitalized leases	-	(1,702)	(1,702)
Interest paid on capitalized leases	-	(213)	(213)
Capital contributed by customers and others	<u>381</u>	<u>112</u>	<u>493</u>
Net cash used by capital and related financing activities	<u>(6)</u>	<u>(6,974)</u>	<u>(6,980)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	<u>415</u>	<u>1,315</u>	<u>1,730</u>
Net cash provided by investing activities	<u>415</u>	<u>1,315</u>	<u>1,730</u>
Net increase (decrease) in cash and cash equivalents	1,037	(12,862)	(11,825)
CASH AND CASH EQUIVALENTS, JUNE 30, 1998	6,893	27,170	34,063
CASH AND CASH EQUIVALENTS, JUNE 30, 1999	<u><u>\$ 7,930</u></u>	<u><u>\$ 14,308</u></u>	<u><u>\$ 22,238</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Disposal of fixed assets, net book value	<u><u>\$ (7)</u></u>	<u><u>\$ (106)</u></u>	<u><u>\$ (113)</u></u>
Acquisition of fixed assets under capitalized leases	<u><u>\$ -</u></u>	<u><u>\$ 1,657</u></u>	<u><u>\$ 1,657</u></u>
Transfer of fixed assets from General Fixed Assets Account Group, net book value	<u><u>\$ -</u></u>	<u><u>\$ 1,278</u></u>	<u><u>\$ 1,278</u></u>

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1999
(amounts expressed in thousands)

NOTE 1. Summary of Significant Accounting Policies:

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

Basis of Accounting

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

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

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

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

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1999
(amounts expressed in thousands)

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

Governmental Reporting Entity

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

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

- Dunthorpe-Riverdale Service District No. 1 was organized in 1964 under the provisions of ORS 451. The District's purpose was to finance the construction and operation of sanitary sewer systems in the southwest areas of the County, bordering the Willamette River, and a small portion of northern Clackamas County. The principal funding source is charges for sanitary services provided.
- Mid County Service District No. 14 was organized in 1968 as Tulip Acres Lighting District under the provisions of ORS Chapter 451. The District now provides street lighting to the unincorporated urban areas of Multnomah County and the cities of Maywood Park, Troutdale, and Fairview. The principal funding source is charges for lighting services provided.

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

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

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

Cash and Investments

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

For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include all assets in the cash and investment pool. The cash and investment pool has the general characteristic of a demand deposit account for the Enterprise and Internal Service Funds in that these

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1999
(amounts expressed in thousands)

funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. In general, interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

Receivables

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

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

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

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

Inventories

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

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

Prepaid Items

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

Prepayments to vendors are recorded as prepaid items in the Enterprise Funds.

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

Foreclosed Properties

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

Fixed Assets

General fixed assets are stated at cost or estimated historical cost. Fixed assets valued at estimated historical cost are minor. Donated fixed assets are recorded at the estimated fair market value at the date of donation. Fixed assets are charged to expenditures in the governmental fund types as purchased and capitalized in the General Fixed Assets Account Group. Minor expenditures below

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1999
(amounts expressed in thousands)

established limits, most routine remodeling costs and infrastructure assets such as road, curb, gutter, sidewalk, drainage and lighting systems are not capitalized. Upon disposal of fixed assets, the cost or estimated cost is removed from the General Fixed Assets Account Group and any proceeds are recorded as other financing sources in the appropriate fund. Depreciation is not computed on fixed assets in the General Fixed Assets Account Group. Interest incurred during construction is not capitalized on general fixed assets.

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

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

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

Long-term Obligations

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

Self Insurance

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

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

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Contributed Capital

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

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

Assistance Receipts Unapplied

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

Fund Balances Reserved

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

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

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

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

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

Compensated Absences

Vacation and compensation time pay expected to be liquidated with expendable available resources is reported as expenditures and fund liabilities in the governmental fund types when earned. Other vacation and compensation pay for governmental fund types which has been earned but is not expected to be liquidated with expendable available resources is recorded in the General Long-term Obligations Account Group. The amount of accumulated vacation and compensation time pay is considered normal. Vacation and compensation time pay is recorded as an expense in the proprietary fund types when earned. Sick pay is charged when leave is taken because it does not vest when earned.

Totals (Memorandum only) Columns

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

MULTNOMAH COUNTY, OREGON
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Budgets

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

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

NOTE 2. Organization and Operations:

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

Governmental Fund Types

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

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

- | | |
|-------------------------------------|--|
| • Strategic Investment Program Fund | • Animal Control Fund |
| • Road Fund | • Willamette River Bridges Fund |
| • Emergency Communications Fund | • Recreation Fund |
| • Assessment and Taxation Fund | • Library Fund |
| • Bicycle Path Construction Fund | • Justice Services Special Operations Fund |
| • Federal and State Program Fund | • Inmate Welfare Fund |
| • County School Fund | • Transient Lodging Tax Fund |
| • Corner Preservation Fund | • Public Safety Levy Fund |
| • Tax Title Land Sales Fund | |

Debt Service Funds: Account for the retirement of general obligation bonds from the collection of property taxes and for the retirement of certificates of participation (capital leases), for the retirement of revenue bonds and other lease purchase arrangements. The unmatured outstanding general obligation

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bonds, certificates of participation and other outstanding lease purchases are accounted for in the General Long-term Obligations Account Group. Funds included are:

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

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

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

Proprietary Fund Types

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

- Dunthorpe-Riverdale Service District No. 1 Fund (blended component unit of Multnomah County)
- Mid County Service District No. 14 Fund (blended component unit of Multnomah County)
- Behavioral Health Managed Care Fund

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

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

Fiduciary Fund Types

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

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

Account Groups

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

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

NOTE 3. Cash and Investments:

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

Fair Value of Investments

Pursuant to GASB Statement No. 31, investments are reported at fair value as of June 30, 1999. The total fair value of deposits and investments is \$249,404 and the total adjusted cost basis is \$250,059. During the fiscal year 1998-1999, the County realized a net loss of \$15 from the sale of investments. The calculation of realized gains is independent of the calculation of the net change in the fair value of investments. The net decrease in the fair value of investments during fiscal year 1998-1999 was \$16,340. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year end was \$655. The difference between fiscal year 1997-1998's year end unrealized loss of \$47 and fiscal year 1998-1999's year end unrealized loss of \$655, is an unrealized loss of \$608. Fair value of the County's investments is provided by the County's third-party custodian and by an independent broker/dealer.

Deposits with Financial Institutions

At year end, the carrying amount of the County's deposits was \$3,758 and the bank balance was \$3,363. 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 \$394 was uninsured and uncollateralized. State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the State Banking Commission can require banks to provide more than 25% of the balances of municipal corporations' deposits as collateral. The County cannot, however, determine which, if any, institutions have been required to meet a collateral requirement larger than 25%. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds. At all times during the year ended, and at June 30, 1999, the County was fully collateralized under State requirements.

Investments

Oregon Revised Statutes, Chapter 294, authorizes the County to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, repurchase agreements, State of Oregon Local Government Investment Pool, and various interest-bearing bonds of Oregon municipalities. The County's investment policy requires that the market value plus accrued interest of the securities collateralizing repurchase agreements exceeds the face amount of the repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund Board, providing the County with a margin against a decline in the market value of the securities. Daily marking-to-market also protects the County against declines in market value.

The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year. State statutes and County policy permit the County to

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enter into reverse repurchase agreements, which are the sale of securities to a broker/dealer with a simultaneous agreement to repurchase them at a specified time in the future at a specified price, plus a contracted rate of interest. Any interest accruing on the sold securities belongs to the County. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received by 102%, providing the broker/dealer with a margin against a decline in the market value of the securities. Daily marking-to-market protects the County against increases in the market value.

If a broker/dealer defaults on its obligation to re-sell the securities at the maturity of the agreement, the County could suffer an economic loss equal to the difference between the market value of the securities and the amount of the reverse repurchase agreement less the contracted interest. The County did not enter into any reverse repurchase agreements at any time during the fiscal year ended June 30, 1999.

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

The County's cash deposits and investments are categorized below to give an indication of risk assumed by the County at June 30, 1999. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its third-party custodian in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the bank's trust department in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by counterparties or a trust department, but not in the County's name. The County had no investments in Category 3 at June 30, 1999. The level of risk indicated below at June 30, 1999, is generally reflective of the level of risk assumed by the County during the year. For reporting purposes, adjusted cost basis is the amortized or accreted value of investments.

	Category 1	Category 2	Fair Value	Adjusted Cost Basis
U.S. Government Agencies	\$159,549	\$267	\$159,817	\$160,413
Bankers' Acceptances	7,030		7,030	7,035
Commercial Paper	48,817		48,817	48,871
	<u>\$215,396</u>	<u>\$267</u>	<u>215,664</u>	<u>216,319</u>
Local Government Investment Pool			19,007	19,007
Pension Trust Investments			10,975	10,975
Cash Deposits and Certificates of Deposit			3,758	3,758
Total Cash and Investments			<u>\$249,404</u>	<u>\$250,059</u>

NOTE 4. Interfund Transactions:

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

<u>Due from:</u>	<u>Due to:</u>	<u>Amount</u>
SB 1145 Fund	Capital Improvement Fund	\$ 1,452
Federal and State Program Fund	Risk Management Fund	10,809
Total Interfund Transactions		<u>\$12,261</u>

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

Operating transfers in	\$126,334
Plus: Operating transfers in as recorded in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types and Similar Trust Funds:	
Behavioral Health Managed Care	971
Data Processing Fund	1,180
Risk Management Fund	819
	<u>2,970</u>
Less: Operating transfers out as recorded in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types and Similar Trust Funds:	
Data Processing Fund	(2,475)
Facilities Management Fund	(3,338)
Operating transfers out	<u>\$123,491</u>

NOTE 5. Property Taxes:

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

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

On May 20, 1997, the voters approved Ballot Measure 50. Measure 50 cuts or reduces property taxes imposed statewide by 17% from fiscal year 1997-98 levels unless such taxes are exempt. Measure 50, rolls back the assessed value of each unit of property for the tax year 1997-98 to its 1995-96 "real market value," less 10%. The new resulting tax rates become the new constitutional limits for each jurisdiction replacing the levy based tax system with a rate based tax system. The measure limits any increase in assessed value to 3% per year for tax years after 1997-98. There are special exemptions for property that is substantially improved, rezoned, subdivided, or annexed, or when property ceases to qualify for a property tax exemption. In addition to limiting the amount of property taxes that can be collected, the measure requires a double majority voter approval, except at

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a general election, for new or increased property taxes, restricts the use of general obligation bond proceeds on certain capital maintenance and equipment outlays and restricts other means by which the State and local governments can raise revenue in lieu of property taxes. The full text of Ballot Measure 50 should be read to gain a better understanding of the limitation.

NOTE 6. Assessments Receivable:

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

NOTE 7. Contracts Receivable:

The following is a summary of contracts receivable at June 30, 1999:

	<u>Total</u>	<u>Due within one year</u>
<u>General Fund:</u>		
General Fund contract from bridge loan. Due in full by December 31, 2000.	\$ 20	\$ 0
Contract from sale of Juvenile Justice beds. Due in periodic installments through fiscal year 2016-2017.	2,765	154
Contract from sale of Juvenile Justice beds. Due in periodic installments through fiscal year 2010-2011.	4,205	350
	<u>6,990</u>	<u>504</u>
<u>Special Revenue Fund:</u>		
Tax Title Land Sales Fund - Contracts from sale of foreclosed property payable at 6% to 12% interest generally over terms up to twenty years, net of City of Portland equity therein.	746	148
<u>Debt Service Fund:</u>		
Contract sale for Regional Children's Campus. Due in periodic installments through fiscal year 2014-2015.	4,361	289
<u>Capital Projects Fund:</u>		
Capital Improvement Fund contract from the sale of Juvenile Justice beds. Due in periodic installments through fiscal year 2012-2013.	1,438	103
Contract sale for Regional Children's Campus. Due in periodic installments through fiscal year 2014-2015.	641	43
	<u>2,079</u>	<u>146</u>
Total Contracts Receivable	<u>\$14,176</u>	<u>\$1,087</u>

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NOTE 8. Deferred Revenue:

Deferred revenue as of June 30, 1999 consists of the following:

Property taxes receivable	\$ 8,762
Assessments receivable	22
Contracts receivable	14,176
Other receivables	5,167
Total	<u>\$28,127</u>

NOTE 9. Fixed Assets:

The changes in the General Fixed Assets Account Group for the fiscal year ended June 30, 1999, and fixed assets by major classes for the General Fixed Assets Account Group are as follows:

General Fixed Assets:	Balance June 30, 1998	Additions	Retirements and Transfers	Balance June 30, 1999
Land and Improvements	\$ 6,990	\$ 4,191	\$ (21)	\$ 11,160
Buildings and Improvements	215,100	14,407	(1,272)	228,235
Work in Progress	157	30,173		30,330
Bridges	35,612	1,809		37,421
Equipment	15,927	2,504	(664)	17,767
Total	<u>\$273,786</u>	<u>\$53,084</u>	<u>\$(1,957)</u>	<u>\$324,913</u>

The following is a summary of proprietary fund type fixed assets for June 30, 1999:

Proprietary Funds:	Enterprise Funds	Internal Service Funds
Land and Improvements	\$	\$ 18
Buildings and Improvements	2,899	188
Equipment	16	28,973
Less: Accumulated Depreciation	(1,407)	(18,512)
Total	<u>\$ 1,508</u>	<u>\$ 10,667</u>

NOTE 10. Deficit Fund Balance and Budgetary Over Expenditures:

Dunthorpe-Riverdale Service District No. 1, an Enterprise Fund, has negative retained earnings of \$435. However, the Fund has a positive total fund equity due to contributed capital.

Data Processing, an Internal Service Fund, has negative retained earnings of \$2,002. However, the Fund has a positive fund equity due to contributed capital.

The following fund has an over expenditure. This over expenditure was funded by available fund balances.

<u>Description</u>	<u>Amount</u>
<u>Special Revenue Fund:</u>	
Federal and State Program – Juvenile and Adult Community Justice Services	<u>\$ 1,668</u>

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NOTE 11. Tax and Revenue Anticipation Notes (TRANS):

The County issued \$11,000 in TRANS on July 1, 1998 with a maturity date of June 30, 1999. The yield was 3.50%. The TRANS were issued to provide for seasonal cash flow needs of the General Fund. The TRANS are issued pursuant to Oregon Revised Statutes, and approved by the Board of County Commissioners, which authorize the County to borrow sufficient funds to meet current expenditures pending the collection of property taxes and other unpledged revenues. The TRANS were rated MIG1 by Moody's Investors Service.

NOTE 12. Long-Term Obligations:

Bonded debt recorded in the General Long-term Obligations Account Group are general obligation bonds issued for the rehabilitation of the Central Library, construction of the Midland Library facilities, construction and acquisition of other library facilities and equipment, and construction and acquisition of certain public safety facilities and equipment. The general obligation bonds are direct obligations and pledge the full faith and credit of Multnomah County. The original total issue amounts were \$22,000, \$9,000, \$29,000 and \$79,700 respectively. On February 1, 1999 the County advance refunded a portion of the above general obligation bonds by issuing \$66,115 in new general obligation bonds.

On October 1, 1998 the County issued \$3,155 of revenue bonds to finance the construction, renovation, improvement 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. The revenue bonds are recorded in the General Long-term Obligations Account Group.

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

The General Obligation Bond principal activity for fiscal year 1999 and unmatured interest outstanding at June 30, 1999 is as follows:

Fiscal Year of Maturity	Outstanding June 30, 1998	Issued During Year	Paid/Refunded During Year	Outstanding June 30, 1999	Unmatured Interest Outstanding June 30, 1999
1999	\$8,235	\$	\$ 8,235	\$	\$
2000	8,590	25		8,615	5,934
2001	8,975	320		9,295	5,002
2002	9,395	330		9,725	4,588
2003	4,585	340		4,925	4,263
2004	4,810	355		5,165	4,033
Thereafter	83,880	64,745	62,180	86,445	26,431
	<u>\$128,470</u>	<u>\$66,115</u>	<u>\$70,415</u>	<u>\$124,170</u>	<u>\$50,251</u>

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The General Long-term Obligations Account Group principal activity for the year ended June 30, 1999 is as follows:

	Outstanding June 30, 1998	Incurred	Retired	Outstanding June 30, 1999
<u>Capital Lease Obligations:</u>				
Agreement with the City of Portland dated January 22, 1981, due 2008.	\$ 2,170	\$	\$ 146	\$ 2,024
Certificates of Participation 1990C dated July 1, 1990, due 2001. Interest, 6 to 6.8%.	165		50	115
Certificates of Participation 1993A&B dated May 1, 1993, due 2014. Interest, 2.75 to 7.5%.	15,265		875	14,390
Lease/Purchase dated February 1, 1994, due 1999. Interest, 4.5 to 4.75%.	97		97	
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	642		313	329
Lease/Purchase dated January 10, 1996, due 2001. Interest, 6.02%.	137		67	70
Certificates of Participation dated June 1, 1996, due 2001. Interest, 3.75 to 4.6%.	1,155		365	790
Certificates of Participation dated February 1, 1998, due 2018. Interest, 3.75 to 4.90%.	44,315		3,046	41,269
Certificates of Participation dated April 1, 1999, due 2019. Interest, 4.00 to 4.75%.		36,125		36,125
Total capital lease obligations	<u>63,946</u>	<u>36,125</u>	<u>4,959</u>	<u>95,112</u>
<u>General Obligation Bonds:</u>				
Library Bonds, Series 1994, due 2006. Interest, 3.70 to 5.25%.	18,430		11,565	6,865
Library Bonds, Series 1994B, due 2005. Interest, 4.25 to 6.0%.	8,175		6,020	2,155
Library Bonds, Series 1996A due 2008. Interest, 3.90% to 5.65%.	25,745		11,175	14,570
Public Safety Bonds, Series 1996B due 2009. Interest, 3.90% to 5.65%.	76,120		41,655	34,465
Advance Refunding Bonds, Series 1999 due 2016. Interest, 3.0% to 4.75%.		66,115		66,115
Total general obligation bonds	<u>128,470</u>	<u>66,115</u>	<u>70,415</u>	<u>124,170</u>

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	Outstanding June 30, 1998	Incurred	Retired	Outstanding June 30, 1999
<u>Revenue Bonds payable:</u>				
RCC Revenue Bonds, dated October 1, 1998, due 2014. Interest, 4.00% to 4.75%.		3,155		3,155
<u>Loans payable:</u>				
Energy loan for Courthouse due 2011. Interest, 7.2%.	484		24	460
Energy loan for Kelly Building due 2007. Interest, 5.9%.	50		4	46
Energy loan for Elections and McCoy Buildings due 2007. Interest, 7.2%.	104		10	94
Energy loan for various facilities due 2010. Interest, 5.9%.		155		155
Sewer assessment loans due 2016. Interest, 5.65%.	39		2	37
Total loans payable	677	155	40	792
Vacation liability	2,045	62		2,107
Total General Long-term Obligations	\$195,138	\$105,612	\$75,414	\$225,336

Internal Service Funds capitalized lease obligation and loan payable principal activities for the year ended June 30, 1999 are as follows:

	Outstanding June 30, 1998	Incurred	Retired	Outstanding June 30, 1999
<u>Capital Lease Obligations:</u>				
<u>Telephone Fund:</u>				
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	\$ 242	\$	\$118	\$ 124
<u>Data Processing Fund:</u>				
Lease/Purchase dated March 1, 1999, due 2002. Interest, 3.90%.		1,657	131	1,526
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	161		79	82
Lease/Purchase dated March 21, 1996, due 1999. Interest, 4.2 to 4.55%.	520		520	
Lease/Purchase dated September 1, 1997, due 2002. Interest, 0%.	190		60	130
Certificate of Participation dated February 1, 1998, due 2003. Interest, 3.75% to 4.90%.	4,300		794	3,506
Total Data Processing Fund	5,171	1,657	1,584	5,244
Total Internal Service Funds	\$5,413	\$ 1,657	\$1,702	\$5,368

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

The following is a schedule of future minimum lease payments under capital leases (excluding executory costs), together with the present value of total minimum lease payments at June 30, 1999:

<u>Fiscal Year</u>	<u>General Long-Term Obligation</u>	<u>Internal Service Fund</u>	<u>Total Lease Obligations</u>
2000	\$ 9,146	\$ 1,822	\$ 10,968
2001	9,619	1,611	11,230
2002	9,141	1,413	10,554
2003	8,306	965	9,271
2004	8,298		8,298
Thereafter through 2020	92,094		92,094
Total minimum lease payments	136,604	5,811	142,415
Less interest amount	(41,492)	(443)	(41,935)
Present Value of minimum lease payments	<u>\$95,112</u>	<u>\$5,368</u>	<u>\$100,480</u>

Defeased Certificates of Participation

Advance Refunding: On February 1, 1999, the County issued \$66,115 in General Obligation Bonds with a net interest cost of 5.12% to advance refund \$62,180 in outstanding General Obligation Bonds with interest rates ranging between 3.70% to 6.00%. The net proceeds of \$65,368 (after payment of \$747 in underwriting fees and other issuance costs) plus \$1,691 of additional monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on a portion of the Series 1994, 1994B, 1996A, and 1996B General Obligation Bonds. As a result, \$62,180 in General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligations Account Group.

The County advance refunded the bonds to reduce its total debt service payments over the next 16 years by \$3,042 and to obtain an economic gain (difference between the present values of the debt service payments on the old and the new debt) of \$2,016.

Details for the advance refunding for the bonds are as follows:

	<u>Amount</u>
Face amount of new issue	<u>\$66,115</u>
Outstanding balances of advance refunded issue at date of defeasance	<u>\$62,180</u>
Net proceeds of new issue	\$65,368
Additional funds provided by bond funds	1,691
Funds used to acquire U.S. Securities deposited into irrevocable trusts	<u>\$67,059</u>
Reduction in aggregate debt service payments over the life of the new issue	<u>\$ 3,042</u>
Economic gain from advance refunding	<u>\$ 2,016</u>

In prior years, the County defeased certain certificates of participation issues by placing the proceeds of the new certificates in irrevocable trusts to provide for all future debt service on the old certificates. Accordingly, the trust account assets and related liability for the defeased certificates are not included in

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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the County's financial statements. At June 30, 1999, the amount of these certificates outstanding totaled \$31,256.

Conduit Financing

On November 1, 1997, the County has 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. The responsibilities of the County in this bond transaction were limited to adopting the resolution authorizing the issuance of the bonds, executing the bonds and the bond documents to which it is a party, issuing and delivering the Bonds, assigning certain of its rights to the Trustee as provided in the indenture, and directing the Trustee as to the application of moneys received from the University to pay the bonds in accordance with the indenture. The County has no obligation to take any other action relating to the bonds. Since the County does not own any of the assets constructed or assume any liabilities associated with repayment, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 1999, \$ 29,630 of Educational Facilities Revenue Bonds were outstanding.

On December 3, 1998, the County created the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). On March 1, 1999, the Authority issued Hospital Revenue Bonds (Terwilliger Plaza), which have not been recorded as a liability for generally accepted accounting principles purposes. The proceeds of these bonds are 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 facility. Terwilliger Plaza has pledged the gross revenues of the health care facility making up Terwilliger Plaza to secure payment of the bonds. The bonds shall not be payable from a charge upon any funds, assets, 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. 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, 1999, \$26,000 of these bonds were outstanding.

NOTE 13. Arbitrage Payable:

Under certain conditions, the Tax Reform Act of 1986 requires governmental units to remit excess arbitrage earnings arising from invested bond proceeds to the Internal Revenue Service. At June 30, 1999, the County recorded a liability of \$125 in the combined financial statements for such estimated excess arbitrage earnings.

NOTE 14. Risk Management:

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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(amounts expressed in thousands)

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

Multnomah County did not have any significant reduction in insurance coverage from the prior year. The County has not experienced settlements in excess of insurance coverage in prior years. An actuarial valuation and estimates of liabilities for unpaid claims were prepared by an independent actuary in October 1998. Multnomah County monitors claims administration to ensure that proper reserves are maintained. The Risk Management Fund allocates the cost of providing claims administration and claims payment by charging a "premium" to the various funds based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves. The Risk Management Fund is funded on an actuarially sound basis as required by state law for self-insureds in Oregon. Tort claims against governmental entities are limited under the Oregon Tort Claims Act to a maximum loss of \$500 per occurrence. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, other economic and social factors, and specific, incremental claim adjustment expenses. The estimated claims liability of \$7,817 reported in the Risk Management Fund at June 30, 1999 was established in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, which requires a liability for claims to be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimated claims liability at fiscal year end does not include the Risk Management Fund's operational accounts payable in the sum of \$1,151. A portion of the loss reserves have been discounted, with the actuary using the estimated payout pattern for liability and workers' compensation and an assumed investment rate of 5% in preparing estimates. Multnomah County does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims liability. Changes in the Risk Management Fund self insured claims liability, including an estimate of the ultimate cost of the claims and incurred but not reported claims, for fiscal years 1998 and 1999 were:

Fiscal Year	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
1998	\$6,670	\$9,199	\$9,668	\$6,201
1999	6,201	12,214	10,598	7,817

NOTE 15. Fund Equity and Contributed Capital:

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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capital in the Enterprise and Internal Service Funds changed as follows:

	Enterprise Funds	Internal Service Funds
Balance, June 30, 1998	\$3,058	\$7,866
Add:		
Contributions from connection fees	10	
Contributions from customers	371	
Transfer of equipment from General Fixed Assets		1,278
Deduct:		
Disposals	(7)	
Balance, June 30, 1999	<u>\$3,432</u>	<u>\$9,144</u>

NOTE 16. Post Retirement Health Care Benefits:

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

The County provides a portion of health care benefits to substantially all County employees. The County pays one-half (50%) of the monthly medical insurance premium from the retiree's fifty-eighth birthday or date of retirement, whichever is later, until the retiree's sixty-fifth birthday. These health care benefit obligations are required by labor bargaining agreements and the exempt employee ordinance. The cost of retiree health care and insurance benefits is recognized as an expense in the Insurance Fund as claims are incurred. For fiscal year 1999, those costs totaled \$307, net of payments made by retirees. The County funds the actuarially determined amount of medical benefits that will be payable in the future for retirees' health insurance.

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

Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 6.0%, (b) projected salary increases starting at 6.0% at age 20 and gradually declining to 4.0% at age 60; and (c) trend rate increases starting at 7.5% in year one and gradually declining to 6.0%. The actuarial calculation used to determine the post-retirement benefit obligation assumed two costs for the insurance claims. The County is using retiree costs that are 150% of the average costs for all covered participants. This cost is more in line with actual costs.

The applicable funding rate established by an actuarial review for fiscal year 1999 is .88% of the County's payroll, and the County's contribution has met the actuarial requirements. Following is the activity and the funding status of the post retirement health care benefits for the last five years.

Fiscal Year	Number of Retirees Covered	Premium Received	Claim/Premium Incurred	Net Costs
1995	231	\$487	\$(822)	\$(335)
1996	221	538	(732)	(194)
1997	228	519	(595)	(76)
1998	333	681	(829)	(148)
1999	372	704	(1,011)	(307)

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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Funding Status ⁽²⁾	1995	1996	1997	1998	1999
Post-retirement benefit obligation	\$9,724	\$11,040	\$11,040	\$10,788	\$10,788
Net assets available for benefits	7,082	9,859	9,738	9,023	9,423
Total unfunded liability	\$2,642	\$1,181	\$ 1,302	\$ 1,765	\$ 1,365

(1) All or a portion of the premiums are paid directly to the County's third party administrator by the retirees.

(2) Actuarial valuation done every other fiscal year.

NOTE 17. Pension Plans and Deferred Compensation:

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

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

PERS
PO Box 23700
Tigard, OR 97281-3700

The County's payroll for employees covered by PERS for the year ended June 30, 1999, was \$172,418. The County's total payroll was \$185,873. All full-time County employees are eligible to participate in PERS. Benefits generally vest after five years of continuous service. Retirement is allowed at age 58 (Tier 1) or at age 60 (Tier 2) with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Tier 1 applies to employees hired or vested prior to January 1, 1996. Compulsory retirement age is 70. Tier 2 applies to employees hired on or after January 1, 1996. Retirement benefits are based on salary and length of service, are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes. The information for retirees, beneficiaries or terminated employees entitled to benefits but not yet receiving them is not presented because PERS pools the risk related to such employees among all employers. PERS fully funds these obligations at the time of retirement or separation from service. Accordingly, the following information covers only current employees.

Funding Policy and Annual Pension Cost

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

PERS' policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. Based on the assumptions of the December 31, 1997 actuarial valuation, the County's required contribution, including employees' contributions, was equal to the annual pension cost of \$29,411.

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/96	\$23,900	100%	0
6/30/97	23,902	100%	0
6/30/98	26,689	100%	0
6/30/99	29,411	100%	0

MULTNOMAH COUNTY, OREGON
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(amounts expressed in thousands)

Significant actuarial assumptions used in the most recent valuation (December 31, 1997) include (a) a rate of return on the investment of present and future assets of 8% per year, (b) projected salary increases of 4.0% per year attributable to general wage adjustments, (c) additional increases for promotion and longevity that may vary by age and service, (d) projected automatic cost-of-living benefit increases of 2% per year (the maximum allowable), and (e) demographic assumptions that have been chosen to reflect our emerging experience of the members of the system, and are the same as those used to compute the actuarially required contributions. The entry age actuarial cost method and level percentage amortization method are used. A thirty year amortization period is used. The actuarial value of assets is based on market value.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll
12/31/93	\$147,577	\$249,433	\$101,856	59%	\$122,873	83%
12/31/95	201,614	330,154	128,540	61%	142,614	90%
12/31/97	291,095	449,588	158,493	65%	155,915	102%

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

Multnomah County Library Retirement Plan

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

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

Current employees consist of 152 participants who are fully or partially vested in their accrued monthly benefits and 0 participants who are only vested in their accumulated employee contributions. Current employees have an annual covered payroll of \$5,422. The total payroll and covered payroll are the same because the plan is frozen. There are 120 retired participants currently receiving benefits.

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

Funding Policy and Annual Pension Cost

The Board of County Commissioners establishes and may amend the contribution requirements of the Plan. There are no contribution requirements for employees. The annual required contribution (ARC) of the employer was \$97, based on a contribution rate of 1.8%. The actual contribution was \$128. The

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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actuarial assumptions and methods used in the most recent valuation (January 1, 1999) were as follows:

Actuarial cost method:	Projected unit credit
Amortization method:	Level dollar, closed
Amortization period:	20 years
Asset valuation method:	Contract value
Investment rate of return:	7.25%
Projected salary increase:	5.88 - 9.10%
Cost of living adjustments:	Consumer Price Index (limited to 2%)

Summary of Significant Accounting Policies

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

		Fiscal Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contribution	Net Pension Obligation
		6/30/97	\$ 48	100%	\$ -
		6/30/98	129	61.2%	19
		6/30/99	96	100%	-

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll
1/1/96	\$6,212	\$6,515	95.3%	\$ 303	\$5,475	5.5%
1/1/97	6,390	6,656	96.0%	266	5,572	4.8%
1/1/98	5,655	6,715	84.2%	1,060	5,433	19.5%
1/1/99	5,901	6,504	90.7%	603	5,422	11.1%

Information for previous years was not available.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. During fiscal year 1998, the County adopted GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and entered into trust agreements with the Plan providers in order to comply with the requirements of subsection (g) of IRC Section 457. The Plan, available to all permanent County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

All assets and income of the Plan are held in trust for the exclusive benefit of participants and their beneficiaries.

The amount deferred, adjusted to fair market value at June 30, 1999, and investment earnings thereon amount to \$86,709. The amounts accumulated under the deferred compensation plan, including investment earnings, are excluded from the financial statements of the County.

No plan assets have been used for purposes other than the payment of benefits.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1999
(amounts expressed in thousands)

It is the opinion of County Counsel that the County has no fiduciary responsibilities under the Plan.

NOTE 18. Commitments and Contingent Liabilities:

Additional commitments under contracts at June 30, 1999 are as follows:

General Fund	\$ 1,710
Special Revenue Funds	8,230
Capital Projects Funds	33,379
Enterprise Funds	48
Internal Service Funds	4,958
	<u>\$48,325</u>

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

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

NOTE 19. Segment Information for Enterprise Funds:

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

Segment information at June 30, 1999 and for the year then ended is as follows:

	Sewer	Lighting	Mental Health Care	Total
Operating revenue	\$ 244	\$ 182	\$23,059	\$23,485
Depreciation expense	28	77	3	108
Operating income (loss)	20	(118)	(1,840)	(1,938)
Operating transfers in			971	971
Net income (loss)	64	(73)	(543)	(552)
Current capital contributions and transfers	10	371		381
Property, plant and equipment:				
Additions at cost		371	16	387
Deletions at cost		9		9
Net working capital	842	837	2,169	3,848
Total assets	1,458	1,807	6,773	10,038
Total equity	1,411	1,763	2,182	5,356

NOTE 20. Subsequent Events:

On July 1, 1999, the County issued \$11,000 in Tax and Revenue Anticipation Notes to meet anticipated cash flow requirements prior to the collection of property taxes in December. The yield is 3.50%, and the

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1999
(amounts expressed in thousands)

notes mature on June 30, 2000. The notes are rated MIG1 by Moody's Investors Service, Inc.

On October 14, 1998, the County received notification from the State of Oregon Public Employees Retirement System (PERS) of revised employer contribution rates adopted by the PERS Board. These revised contribution rates were the result of PERS' regular two-year actuarial update; and are based on actuarial values as of December 31, 1997. Based on this update, the County's unfunded actuarial liability with PERS increased from \$128,540 to \$158,493. The reasons for this increase are complex but relate primarily to decisions made by the State regarding the taxation of PERS retirement benefits, costs associated with retirement benefits under the "Money Match" option, and changes in economic and demographic assumptions. The County's employer contribution rate of covered payroll will increase from 10.66% to 12.36% effective July 1, 1999. This increased contribution rate will cost the County an estimated \$3,000 annually. The full text of the County's 1997 actuarial valuation should be read to gain a better understanding of the PERS rate changes. In response to the unfunded actuarial liability, On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds to fund the County's 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 PERS to retire the UAAL and the amount of the debt repayment. The total interest cost is 7.67%. Payment of principal and interest, except for a term bond, will be guaranteed by MBIA. The term bonds are rated Aa2 by Moody's Investor Service, Inc.

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

GENERAL FUND

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

MULTNOMAH COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Property:			
Current year	\$ 141,833	\$ 145,144	\$ 3,511
Prior years'	3,617	2,843	(774)
Penalties and interest	1,030	1,985	955
Payments in lieu of taxes	43	28	(15)
Sales on foreclosures	-	106	106
Transient lodging	-	3	3
Business income	47,065	40,904	(6,161)
Motor vehicle rental	11,603	10,782	(821)
Intergovernmental:			
Federal	8,483	8,287	(196)
State	7,625	7,086	(539)
Local	2,224	1,909	(315)
Licenses and permits	1,806	1,879	73
Charges for services	7,052	7,448	396
Interest	3,095	3,432	337
Other:			
Miscellaneous	817	1,235	418
Service reimbursements	24,497	21,937	(2,560)
Total revenues	<u>260,590</u>	<u>255,008</u>	<u>(5,582)</u>
OTHER FINANCING SOURCES:			
Transfer from Animal Control fund	1,524	1,078	(446)
BEGINNING FUND BALANCE	<u>24,730</u>	<u>25,873</u>	<u>1,143</u>
Total	<u>\$ 286,844</u>	<u>281,959</u>	<u>(4,885)</u>
EXPENDITURES:			
Aging and Disability Services	\$ 2,220	2,218	2
Health Services	13,443	12,840	603
Juvenile and Adult Community Justice Services	30,185	26,622	3,563
District Attorney	13,028	12,699	329
Sheriff	46,651	45,775	876
Environmental Services	9,763	8,701	1,062
Support Services	10,154	10,154	-
Nondepartmental	30,863	27,492	3,371
Total expenditures	<u>156,307</u>	<u>146,501</u>	<u>9,806</u>
OTHER FINANCING USES:			
Transfers to other funds:			
Federal and State Program	60,556	57,025	3,531
County School	1,450	1,450	-
Recreation	10	10	-
Library	16,463	16,463	-
Justice Services Special Operations	228	228	-
Assessment and Taxation	7,272	7,272	-
Capital Improvement	1,190	1,190	-
Behavioral Health Managed Care	1,002	972	30
Data Processing	1,180	1,180	-
Facilities Management	453	-	453
Risk Management	819	819	-
Jail Levy	31,775	31,775	-
Total other financing uses	<u>122,398</u>	<u>118,384</u>	<u>4,014</u>
Total	<u>278,705</u>	<u>264,885</u>	<u>13,820</u>
ENDING FUND BALANCE	<u>\$ 8,139</u>	<u>\$ 17,074</u>	<u>\$ 8,935</u>
	<u>\$ 286,844</u>		

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SPECIAL REVENUE FUNDS

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

- Strategic Investment Program Fund - accounts primarily for monies received from corporations receiving property tax abatements and paying fees for specific purposes as a part of the reduced tax agreement to be used for community service.
- Road Fund - accounts for revenues primarily from State motor vehicle fees and County gasoline taxes. Expenditures consist of construction, repair, maintenance, and operation of County highways and roads.
- Emergency Communications Fund - accounts for monies received from the State which are designated for an emergency communication network in conjunction with the City of Portland.
- Assessment and Taxation Fund - accounts for revenues and expenditures for property assessment and tax collection.
- Bicycle Path Construction Fund - accounts for revenue and expenditures for bicycle paths.
- Federal and State Program Fund - accounts for the majority of revenues and expenditures related to Federal and State financial assistance programs.
- County School Fund - accounts for transfers from the General Fund and forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- Corner Preservation Fund - accounts for the collection of fees on all recordings of real property transactions and surveying activity. The fund makes expenditures to maintain public land corners.
- Tax Title Land Sales Fund - accounts for the receipt and sale of real property foreclosed upon by the County because of unpaid property taxes. Proceeds are subsequently distributed to all taxing districts.
- Animal Control Fund - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- Willamette River Bridges Fund - accounts for motor vehicle fees and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- Recreation Fund - accounts for the collection and disbursement of park revenues from various funding sources on a pass through basis.
- Library Fund - accounts for the public library operations.
- Justice Services Special Operations Fund - accounts for revenues and expenditures dedicated to justice services in the community corrections department, district attorney's office, and sheriff's office.
- Inmate Welfare Fund - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- Transient Lodging Tax Fund - accounts for a transient lodging tax collected from all hotels and motels in the County to be used for convention center expenditures.
- Public Safety Levy Fund - accounts for operation of the Inverness Jail and related corrections programs.

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MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1999
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	Federal and State Program	County School
ASSETS:							
Cash and investments	\$ 1,179	\$ 7,824	\$ 37	\$ 360	\$ 8	\$ 404	\$ 48
Receivables:							
Taxes	-	-	-	-	-	-	-
Accounts	-	3,762	39	626	58	30,702	-
Loans	-	-	-	-	-	1,492	-
Contracts	-	-	-	-	-	-	-
Inventories	-	633	-	-	-	155	-
Prepaid items	3	4	-	8	-	364	-
Foreclosed properties	-	-	-	-	-	-	-
Total assets	<u>\$ 1,182</u>	<u>\$ 12,223</u>	<u>\$ 76</u>	<u>\$ 994</u>	<u>\$ 66</u>	<u>\$ 33,117</u>	<u>\$ 48</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts payable	\$ 237	\$ 9,897	\$ -	\$ 207	\$ -	\$ 14,889	\$ -
Compensated absences	4	452	-	393	-	3,450	-
Due to other governmental units	-	-	-	-	-	10,809	-
Deferred revenue	-	55	-	-	-	3,719	-
Total liabilities	<u>241</u>	<u>10,404</u>	<u>-</u>	<u>600</u>	<u>-</u>	<u>32,867</u>	<u>-</u>
Fund balances:							
Reserved for inventories	-	633	-	-	-	155	-
Reserved for foreclosed properties	-	-	-	-	-	-	-
Reserved for prepaid items	3	4	-	8	-	364	-
Reserved for Oregon Medical Assistance Program	-	-	-	-	-	250	-
Unreserved, undesignated	938	1,182	76	386	66	(519)	48
Total fund balances	<u>941</u>	<u>1,819</u>	<u>76</u>	<u>394</u>	<u>66</u>	<u>250</u>	<u>48</u>
Total liabilities and fund balances	<u>\$ 1,182</u>	<u>\$ 12,223</u>	<u>\$ 76</u>	<u>\$ 994</u>	<u>\$ 66</u>	<u>\$ 33,117</u>	<u>\$ 48</u>

Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Transient Lodging Tax	Public Safety Levy	Total
\$ 1,053	\$ 1,407	\$ 5	\$ 360	\$ 17	\$ 6,216	\$ 1,172	\$ 49	\$ 297	\$ 17,051	\$ 37,487
-	-	-	-	-	926	-	-	-	-	926
-	1	18	1	20	208	317	198	722	44	36,716
-	-	-	-	-	-	-	-	-	-	1,492
-	746	-	-	-	-	-	-	-	-	746
-	-	-	-	-	-	-	-	-	-	788
1	-	-	-	-	345	-	2	-	5	732
-	765	-	-	-	-	-	-	-	-	765
<u>\$ 1,054</u>	<u>\$ 2,919</u>	<u>\$ 23</u>	<u>\$ 361</u>	<u>\$ 37</u>	<u>\$ 7,695</u>	<u>\$ 1,489</u>	<u>\$ 249</u>	<u>\$ 1,019</u>	<u>\$ 17,100</u>	<u>\$ 79,652</u>
\$ -	\$ 601	\$ 5	\$ 64	\$ 34	\$ 377	\$ 446	\$ 96	-	\$ 1,024	\$ 27,877
-	7	-	105	-	871	95	5	-	691	6,073
-	-	-	-	-	-	-	-	-	-	10,809
-	1,511	-	-	-	823	-	-	-	-	6,108
-	2,119	5	169	34	2,071	541	101	-	1,715	50,867
-	-	-	-	-	-	-	-	-	-	788
-	765	-	-	-	-	-	-	-	-	765
1	-	-	-	-	345	-	2	-	5	732
-	-	-	-	-	-	-	-	-	-	250
1,053	35	18	192	3	5,279	948	146	1,019	15,380	26,250
1,054	800	18	192	3	5,624	948	148	1,019	15,385	28,785
<u>\$ 1,054</u>	<u>\$ 2,919</u>	<u>\$ 23</u>	<u>\$ 361</u>	<u>\$ 37</u>	<u>\$ 7,695</u>	<u>\$ 1,489</u>	<u>\$ 249</u>	<u>\$ 1,019</u>	<u>\$ 17,100</u>	<u>\$ 79,652</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	Federal and State Program	County School
REVENUES:							
Taxes	\$ -	\$ 7,852	\$ -	\$ -	\$ -	\$ -	\$ 165
Intergovernmental	-	26,842	154	2,436	90	168,796	-
Licenses and permits	-	107	-	-	-	-	-
Charges for services	957	656	-	230	-	3,450	1
Interest	-	361	6	-	3	13	6
Other	-	891	-	18	-	1,474	-
Total revenues	957	36,709	160	2,684	93	173,733	172
EXPENDITURES:							
Current:							
General government	968	-	-	9,876	-	-	-
Health and social services	-	-	-	-	-	192,939	-
Public safety and justice	-	-	-	-	-	35,613	-
Community services	-	-	130	-	4	1,596	1,623
Roads and bridges	-	33,224	-	-	-	-	-
Capital outlay	-	2,260	-	408	319	708	-
Total expenditures	968	35,484	130	10,284	323	230,856	1,623
Excess of revenues over (under) expenditures	(11)	1,225	30	(7,600)	(230)	(57,123)	(1,451)
OTHER FINANCING SOURCES (USES):							
Operating transfers in	-	-	-	7,272	52	57,123	1,450
Operating transfers (out)	-	(3,544)	-	-	-	-	-
Total other financing sources (uses)	-	(3,544)	-	7,272	52	57,123	1,450
Excess of revenues and other sources over (under) expenditures and other uses	(11)	(2,319)	30	(328)	(178)	-	(1)
FUND BALANCES, JUNE 30, 1998	952	4,138	46	722	244	250	49
FUND BALANCES, JUNE 30, 1999	\$ 941	\$ 1,819	\$ 76	\$ 394	\$ 66	\$ 250	\$ 48

Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Transient Lodging Tax	Public Safety Levy	Total
\$ -	\$ 1,096	\$ -	\$ -	\$ 112	\$ 17,402	\$ -	\$ -	\$ 6,189	\$ -	\$ 32,816
-	-	-	-	-	585	375	-	-	7,655	206,933
-	-	764	-	-	-	276	-	-	-	1,147
633	3	253	37	-	139	1,620	56	-	1	8,036
-	150	-	-	-	175	62	14	35	561	1,386
-	-	47	41	-	3,223	866	1,394	-	75	8,029
633	1,249	1,064	78	112	21,524	3,199	1,464	6,224	8,292	258,347
-	1,049	-	-	-	-	-	-	-	-	11,893
-	-	-	-	-	-	-	-	-	4,031	196,970
-	-	-	-	-	-	3,291	1,489	-	36,597	76,990
-	-	-	-	149	32,779	-	-	6,433	-	42,714
583	-	-	3,797	-	-	-	-	-	-	37,604
8	-	-	2,077	-	264	77	-	-	504	6,625
591	1,049	-	5,874	149	33,043	3,368	1,489	6,433	41,132	372,796
42	200	1,064	(5,796)	(37)	(11,519)	(169)	(25)	(209)	(32,840)	(114,449)
-	-	-	3,492	10	16,463	228	-	-	31,775	117,865
-	-	(1,078)	-	-	-	-	-	-	-	(4,622)
-	-	(1,078)	3,492	10	16,463	228	-	-	31,775	113,243
42	200	(14)	(2,304)	(27)	4,944	59	(25)	(209)	(1,065)	(1,206)
1,012	600	32	2,496	30	680	889	173	1,228	16,450	29,991
\$ 1,054	\$ 800	\$ 18	\$ 192	\$ 3	\$ 5,624	\$ 948	\$ 148	\$ 1,019	\$ 15,385	\$ 28,785

MULTNOMAH COUNTY, OREGON
STRATEGIC INVESTMENT PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 1,111	\$ 957	\$ (154)
BEGINNING FUND BALANCE	<u>952</u>	<u>952</u>	<u>-</u>
Total	<u>\$ 2,063</u>	<u>1,909</u>	<u>(154)</u>
EXPENDITURES:			
Support Services	\$ 31	2	29
Nondepartmental	2,032	966	1,066
Total	<u>\$ 2,063</u>	<u>968</u>	<u>1,095</u>
ENDING FUND BALANCE		<u>\$ 941</u>	<u>\$ 941</u>

MULTNOMAH COUNTY, OREGON
ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Gasoline	\$ 7,800	\$ 7,358	\$ (442)
Forest reserve yield	513	494	(19)
Intergovernmental:			
Federal	60	-	(60)
State	27,505	26,550	(955)
Local	981	292	(689)
Licenses and permits	54	107	53
Charges for services	80	656	576
Interest	568	361	(207)
Other:			
Miscellaneous	1,135	61	(1,074)
Service reimbursements	645	830	185
Total revenues	<u>39,341</u>	<u>36,709</u>	<u>(2,632)</u>
OTHER FINANCING SOURCE:			
Certificates of participation proceeds	500	-	(500)
BEGINNING FUND BALANCE	4,138	4,138	-
Total	<u>\$ 43,979</u>	<u>40,847</u>	<u>(3,132)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 40,435</u>	<u>35,484</u>	<u>4,951</u>
OTHER FINANCING USES:			
Transfers to other funds:			
Bicycle Path Construction	52	52	-
Willamette River Bridges	3,492	3,492	-
Total other financing uses	<u>3,544</u>	<u>3,544</u>	<u>-</u>
Total	<u>\$ 43,979</u>	<u>39,028</u>	<u>4,951</u>
ENDING FUND BALANCE		<u>\$ 1,819</u>	<u>\$ 1,819</u>

MULTNOMAH COUNTY, OREGON
EMERGENCY COMMUNICATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 128	\$ 154	\$ 26
Interest	2	6	4
Total revenues	<u>130</u>	<u>160</u>	<u>30</u>
BEGINNING FUND BALANCE	-	46	46
Total	<u>\$ 130</u>	<u>206</u>	<u>76</u>
EXPENDITURES:			
Sheriff	<u>\$ 130</u>	<u>130</u>	-
ENDING FUND BALANCE		<u>\$ 76</u>	<u>\$ 76</u>

MULTNOMAH COUNTY, OREGON
ASSESSMENT AND TAXATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 2,604	\$ 2,436	\$ (168)
Charges for services	224	230	6
Other:			
Miscellaneous	15	14	(1)
Service reimbursements	5	4	(1)
Total revenues	<u>2,848</u>	<u>2,684</u>	<u>(164)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	7,272	7,272	-
BEGINNING FUND BALANCE	<u>726</u>	<u>722</u>	<u>(4)</u>
Total	<u>\$ 10,846</u>	<u>10,678</u>	<u>(168)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 10,846</u>	<u>10,284</u>	<u>562</u>
ENDING FUND BALANCE		<u>\$ 394</u>	<u>\$ 394</u>

MULTNOMAH COUNTY, OREGON
BICYCLE PATH CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - State	\$ 90	\$ 90	\$ -
Interest	4	3	(1)
Total revenues	<u>94</u>	<u>93</u>	<u>(1)</u>
OTHER FINANCING SOURCE:			
Transfer from Road Fund	52	52	-
BEGINNING FUND BALANCE	244	244	-
Total	<u>\$ 390</u>	<u>389</u>	<u>(1)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 390</u>	<u>323</u>	<u>67</u>
ENDING FUND BALANCE		<u>\$ 66</u>	<u>\$ 66</u>

MULTNOMAH COUNTY, OREGON
FEDERAL AND STATE PROGRAM FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 177,922	\$ 168,796	\$ (9,126)
Charges for services	3,780	3,450	(330)
Interest	-	13	13
Other:			
Miscellaneous	1,757	1,132	(625)
Service reimbursements	240	342	102
Total revenues	<u>183,699</u>	<u>173,733</u>	<u>(9,966)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	60,556	57,025	(3,531)
Transfer from Data Processing Fund	264	98	(166)
Total Other Financing Sources	<u>60,820</u>	<u>57,123</u>	<u>(3,697)</u>
BEGINNING FUND BALANCE	<u>-</u>	<u>250</u>	<u>250</u>
Total	<u>\$ 244,519</u>	<u>231,106</u>	<u>(13,413)</u>
EXPENDITURES:			
Community and Family Services	\$ 114,201	104,301	9,900
Aging and Disability Services	27,437	27,409	28
Juvenile and Adult Community Justice Services	28,471	30,139	(1,668)
Health Services	64,374	61,719	2,655
District Attorney	3,865	3,520	345
Sheriff	2,026	1,969	57
Environmental Services	78	12	66
Support Services	1,347	467	880
Nondepartmental	2,720	1,320	1,400
Total expenditures	<u>\$ 244,519</u>	<u>230,856</u>	<u>13,663</u>
ENDING FUND BALANCE		<u>\$ 250</u>	<u>\$ 250</u>

MULTNOMAH COUNTY, OREGON
COUNTY SCHOOL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Taxes - Forest reserve yield	\$ 200	\$ 165	\$ (35)
Charges for Services	-	1	1
Interest	-	6	6
Total revenues	<u>200</u>	<u>172</u>	<u>(28)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	1,450	1,450	-
BEGINNING FUND BALANCE	-	49	49
Total	<u>\$ 1,650</u>	<u>1,671</u>	<u>21</u>
EXPENDITURES:			
Nondepartmental	<u>\$ 1,650</u>	1,623	27
ENDING FUND BALANCE		<u>\$ 48</u>	<u>\$ 48</u>

MULTNOMAH COUNTY, OREGON
CORNER PRESERVATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 370	\$ 633	\$ 263
BEGINNING FUND BALANCE	<u>905</u>	<u>1,012</u>	<u>107</u>
Total	<u>\$ 1,275</u>	<u>1,645</u>	<u>370</u>
EXPENDITURES:			
Environmental Services	<u>\$ 1,275</u>	<u>591</u>	<u>684</u>
ENDING FUND BALANCE		<u>\$ 1,054</u>	<u>\$ 1,054</u>

MULTNOMAH COUNTY, OREGON
TAX TITLE LAND SALES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes - Sales on foreclosures	\$ 650	\$ 1,096	\$ 446
Charges for services	-	3	3
Interest	150	150	-
Total revenues	<u>800</u>	<u>1,249</u>	<u>449</u>
BEGINNING FUND BALANCE	-	600	600
Total	<u>\$ 800</u>	<u>1,849</u>	<u>1,049</u>
EXPENDITURES:			
Environmental Services	\$ 800	1,049	(249)
ENDING FUND BALANCE		<u>\$ 800</u>	<u>\$ 800</u>

MULTNOMAH COUNTY, OREGON
ANIMAL CONTROL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Licenses and permits	\$ 1,230	\$ 764	\$ (466)
Charges for services	231	253	22
Other - Miscellaneous	63	47	(16)
Total revenues	1,524	1,064	(460)
BEGINNING FUND BALANCE	-	32	32
Total	\$ 1,524	1,096	(428)
OTHER FINANCING USE:			
Transfer to General Fund	\$ 1,524	1,078	446
ENDING FUND BALANCE		\$ 18	\$ 18

MULTNOMAH COUNTY, OREGON
WILLAMETTE RIVER BRIDGES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal	\$ 1,268	\$ -	\$ (1,268)
Charges for services	-	37	37
Other - Service reimbursements	60	41	(19)
Total revenues	<u>1,328</u>	<u>78</u>	<u>(1,250)</u>
OTHER FINANCING SOURCE:			
Transfer from Road Fund	3,492	3,492	-
BEGINNING FUND BALANCE	<u>2,497</u>	<u>2,496</u>	<u>(1)</u>
Total	<u>\$ 7,317</u>	<u>6,066</u>	<u>(1,251)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 7,317</u>	<u>5,874</u>	<u>1,443</u>
ENDING FUND BALANCE		<u>\$ 192</u>	<u>\$ 192</u>

MULTNOMAH COUNTY, OREGON
RECREATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Taxes - Gasoline	\$ 136	\$ 112	\$ (24)
Total revenues	<u>136</u>	<u>112</u>	<u>(24)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	10	10	-
BEGINNING FUND BALANCE	60	30	(30)
Total	<u>\$ 206</u>	<u>152</u>	<u>(54)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 206</u>	149	57
ENDING FUND BALANCE		<u>\$ 3</u>	<u>\$ 3</u>

MULTNOMAH COUNTY, OREGON
LIBRARY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 16,747	\$ 16,978	\$ 231
Prior years'	373	344	(29)
Penalties and interest	77	68	(9)
Sales on foreclosures	-	12	12
Intergovernmental:			
Federal, state, and local	489	585	96
Charges for services	135	139	4
Interest	240	175	(65)
Other:			
Miscellaneous	2,488	3,137	649
Service reimbursements	86	86	-
Total revenues	<u>20,635</u>	<u>21,524</u>	<u>889</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	16,463	16,463	-
BEGINNING FUND BALANCE	680	680	-
Total	<u>\$ 37,778</u>	<u>38,667</u>	<u>889</u>
EXPENDITURES:			
Library	<u>\$ 37,778</u>	33,043	4,735
ENDING FUND BALANCE		<u>\$ 5,624</u>	<u>\$ 5,624</u>

MULTNOMAH COUNTY, OREGON
JUSTICE SERVICES SPECIAL OPERATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal	\$ 151	\$ 18	\$ (133)
Local	409	357	(52)
Licenses and permits	288	276	(12)
Charges for services	1,477	1,620	143
Interest	4	62	58
Other - Miscellaneous	942	866	(76)
Total revenues	<u>3,271</u>	<u>3,199</u>	<u>(72)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	228	228	-
BEGINNING FUND BALANCE	662	889	227
Total	<u>\$ 4,161</u>	<u>4,316</u>	<u>155</u>
EXPENDITURES:			
Juvenile and Adult Community Justice Services	\$ 812	683	129
District Attorney	932	345	587
Sheriff	2,417	2,340	77
Total	<u>\$ 4,161</u>	<u>3,368</u>	<u>793</u>
ENDING FUND BALANCE		<u>\$ 948</u>	<u>\$ 948</u>

MULTNOMAH COUNTY, OREGON
INMATE WELFARE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 51	\$ 56	\$ 5
Interest	17	14	(3)
Other - Miscellaneous	1,637	1,394	(243)
Total revenues	<u>1,705</u>	<u>1,464</u>	<u>(241)</u>
BEGINNING FUND BALANCE	54	173	119
Total	<u>\$ 1,759</u>	<u>1,637</u>	<u>(122)</u>
EXPENDITURES:			
Juvenile and Adult Community Justice Services	\$ 45	28	17
Sheriff	1,714	1,461	253
Total expenditures	<u>\$ 1,759</u>	<u>1,489</u>	<u>270</u>
ENDING FUND BALANCE		<u>\$ 148</u>	<u>\$ 148</u>

MULTNOMAH COUNTY, OREGON
TRANSIENT LODGING TAX FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes - Transient lodging	\$ 7,250	\$ 6,189	\$ (1,061)
Interest	30	35	5
Total revenues	7,280	6,224	(1,056)
BEGINNING FUND BALANCE	670	1,228	558
Total	<u>\$ 7,950</u>	<u>7,452</u>	<u>(498)</u>
EXPENDITURES:			
Nondepartmental	<u>\$ 7,950</u>	6,433	1,517
ENDING FUND BALANCE		<u>\$ 1,019</u>	<u>\$ 1,019</u>

MULTNOMAH COUNTY, OREGON
PUBLIC SAFETY LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 11,248	\$ 7,655	\$ (3,593)
Charges for services	67	1	(66)
Interest	200	561	361
Other - Service reimbursements	74	75	1
Total revenues	<u>11,589</u>	<u>8,292</u>	<u>(3,297)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	31,775	31,775	-
BEGINNING FUND BALANCE	14,831	16,450	1,619
Total Revenues	<u>\$ 58,195</u>	<u>56,517</u>	<u>(1,678)</u>
EXPENDITURES:			
Health Services	\$ 4,157	4,031	126
Juvenile and Adult Community Justice Services	9,436	5,283	4,153
Sheriff	44,602	31,818	12,784
Total expenditures	<u>\$ 58,195</u>	<u>41,132</u>	<u>17,063</u>
ENDING FUND BALANCE		<u>\$ 15,385</u>	<u>\$ 15,385</u>

DEBT SERVICE FUNDS

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

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

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 1999
(amounts expressed in thousands)

	Capital Lease Retirement	Library Bond Sinking/ 1993 Bonds	Library Bond Sinking/ 1996 Bonds	Public Safety Bond Sinking	Revenue Bond Sinking	Total
ASSETS:						
Cash and investments	\$ 7,722	\$ 2,442	\$ 5,172	\$ 6,306	\$ 366	\$ 22,008
Receivables:						
Taxes	-	144	283	434	-	861
Accounts	-	2	4	6	-	12
Contracts	-	-	-	-	4,361	4,361
Total assets	<u>\$ 7,722</u>	<u>\$ 2,588</u>	<u>\$ 5,459</u>	<u>\$ 6,746</u>	<u>\$ 4,727</u>	<u>\$ 27,242</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 119	\$ -	\$ -	\$ -	\$ -	\$ 119
Deferred revenue	-	126	258	395	4,361	5,140
Total liabilities	<u>119</u>	<u>126</u>	<u>258</u>	<u>395</u>	<u>4,361</u>	<u>5,259</u>
Fund balances:						
Reserved for debt service	7,603	2,462	5,201	6,351	366	21,983
Total fund balances	<u>7,603</u>	<u>2,462</u>	<u>5,201</u>	<u>6,351</u>	<u>366</u>	<u>21,983</u>
Total liabilities and fund balances	<u>\$ 7,722</u>	<u>\$ 2,588</u>	<u>\$ 5,459</u>	<u>\$ 6,746</u>	<u>\$ 4,727</u>	<u>\$ 27,242</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Capital Lease Retirement	Library Bond Sinking/ 1993 Bonds	Library Bond Sinking/ 1996 Bonds	Public Safety Bond Sinking	Revenue Bond Sinking	Total
REVENUES:						
Taxes	\$ -	\$ 2,648	\$ 5,035	\$ 8,122	\$ -	\$ 15,805
Interest	805	98	217	493	17	1,630
Other	7,746	-	-	-	-	7,746
Total revenues	<u>8,551</u>	<u>2,746</u>	<u>5,252</u>	<u>8,615</u>	<u>17</u>	<u>25,181</u>
EXPENDITURES:						
Current:						
General government	19	-	-	742	-	761
Debt service:						
Principal	4,996	1,120	3,390	2,034	-	11,540
Interest	3,044	901	977	4,470	67	9,459
Total expenditures	<u>8,059</u>	<u>2,021</u>	<u>4,367</u>	<u>7,246</u>	<u>67</u>	<u>21,760</u>
Excess of revenues over (under) expenditures	<u>492</u>	<u>725</u>	<u>885</u>	<u>1,369</u>	<u>(50)</u>	<u>3,421</u>
OTHER FINANCING SOURCES (USES):						
Certificates of participation proceeds	2,847	-	-	-	-	2,847
Proceeds of refunding bonds	-	-	-	66,115	-	66,115
Bond proceeds	-	-	-	-	416	416
Payment to refunded bonds escrow agent	-	-	-	(67,057)	-	(67,057)
Total other financing sources (uses)	<u>2,847</u>	<u>-</u>	<u>-</u>	<u>(942)</u>	<u>416</u>	<u>2,321</u>
Excess of revenues and other sources over expenditures and other uses	<u>3,339</u>	<u>725</u>	<u>885</u>	<u>427</u>	<u>366</u>	<u>5,742</u>
FUND BALANCES, JUNE 30, 1998	<u>4,264</u>	<u>1,737</u>	<u>4,316</u>	<u>5,924</u>	<u>-</u>	<u>16,241</u>
FUND BALANCES, JUNE 30, 1999	<u>\$ 7,603</u>	<u>\$ 2,462</u>	<u>\$ 5,201</u>	<u>\$ 6,351</u>	<u>\$ 366</u>	<u>\$ 21,983</u>

MULTNOMAH COUNTY, OREGON
CAPITAL LEASE RETIREMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Interest	\$ 83	\$ 805	\$ 722
Other - Service reimbursements	8,955	7,746	(1,209)
Total revenues	<u>9,038</u>	<u>8,551</u>	<u>(487)</u>
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	3,705	2,847	(858)
BEGINNING FUND BALANCE	<u>2,105</u>	<u>4,264</u>	<u>2,159</u>
Total	<u>\$ 14,848</u>	<u>15,662</u>	<u>814</u>
EXPENDITURES:			
Nondepartmental	\$ 10,597	8,059	2,538
ENDING FUND BALANCE	<u>4,251</u>	<u>\$ 7,603</u>	<u>\$ 3,352</u>
	<u>\$ 14,848</u>		

MULTNOMAH COUNTY, OREGON
LIBRARY BOND SINKING FUND/1993 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 2,554	\$ 2,573	\$ 19
Prior years'	47	61	14
Penalties and interest	-	12	12
Sales on foreclosures	-	2	2
Interest	75	98	23
Total revenues	<u>2,676</u>	<u>2,746</u>	<u>70</u>
BEGINNING FUND BALANCE	1,769	1,737	(32)
Total	<u>\$ 4,445</u>	<u>4,483</u>	<u>38</u>
EXPENDITURES:			
Nondepartmental	\$ 2,469	2,021	448
ENDING FUND BALANCE	<u>1,976</u>	<u>\$ 2,462</u>	<u>\$ 486</u>
	<u>\$ 4,445</u>		

MULTNOMAH COUNTY, OREGON
LIBRARY BOND SINKING FUND/1996 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 4,868	\$ 4,905	\$ 37
Prior years'	136	111	(25)
Penalties and interest	-	15	15
Sales on foreclosures	-	4	4
Interest	75	217	142
Total revenues	<u>5,079</u>	<u>5,252</u>	<u>173</u>
BEGINNING FUND BALANCE	<u>4,177</u>	<u>4,316</u>	<u>139</u>
Total	<u>\$ 9,256</u>	<u>9,568</u>	<u>312</u>
EXPENDITURES:			
Nondepartmental	\$ 4,570	4,367	203
ENDING FUND BALANCE	<u>4,686</u>	<u>\$ 5,201</u>	<u>\$ 109</u>
	<u>\$ 9,256</u>		

MULTNOMAH COUNTY, OREGON
PUBLIC SAFETY BOND SINKING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 7,883	\$ 7,943	\$ 60
Prior years'	164	151	(13)
Penalties and interest	-	22	22
Sales on foreclosures	-	6	6
Interest	150	493	343
Total revenues	<u>8,197</u>	<u>8,615</u>	<u>418</u>
OTHER FINANCING SOURCE:			
Proceeds of refunding bonds	-	66,115	66,115
BEGINNING FUND BALANCE	<u>5,782</u>	<u>5,924</u>	<u>142</u>
Total	<u>\$ 13,979</u>	<u>80,654</u>	<u>66,675</u>
EXPENDITURES:			
Nondepartmental	\$ 7,543	7,246	297
OTHER FINANCING USE:			
Payment to refunded bonds escrow agent	-	67,057	67,057
Total	<u>7,543</u>	<u>74,303</u>	<u>67,354</u>
ENDING FUND BALANCE	<u>6,436</u>	<u>\$ 6,351</u>	<u>\$ (679)</u>
	<u>\$ 13,979</u>		

MULTNOMAH COUNTY, OREGON
REVENUE BOND SINKING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUE:			
Interest	\$ -	\$ 17	\$ 17
Charges for services	292	-	(292)
Total revenues	292	17	(275)
OTHER FINANCING SOURCE:			
Bond proceeds	-	416	416
BEGINNING FUND BALANCE	295	-	(295)
Total	<u>\$ 587</u>	<u>433</u>	<u>(154)</u>
EXPENDITURE:			
Nondepartmental	\$ 292	67	225
ENDING FUND BALANCE	295	<u>\$ 366</u>	<u>\$ (71)</u>
	<u>\$ 587</u>		

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CAPITAL PROJECTS FUNDS

These funds account for expenditures on major construction projects, proceeds from certificates of participation issued to finance capital acquisitions, 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.
- Edgefield Children's Center Fund - accounts for the construction of an expanded Edgefield Children's Center. The proceeds will be from the issue of revenue bonds. Due to project delay the bonds were not issued.
- SB1145 Fund - accounts for State revenue to build jail beds to house convicted felons with sentences under twelve months.
- Equipment Lease/Purchase Fund - accounts for long-term lease purchases of equipment.
- Lease/Purchase Project Fund - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- Library Construction Fund/1993 Bonds - accounts for the renovation of the Central Library and the expansion of the Midland Library.
- Library Construction Fund/1996 Bonds - accounts for the renovation of branch libraries and upgrades to Library computer systems and linkages.
- Capital Improvement Fund - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- Capital Acquisition Fund - accounts for purchase of personal computers and capital purchases with economic payoffs of less than five years.

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MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 1999
(amounts expressed in thousands)

	Justice Bond Project	Edgefield Children's Center	SB 1145	Equipment Lease/ Purchase
ASSETS:				
Cash and investments	\$ 61,853	\$ 226	\$ 24	\$ 2,337
Receivables:				
Accounts	-	-	1,538	-
Contracts	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 61,853</u>	<u>\$ 226</u>	<u>\$ 1,562</u>	<u>\$ 2,337</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 708	\$ 146	\$ 110	\$ -
Due to other funds	-	-	1,452	-
Compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>708</u>	<u>146</u>	<u>1,562</u>	<u>-</u>
Fund balances:				
Reserved for capital projects	61,145	80	-	2,337
Total liabilities and fund balances	<u>\$ 61,853</u>	<u>\$ 226</u>	<u>\$ 1,562</u>	<u>\$ 2,337</u>

<u>Lease/ Purchase Project</u>	<u>Library Construction/ 1993 Bonds</u>	<u>Library Construction/ 1996 Bonds</u>	<u>Capital Improvement</u>	<u>Capital Acquisition</u>	<u>Total</u>
\$ 12,457	\$ -	\$ 23,454	\$ 2,561	\$ 1,516	\$ 104,428
-	-	-	154	-	1,692
-	-	-	2,079	-	2,079
-	-	-	1,452	-	1,452
<u>\$ 12,457</u>	<u>\$ -</u>	<u>\$ 23,454</u>	<u>\$ 6,246</u>	<u>\$ 1,516</u>	<u>\$ 109,651</u>
\$ 190	\$ -	\$ 1,087	\$ 1,036	\$ 14	\$ 3,291
-	-	-	-	-	1,452
-	-	7	-	-	7
-	-	-	2,604	-	2,604
<u>190</u>	<u>-</u>	<u>1,094</u>	<u>3,640</u>	<u>14</u>	<u>7,354</u>
12,267	-	22,360	2,606	1,502	102,297
<u>\$ 12,457</u>	<u>\$ -</u>	<u>\$ 23,454</u>	<u>\$ 6,246</u>	<u>\$ 1,516</u>	<u>\$ 109,651</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Justice Bond Project	Edgefield Children's Center	SB 1145	Equipment Lease/ Purchase
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 7,957	\$ -
Charges for services	-	14	-	-
Interest	3,577	33	-	-
Other:				
Miscellaneous	-	2,229	-	-
Service reimbursements	-	-	-	-
Total revenues	<u>3,577</u>	<u>2,276</u>	<u>7,957</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	-	-	-	180
Public safety and justice	3,581	-	452	-
Community services	-	223	-	-
Capital outlay	<u>3,427</u>	<u>4,712</u>	<u>7,505</u>	<u>611</u>
Total expenditures	<u>7,008</u>	<u>4,935</u>	<u>7,957</u>	<u>791</u>
Excess of expenditures over revenues	<u>(3,431)</u>	<u>(2,659)</u>	<u>-</u>	<u>(791)</u>
OTHER FINANCING SOURCES (USES):				
Certificates of participation proceeds	-	-	-	-
Loan proceeds	-	-	-	-
Bond proceeds	-	2,739	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	(485)
Total other financing sources (uses)	<u>-</u>	<u>2,739</u>	<u>-</u>	<u>(485)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(3,431)</u>	<u>80</u>	<u>-</u>	<u>(1,276)</u>
FUND BALANCES, JUNE 30, 1998	<u>64,576</u>	<u>-</u>	<u>-</u>	<u>3,613</u>
FUND BALANCES, JUNE 30, 1999	<u>\$ 61,145</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 2,337</u>

Lease/ Purchase Project	Library Construction/ 1993 Bonds	Library Construction/ 1996 Bonds	Capital Improvement	Capital Acquisition	Total
\$ -	\$ -	\$ -	\$ 543	\$ -	\$ 8,500
-	-	-	17	-	31
56	15	1,438	118	3	5,240
4	-	-	507	-	2,740
-	-	-	-	650	650
60	15	1,438	1,185	653	17,161
-	-	-	3,018	1,518	4,716
-	-	-	-	-	4,033
1,115	2	2,396	-	-	3,736
28,813	53	3,608	3,464	149	52,342
29,928	55	6,004	6,482	1,667	64,827
(29,868)	(40)	(4,566)	(5,297)	(1,014)	(47,666)
33,278	-	-	-	-	33,278
-	-	-	154	-	154
-	-	-	-	-	2,739
485	-	-	4,528	2,378	7,391
-	-	-	-	-	(485)
33,763	-	-	4,682	2,378	43,077
3,895	(40)	(4,566)	(615)	1,364	(4,589)
8,372	40	26,926	3,221	138	106,886
\$ 12,267	\$ -	\$ 22,360	\$ 2,606	\$ 1,502	\$ 102,297

MULTNOMAH COUNTY, OREGON
JUSTICE BOND PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUE:			
Interest	\$ 2,400	\$ 3,577	\$ 1,177
BEGINNING FUND BALANCE	58,591	64,576	5,985
Total	<u>\$ 60,991</u>	<u>68,153</u>	<u>7,162</u>
EXPENDITURES:			
Environmental Services	\$ 54,491	4,109	50,382
Support Services	6,500	2,899	3,601
Total expenditures	<u>\$ 60,991</u>	<u>7,008</u>	<u>53,983</u>
ENDING FUND BALANCE		<u>\$ 61,145</u>	<u>\$ 61,145</u>

MULTNOMAH COUNTY, OREGON
EDGEFIELD CHILDREN'S CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUE:			
Charges for services	\$ -	\$ 14	\$ 14
Interest	-	33	33
Other - Miscellaneous	2,360	2,229	(131)
Total Revenues	<u>2,360</u>	<u>2,276</u>	<u>(84)</u>
OTHER FINANCING SOURCE:			
Bond proceeds	-	2,739	2,739
BEGINNING FUND BALANCE	2,800	-	(2,800)
Total	<u>\$ 5,160</u>	<u>5,015</u>	<u>(145)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 5,160</u>	4,935	225
ENDING FUND BALANCE		<u>\$ 80</u>	<u>\$ 80</u>

MULTNOMAH COUNTY, OREGON
SB 1145 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - State	\$ 27,468	\$ 7,957	\$ (19,511)
BEGINNING FUND BALANCE	13	-	(13)
Total	<u>\$ 27,481</u>	<u>7,957</u>	<u>(19,524)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 27,481</u>	<u>7,957</u>	<u>19,524</u>
ENDING FUND BALANCE		<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
EQUIPMENT LEASE/PURCHASE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
OTHER FINANCING SOURCE:			
Certificates of participation proceeds	\$ 175	\$ -	\$ (175)
BEGINNING FUND BALANCE	3,985	3,613	(372)
Total	<u>\$ 4,160</u>	<u>3,613</u>	<u>(547)</u>
EXPENDITURES:			
Nondepartmental	\$ 3,675	791	2,884
OTHER FINANCING USE:			
Transfer to Capital Lease Retirement Fund	485	485	-
Total	<u>\$ 4,160</u>	<u>1,276</u>	<u>2,884</u>
ENDING FUND BALANCE		<u>\$ 2,337</u>	<u>\$ 2,337</u>

MULTNOMAH COUNTY, OREGON
LEASE/PURCHASE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUE:			
Interest	\$ -	\$ 56	\$ 56
Other - Miscellaneous	-	4	4
Total Revenues	<u>-</u>	<u>60</u>	<u>60</u>
 OTHER FINANCING SOURCE:			
Certificates of participation proceeds	61,425	33,278	(28,147)
Transfer from Equipment Lease/Purchase Fund	<u>485</u>	<u>485</u>	<u>-</u>
Total Other Financing Sources	<u>61,910</u>	<u>33,763</u>	<u>(28,147)</u>
 BEGINNING FUND BALANCE	<u>10,874</u>	<u>8,372</u>	<u>(2,502)</u>
Total	<u>\$ 72,784</u>	<u>42,195</u>	<u>(30,589)</u>
 EXPENDITURES:			
Environmental Services	<u>\$ 72,784</u>	<u>29,928</u>	<u>42,856</u>
ENDING FUND BALANCE		<u>\$ 12,267</u>	<u>\$ 12,267</u>

MULTNOMAH COUNTY, OREGON
LIBRARY CONSTRUCTION FUND/1993 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Interest	\$ 18	\$ 15	\$ (3)
BEGINNING FUND BALANCE	<u>50</u>	<u>40</u>	<u>(10)</u>
Total	<u>\$ 68</u>	<u>55</u>	<u>(13)</u>
EXPENDITURES:			
Environmental Services	\$ 68	55	13
	<u>\$ 68</u>	<u>55</u>	<u>13</u>
ENDING FUND BALANCE		<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
LIBRARY CONSTRUCTION FUND/1996 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUE:			
Interest	\$ 1,100	\$ 1,438	\$ 338
BEGINNING FUND BALANCE	26,964	26,926	(38)
Total	<u>\$ 28,064</u>	<u>28,364</u>	<u>300</u>
EXPENDITURES:			
Environmental Services	\$ 24,750	5,898	18,852
Library	3,314	106	3,208
Total	<u>\$ 28,064</u>	<u>6,004</u>	<u>22,060</u>
ENDING FUND BALANCE		<u>\$ 22,360</u>	<u>\$ 22,360</u>

MULTNOMAH COUNTY, OREGON
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - Local	\$ 474	\$ 543	\$ 69
Charges for services	140	17	(123)
Interest	60	118	58
Other - Miscellaneous	300	507	207
Total revenues	<u>974</u>	<u>1,185</u>	<u>211</u>
OTHER FINANCING SOURCES:			
Loan proceeds	7,075	154	(6,921)
Transfer from other funds:			
General	1,190	1,190	-
Facilities Management	3,431	3,338	(93)
Total other financing sources	<u>11,696</u>	<u>4,682</u>	<u>(7,014)</u>
BEGINNING FUND BALANCE	4,762	3,221	(1,541)
Total	<u>\$ 17,432</u>	<u>9,088</u>	<u>(8,344)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 17,432</u>	<u>6,482</u>	<u>10,950</u>
ENDING FUND BALANCE		<u>\$ 2,606</u>	<u>\$ 2,606</u>

MULTNOMAH COUNTY, OREGON
CAPITAL ACQUISITION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Interest	\$ 15	\$ 3	\$ (12)
Other - Service reimbursements	887	650	(237)
Total revenues	<u>902</u>	<u>653</u>	<u>(249)</u>
OTHER FINANCING SOURCE:			
Transfer from Data Processing Fund	2,378	2,378	-
BEGINNING FUND BALANCE	237	138	(99)
Total	<u>\$ 3,517</u>	<u>3,169</u>	<u>(348)</u>
EXPENDITURES:			
Nondepartmental	<u>\$ 3,517</u>	1,667	1,850
ENDING FUND BALANCE		<u>\$ 1,502</u>	<u>\$ 1,502</u>

ENTERPRISE FUNDS

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

- Dunthorpe-Riverdale Service District No. 1 Fund - accounts for the operation of the sanitary sewer system in southwest unincorporated Multnomah County. (A blended component unit of Multnomah County.)
- Mid County Service District No. 14 Fund - accounts for the operation of street lights throughout unincorporated Multnomah County. (A blended component unit of Multnomah County.)
- Behavioral Health Managed Care - accounts for all financial activity associated with the State required behavioral health capitated services.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1999
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No.1	Mid County Service District No. 14	Behavioral Health Managed Care	Total
ASSETS:				
Current Assets:				
Cash and investments	\$ 876	\$ 870	\$ 6,184	\$ 7,930
Receivables (net of allowances for uncollectables):				
Accounts	-	-	576	576
Special assessments	13	11	-	24
Total current assets	<u>889</u>	<u>881</u>	<u>6,760</u>	<u>8,530</u>
Fixed assets (net of accumulated depreciation)	569	926	13	1,508
Total assets	<u>\$ 1,458</u>	<u>\$ 1,807</u>	<u>\$ 6,773</u>	<u>\$ 10,038</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$ 47	\$ 44	\$ 4,538	\$ 4,629
Compensated absences	-	-	53	53
Total liabilities	<u>47</u>	<u>44</u>	<u>4,591</u>	<u>4,682</u>
Fund equity:				
Contributed capital	1,846	1,586	-	3,432
Retained earnings (deficit):				
Unreserved	(435)	177	2,182	1,924
Total fund equity	<u>1,411</u>	<u>1,763</u>	<u>2,182</u>	<u>5,356</u>
Total liabilities and fund equity	<u>\$ 1,458</u>	<u>\$ 1,807</u>	<u>\$ 6,773</u>	<u>\$ 10,038</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Managed Care	Total
OPERATING REVENUES:				
Charges for sales and services	\$ 244	\$ 182	\$ 23,059	\$ 23,485
OPERATING EXPENSES:				
Salaries and wages	-	-	1,236	1,236
Employee benefits	-	-	424	424
Utilities	187	184	-	371
Facility rental	-	-	54	54
Professional services	-	-	965	965
Communications	-	-	30	30
Operating supplies	-	-	64	64
Medical claims	-	-	21,608	21,608
Administrative	7	14	459	480
Internal support	-	-	31	31
Depreciation	28	77	3	108
Other expenses	2	25	25	52
Total operating expenses	224	300	24,899	25,423
Operating income (loss)	20	(118)	(1,840)	(1,938)
NONOPERATING REVENUES:				
Interest revenue	44	45	326	415
Net income (loss) before operating transfers	64	(73)	(1,514)	(1,523)
OPERATING TRANSFERS IN	-	-	971	971
Net income (loss)	64	(73)	(543)	(552)
RETAINED EARNINGS (DEFICIT), JUNE 30, 1998	(499)	250	2,725	2,476
RETAINED EARNINGS (DEFICIT), JUNE 30, 1999	<u>\$ (435)</u>	<u>\$ 177</u>	<u>\$ 2,182</u>	<u>\$ 1,924</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Managed Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 20	\$ (118)	\$ (1,840)	\$ (1,938)
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by operating activities:				
Depreciation	28	77	3	108
Changes in assets and liabilities:				
(Increase) in accounts receivable	(1)	-	(84)	(85)
Decrease in prepaid items	-	-	7	7
Increase in accounts payable	7	31	1,530	1,568
(Decrease) in compensated absences	-	-	(3)	(3)
Net cash provided (used) by operating activities	<u>54</u>	<u>(10)</u>	<u>(387)</u>	<u>(343)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	<u>-</u>	<u>-</u>	<u>971</u>	<u>971</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	-	(371)	(16)	(387)
Capital contributed by customers and others	<u>10</u>	<u>371</u>	<u>-</u>	<u>381</u>
Net cash provided (used) by capital and related financing activities	<u>10</u>	<u>-</u>	<u>(16)</u>	<u>(6)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>44</u>	<u>45</u>	<u>326</u>	<u>415</u>
Net cash provided by investing activities	<u>44</u>	<u>45</u>	<u>326</u>	<u>415</u>
Net increase in cash and cash equivalents	108	35	894	1,037
CASH AND CASH EQUIVALENTS, JUNE 30, 1998	<u>768</u>	<u>835</u>	<u>5,290</u>	<u>6,893</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 1999	<u>\$ 876</u>	<u>\$ 870</u>	<u>\$ 6,184</u>	<u>\$ 7,930</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Disposal of fixed assets, net book value	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ -</u>	<u>\$ (7)</u>

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
ENTERPRISE FUNDS

For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Total
CONTRIBUTED CAPITAL, JUNE 30, 1998	<u>\$ 1,836</u>	<u>\$ 1,222</u>	<u>\$ 3,058</u>
ADD:			
Contributions from connection fees	10	-	10
Contributions from customers	<u>-</u>	<u>371</u>	<u>371</u>
Total contributions added	<u>10</u>	<u>371</u>	<u>381</u>
DEDUCT:			
Disposal of fixed assets, net book value	<u>-</u>	<u>(7)</u>	<u>(7)</u>
CONTRIBUTED CAPITAL, JUNE 30, 1999	<u><u>\$ 1,846</u></u>	<u><u>\$ 1,586</u></u>	<u><u>\$ 3,432</u></u>

MULTNOMAH COUNTY, OREGON
DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Assessments - Sewer	\$ 240	\$ 239	\$ (1)
Charges for services	8	13	5
Interest	15	44	29
Total revenues	263	296	33
BEGINNING FUND BALANCE	700	730	30
Total	<u>\$ 963</u>	<u>1,026</u>	<u>63</u>
EXPENDITURES:			
Environmental Services	\$ 688	196	492
ENDING FUND BALANCE	275	<u>\$ 830</u>	<u>\$ 555</u>
	<u>\$ 963</u>		

MULTNOMAH COUNTY, OREGON
MID COUNTY SERVICE DISTRICT NO. 14 FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Assessments - Street lighting			
Current year	\$ 178	\$ 177	\$ (1)
Prior years'	10	4	(6)
Penalties and interest	-	1	1
Charges for services	1	-	(1)
Interest	40	45	5
Total revenues	<u>229</u>	<u>227</u>	<u>(2)</u>
BEGINNING FUND BALANCE	<u>775</u>	<u>824</u>	<u>49</u>
Total	<u>\$ 1,004</u>	<u>1,051</u>	<u>47</u>
EXPENDITURES:			
Environmental Services	\$ 395	225	170
ENDING FUND BALANCE	<u>609</u>	<u>\$ 826</u>	<u>\$ 217</u>
	<u>\$ 1,004</u>		

MULTNOMAH COUNTY, OREGON
BEHAVIORAL HEALTH MANAGED CARE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 23,144	\$ 22,350	\$ (794)
Charges for services	473	327	(146)
Interest	75	326	251
Other:			
Miscellaneous	200	200	-
Service reimbursements	183	183	-
Total revenues	<u>24,075</u>	<u>23,386</u>	<u>(689)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	1,002	971	(31)
BEGINNING FUND BALANCE	419	2,725	2,306
Total	<u>\$ 25,496</u>	<u>27,082</u>	<u>1,586</u>
EXPENDITURES:			
Community and Family Services	<u>\$ 25,496</u>	24,913	583
ENDING FUND BALANCE		<u>\$ 2,169</u>	<u>\$ 2,169</u>

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INTERNAL SERVICE FUNDS

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

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

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 1999
(amounts expressed in thousands)

	Risk Management	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
ASSETS:							
Current assets:							
Cash and investments	\$ 6,382	\$ 2,946	\$ 1,567	\$ 2,659	\$ 105	\$ 649	\$ 14,308
Accounts receivable	3	83	71	60	1	884	1,102
Inventories	-	327	-	-	33	-	360
Due from other funds	10,809	-	-	-	-	-	10,809
Prepaid items	63	-	-	238	4	291	596
Total current assets	17,257	3,356	1,638	2,957	143	1,824	27,175
Fixed assets (net of accumulated depreciation)	30	4,598	3,122	2,912	1	4	10,667
Total assets	<u>\$ 17,287</u>	<u>\$ 7,954</u>	<u>\$ 4,760</u>	<u>\$ 5,869</u>	<u>\$ 144</u>	<u>\$ 1,828</u>	<u>\$ 37,842</u>
LIABILITIES AND FUND EQUITY:							
Current liabilities:							
Accounts payable	\$ 8,967	\$ 136	\$ 523	\$ 193	\$ 5	\$ 930	\$ 10,754
Compensated absences	121	76	37	278	13	392	917
Capitalized leases - current	-	-	124	1,504	-	-	1,628
Total current liabilities	<u>9,088</u>	<u>212</u>	<u>684</u>	<u>1,975</u>	<u>18</u>	<u>1,322</u>	<u>13,299</u>
Noncurrent liabilities:							
Capitalized leases (net of current portion)	-	-	-	3,740	-	-	3,740
Total liabilities	<u>9,088</u>	<u>212</u>	<u>684</u>	<u>5,715</u>	<u>18</u>	<u>1,322</u>	<u>17,039</u>
Fund equity:							
Contributed capital	2	5,172	1,723	2,156	19	72	9,144
Retained earnings (deficit):							
Unreserved	8,197	2,570	2,353	(2,002)	107	434	11,659
Total fund equity	<u>8,199</u>	<u>7,742</u>	<u>4,076</u>	<u>154</u>	<u>126</u>	<u>506</u>	<u>20,803</u>
Total liabilities and fund equity	<u>\$ 17,287</u>	<u>\$ 7,954</u>	<u>\$ 4,760</u>	<u>\$ 5,869</u>	<u>\$ 144</u>	<u>\$ 1,828</u>	<u>\$ 37,842</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Risk Management	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
OPERATING REVENUES:							
Charges for services	\$ 24,285	\$ 4,979	\$ 4,447	\$ 10,133	\$ 1,319	\$ 32,090	\$ 77,253
Insurance premiums	892	-	-	-	-	-	892
Experience rating and refunds	101	-	-	-	-	-	101
Total operating revenues	<u>25,278</u>	<u>4,979</u>	<u>4,447</u>	<u>10,133</u>	<u>1,319</u>	<u>32,090</u>	<u>78,246</u>
OPERATING EXPENSES:							
Salaries and wages	1,914	1,190	364	2,723	247	4,379	10,817
Employee benefits	612	444	133	900	100	1,481	3,670
Repairs and maintenance	1	107	-	295	3	2,019	2,425
Utilities	-	-	-	-	-	3,190	3,190
Equipment rental	-	10	5	-	8	4,312	4,335
Facility rental	210	203	73	259	17	-	762
Professional services	1,339	40	16	2,470	73	4,846	8,784
Communications	23	19	1,239	428	2	212	1,923
Operating supplies	101	967	17	140	723	1,479	3,427
Insurance claims and premiums	23,910	-	-	-	-	-	23,910
Internal support	26	-	116	252	-	-	394
Depreciation	10	1,794	1,244	1,080	1	9	4,138
Other	147	109	183	280	110	6,332	7,161
Total operating expenses	<u>28,293</u>	<u>4,883</u>	<u>3,390</u>	<u>8,827</u>	<u>1,284</u>	<u>28,259</u>	<u>74,936</u>
Operating income (loss)	<u>(3,015)</u>	<u>96</u>	<u>1,057</u>	<u>1,306</u>	<u>35</u>	<u>3,831</u>	<u>3,310</u>
NONOPERATING REVENUES (EXPENSES):							
Interest revenue	900	134	68	213	-	-	1,315
Interest expense	-	-	(8)	(205)	-	-	(213)
Loss on disposal of fixed assets	-	(69)	-	-	-	(37)	(106)
Total nonoperating revenues (expenses)	<u>900</u>	<u>65</u>	<u>60</u>	<u>8</u>	<u>-</u>	<u>(37)</u>	<u>996</u>
Net income (loss) before operating transfers	<u>(2,115)</u>	<u>161</u>	<u>1,117</u>	<u>1,314</u>	<u>35</u>	<u>3,794</u>	<u>4,306</u>
OPERATING TRANSFERS IN	<u>819</u>	<u>-</u>	<u>-</u>	<u>1,180</u>	<u>-</u>	<u>-</u>	<u>1,999</u>
OPERATING TRANSFERS (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,475)</u>	<u>-</u>	<u>(3,338)</u>	<u>(5,813)</u>
Net income (loss)	<u>(1,296)</u>	<u>161</u>	<u>1,117</u>	<u>19</u>	<u>35</u>	<u>456</u>	<u>492</u>
RETAINED EARNINGS (DEFICIT), JUNE 30, 1998	<u>9,493</u>	<u>2,409</u>	<u>1,236</u>	<u>(2,021)</u>	<u>72</u>	<u>(22)</u>	<u>11,167</u>
RETAINED EARNINGS (DEFICIT), JUNE 30, 1999	<u>\$ 8,197</u>	<u>\$ 2,570</u>	<u>\$ 2,353</u>	<u>\$ (2,002)</u>	<u>\$ 107</u>	<u>\$ 434</u>	<u>\$ 11,659</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Risk Management	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Operating income (loss)	\$ (3,015)	\$ 96	\$ 1,057	\$ 1,306	\$ 35	\$ 3,831	\$ 3,310
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided (used) by operating activities:							
Depreciation	10	1,794	1,244	1,080	1	9	4,138
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(2)	(34)	18	(41)	1	(469)	(527)
Decrease in inventories	-	23	-	-	55	-	78
(Increase) in due from other funds	(10,809)	-	-	-	-	-	(10,809)
Increase (decrease) in prepaid items	(14)	-	10	(10)	(1)	6	(9)
Increase (decrease) in accounts payable	886	41	54	(977)	-	336	340
Increase (decrease) in compensated absences	54	(35)	1	18	(3)	55	90
Net cash provided (used) by operating activities	(12,890)	1,885	2,384	1,376	88	3,768	(3,389)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Operating transfers in	819	-	-	1,180	-	-	1,999
Operating transfers (out)	-	-	-	(2,475)	-	(3,338)	(5,813)
Net cash provided (used) by noncapital financing activities	819	-	-	(1,295)	-	(3,338)	(3,814)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of fixed assets	-	(1,763)	(2,247)	(1,161)	-	-	(5,171)
Principal paid on capitalized leases	-	-	(118)	(1,584)	-	-	(1,702)
Interest paid on capitalized leases	-	-	(8)	(205)	-	-	(213)
Capital contributed by customers and others	-	-	112	-	-	-	112
Net cash used by capital and related financing activities	-	(1,763)	(2,261)	(2,950)	-	-	(6,974)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest on investments	900	134	68	213	-	-	1,315
Net increase (decrease) in cash and cash equivalents	(11,171)	256	191	(2,656)	88	430	(12,862)
CASH AND CASH EQUIVALENTS, JUNE 30, 1998	17,553	2,690	1,376	5,315	17	219	27,170
CASH AND CASH EQUIVALENTS, JUNE 30, 1999	\$ 6,382	\$ 2,946	\$ 1,567	\$ 2,659	\$ 105	\$ 649	\$ 14,308
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Disposal of fixed assets, net book value	\$ -	\$ (69)	\$ -	\$ -	\$ -	\$ (37)	\$ (106)
Acquisition of fixed assets under capitalized leases	\$ -	\$ -	\$ -	\$ 1,657	\$ -	\$ -	\$ 1,657
Transfer of fixed assets from General Fixed Assets Account							
Group, net book value	\$ -	\$ 832	\$ 112	\$ 334	\$ -	\$ -	\$ 1,278

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Data Processing</u>	<u>Mail/ Distribution</u>	<u>Facilities Management</u>	<u>Total</u>
CONTRIBUTED CAPITAL, JUNE 30, 1998	<u>\$ 2</u>	<u>\$ 4,340</u>	<u>\$ 1,611</u>	<u>\$ 1,822</u>	<u>\$ 19</u>	<u>\$ 72</u>	<u>\$ 7,866</u>
CONTRIBUTIONS:							
Transfer of fixed assets from General Fixed Assets Account Group at estimated market value on date of transfer	-	832	112	334	-	-	1,278
CONTRIBUTED CAPITAL, JUNE 30, 1999	<u>\$ 2</u>	<u>\$ 5,172</u>	<u>\$ 1,723</u>	<u>\$ 2,156</u>	<u>\$ 19</u>	<u>\$ 72</u>	<u>\$ 9,144</u>

MULTNOMAH COUNTY, OREGON
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 195	\$ 280	\$ 85
Interest	850	900	50
Other:			
Service reimbursements	26,731	24,285	(2,446)
Premiums	389	705	316
Experience ratings and miscellaneous	1	8	7
Total revenues	<u>28,166</u>	<u>26,178</u>	<u>(1,988)</u>
OTHER FINANCING SOURCES:			
Transfer from General Fund	819	819	-
BEGINNING FUND BALANCE	<u>11,315</u>	<u>9,455</u>	<u>(1,860)</u>
Total	<u>\$ 40,300</u>	<u>36,452</u>	<u>(3,848)</u>
EXPENDITURES:			
Support Services	\$ 38,590	26,660	11,930
Nondepartmental	1,710	1,623	87
Total expenditures	<u>\$ 40,300</u>	<u>28,283</u>	<u>12,017</u>
ENDING FUND BALANCE		<u>\$ 8,169</u>	<u>\$ 8,169</u>

MULTNOMAH COUNTY, OREGON
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
State	\$ 3	\$ 3	\$ -
Local	366	307	(59)
Charges for services	64	86	22
Interest	80	134	54
Other:			
Miscellaneous	60	184	124
Service reimbursements	4,863	4,399	(464)
Total revenues	<u>5,436</u>	<u>5,113</u>	<u>(323)</u>
BEGINNING FUND BALANCE	<u>3,167</u>	<u>2,883</u>	<u>(284)</u>
Total	<u><u>\$ 8,603</u></u>	<u><u>7,996</u></u>	<u><u>(607)</u></u>
EXPENDITURES:			
Environmental Services	<u>\$ 8,603</u>	<u>4,852</u>	<u>3,751</u>
ENDING FUND BALANCE		<u><u>\$ 3,144</u></u>	<u><u>\$ 3,144</u></u>

MULTNOMAH COUNTY, OREGON
TELEPHONE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 851	\$ 456	\$ (395)
Interest	33	68	35
Other - Service reimbursements	<u>3,400</u>	<u>3,992</u>	<u>592</u>
Total revenues	4,284	4,516	232
 BEGINNING FUND BALANCE	 622	 970	 348
Total	<u><u>\$ 4,906</u></u>	<u><u>5,486</u></u>	<u><u>580</u></u>
 EXPENDITURES:			
Support Services	<u><u>\$ 4,906</u></u>	<u>4,408</u>	<u>498</u>
ENDING FUND BALANCE		<u><u>\$ 1,078</u></u>	<u><u>\$ 1,078</u></u>

MULTNOMAH COUNTY, OREGON
DATA PROCESSING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 231	\$ 284	\$ 53
Interest	290	213	(77)
Other - Service reimbursements	9,385	9,849	464
Total revenues	<u>9,906</u>	<u>10,346</u>	<u>440</u>
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	2,070	1,657	(413)
Transfer from General Fund	1,180	1,180	-
Total other financing sources	<u>3,250</u>	<u>2,837</u>	<u>(413)</u>
BEGINNING FUND BALANCE	2,949	4,132	1,183
Total	<u>\$ 16,105</u>	<u>17,315</u>	<u>1,210</u>
EXPENDITURES:			
Support Services	<u>\$ 16,105</u>	14,829	1,276
ENDING FUND BALANCE		<u>\$ 2,486</u>	<u>\$ 2,486</u>

MULTNOMAH COUNTY, OREGON
MAIL/DISTRIBUTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal, state, and local	\$ 4	\$ 18	\$ 14
Interest	-	1	1
Other - Service reimbursements	<u>1,406</u>	<u>1,300</u>	<u>(106)</u>
Total revenues	<u>1,410</u>	<u>1,319</u>	<u>(91)</u>
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	40	-	(40)
BEGINNING FUND BALANCE	44	89	45
Total	<u>\$ 1,494</u>	<u>1,408</u>	<u>(86)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 1,494</u>	<u>1,283</u>	<u>211</u>
ENDING FUND BALANCE		<u>\$ 125</u>	<u>\$ 125</u>

MULTNOMAH COUNTY, OREGON
FACILITIES MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - Local	\$ 2,223	\$ 2,586	\$ 363
Charges for services	2,165	911	(1,254)
Other - Service reimbursements	28,810	28,593	(217)
Total revenues	<u>33,198</u>	<u>32,090</u>	<u>(1,108)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	453	-	(453)
Total	<u>\$ 33,651</u>	<u>32,090</u>	<u>(1,561)</u>
EXPENDITURES:			
Environmental Services	\$ 30,220	28,250	1,970
OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	3,431	3,338	93
Total	<u>\$ 33,651</u>	<u>31,588</u>	<u>2,063</u>
ENDING FUND BALANCE		<u>\$ 502</u>	<u>\$ 502</u>

TRUST AND AGENCY FUNDS

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

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

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Agency Funds	Pension Trust Fund	Total
ASSETS:			
Cash and investments	\$ 37,340	\$ 10,975	\$ 48,315
Receivables:			
Property taxes	28,970	-	28,970
Accounts	415	-	415
Total assets	<u>\$ 66,725</u>	<u>\$ 10,975</u>	<u>\$ 77,700</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Payrolls payable	\$ 13,705	\$ -	\$ 13,705
Accounts payable	8,084	-	8,084
Interest Payable	1	-	1
Due to other governmental units	28,970	-	28,970
Amounts held in trust	15,965	-	15,965
Total liabilities	<u>66,725</u>	<u>-</u>	<u>66,725</u>
Fund balance:			
Reserved for employees' retirement benefits	-	10,975	10,975
Total liabilities and fund balances	<u>\$ 66,725</u>	<u>\$ 10,975</u>	<u>\$ 77,700</u>

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 1999
(amounts expressed in thousands)

	Sundry Taxing Bodies	Clearing	Department & Offices Agency	Public Guardian	Total
ASSETS:					
Cash and investments	\$ 6,112	\$ 21,288	\$ 8,839	\$ 1,101	\$ 37,340
Receivables:					
Property taxes	28,970	-	-	-	28,970
Accounts	360	-	55	-	415
Total assets	<u>\$ 35,442</u>	<u>\$ 21,288</u>	<u>\$ 8,894</u>	<u>\$ 1,101</u>	<u>\$ 66,725</u>
LIABILITIES:					
Payrolls payable	\$ -	\$ 13,705	\$ -	\$ -	\$ 13,705
Accounts payable	-	7,566	518	-	8,084
Interest payable	-	1	-	-	1
Due to other governmental units	28,970	-	-	-	28,970
Amounts held in trust	6,472	16	8,376	1,101	15,965
Total liabilities	<u>\$ 35,442</u>	<u>\$ 21,288</u>	<u>\$ 8,894</u>	<u>\$ 1,101</u>	<u>\$ 66,725</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
SUNDRY TAXING BODIES FUND:				
Assets:				
Cash and investments	\$ 4,758	\$ 538,486	\$ 537,132	\$ 6,112
Property taxes receivable	28,198	551,774	551,002	28,970
Accounts receivable	104	360	104	360
Total assets	<u>\$ 33,060</u>	<u>\$ 1,090,620</u>	<u>\$ 1,088,238</u>	<u>\$ 35,442</u>
Liabilities:				
Accounts payable	\$ -	\$ 5,454	\$ 5,454	\$ -
Due to other governmental units	28,198	531,942	531,170	28,970
Amounts held in trust	4,862	538,742	537,132	6,472
Total liabilities	<u>\$ 33,060</u>	<u>\$ 1,076,138</u>	<u>\$ 1,073,756</u>	<u>\$ 35,442</u>
CLEARING FUND:				
Assets:				
Cash and investments	\$ 21,631	\$ 5,408,188	\$ 5,408,531	\$ 21,288
Accounts receivable	-	4	4	-
Total assets	<u>\$ 21,631</u>	<u>\$ 5,408,192</u>	<u>\$ 5,408,535</u>	<u>\$ 21,288</u>
Liabilities:				
Payrolls payable	\$ 11,714	\$ 491,640	\$ 489,649	\$ 13,705
Accounts payable	9,917	895,541	897,892	7,566
Interest payable	-	11,996	11,995	1
Amounts held in trust	-	421	405	16
Total liabilities	<u>\$ 21,631</u>	<u>\$ 1,399,598</u>	<u>\$ 1,399,941</u>	<u>\$ 21,288</u>
DEPARTMENT AND OFFICES AGENCY FUND:				
Assets:				
Cash and investments	\$ 8,541	\$ 741,280	\$ 740,982	\$ 8,839
Accounts receivable	-	98	43	55
Advances	-	3	3	-
Total assets	<u>\$ 8,541</u>	<u>\$ 741,381</u>	<u>\$ 741,028</u>	<u>\$ 8,894</u>
Liabilities:				
Accounts payable	\$ 760	\$ 12,693	\$ 12,935	\$ 518
Amounts held in trust	7,781	726,311	725,716	8,376
Total liabilities	<u>\$ 8,541</u>	<u>\$ 739,004</u>	<u>\$ 738,651</u>	<u>\$ 8,894</u>
PUBLIC GUARDIAN FUND:				
Assets:				
Cash and investments	\$ 879	\$ 1,622	\$ 1,400	\$ 1,101
Liabilities:				
Amounts held in trust	\$ 879	\$ 1,622	\$ 1,400	\$ 1,101
TOTAL - ALL AGENCY FUNDS:				
Assets:				
Cash and investments	\$ 35,809	\$ 6,689,576	\$ 6,688,045	\$ 37,340
Property taxes receivable	28,198	551,774	551,002	28,970
Accounts receivable	104	462	151	415
Advances	-	3	3	-
Total assets	<u>\$ 64,111</u>	<u>\$ 7,241,815</u>	<u>\$ 7,239,201</u>	<u>\$ 66,725</u>
Liabilities:				
Payrolls payable	\$ 11,714	\$ 491,640	\$ 489,649	\$ 13,705
Accounts payable	10,677	913,688	916,281	8,084
Interest payable	-	11,996	11,995	1
Due to other governmental units	28,198	531,942	531,170	28,970
Amounts held in trust	13,522	1,267,096	1,264,653	15,965
Total liabilities	<u>\$ 64,111</u>	<u>\$ 3,216,362</u>	<u>\$ 3,213,748</u>	<u>\$ 66,725</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL FIXED ASSETS

June 30, 1999

(amounts expressed in thousands)

GENERAL FIXED ASSETS:

Land and land improvements	\$ 11,160
Buildings and improvements	228,235
Work in progress	30,330
Bridges	37,421
Equipment	17,767
Total general fixed assets	<u>\$ 324,913</u>

Investments in general fixed assets:

Balance July 1, 1998	<u>\$ 273,785</u>
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Additions provided by:

General Fund	12,211
Road Fund	2,276
Assessment and Taxation Fund	464
Federal and State Program Fund	427
Willamette River Bridges Fund	1,816
Corner Preservation Fund	8
Library Fund	2,035
Public Safety Levy Fund	25
Justice Bond Project Fund	404
Edgefield Children's Center Fund	4,690
Equipment Lease/Purchase Project Fund	653
Lease/Purchase Project Fund	26,403
Library Construction Fund/1996 Bonds	1,665
Contributions from the Mail/Distribution Fund	8
Total additions	<u>53,085</u>

Deductions:

Retirements	(1,957)
Total investment in general fixed assets	<u>\$ 324,913</u>

Reconciliation:

Total capital outlay	<u>\$ 59,423</u>
Deductions:	
Contributions to the Fleet Management Fund	(832)
Contributions to the Telephone Fund	(112)
Contributions to the Data Processing Fund	(37)
Repairs and other general maintenance	(2,048)
Roads and bridge maintenance	(2,593)
Bicycle Path	(241)
Percent for Art	(650)
Operating supplies	(307)
Sub-total Deductions	<u>(6,820)</u>
Additional items capitalized	482
Total general fixed asset additions	<u>\$ 53,085</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 1999
(amounts expressed in thousands)

	Land and land improvements	Buildings and improvements	Work in progress	Bridges	Equipment	Total
FUNCTION AND ACTIVITY:						
General government:						
Legislative	\$ 1	\$ 2,350	\$ -	\$ -	\$ -	\$ 2,351
Administrative	1,298	5,113	23,745	-	3,579	33,735
Sub-total	1,299	7,463	23,745	-	3,579	36,086
Health and social services:						
Health	2,393	12,157	-	-	961	15,511
Social	902	25,865	4,395	-	1,811	32,973
Sub-total	3,295	38,022	4,395	-	2,772	48,484
Public safety:						
Law enforcement	1,668	99,569	157	-	3,287	104,681
Justice	51	4,246	-	-	313	4,610
Sub-total	1,719	103,815	157	-	3,600	109,291
Community services:						
Community service development	145	1,301	-	-	36	1,482
Recreation	202	-	-	-	-	202
Library	3,218	33,995	2,033	-	6,501	45,747
Sub-total	3,565	35,296	2,033	-	6,537	47,431
Roads and bridges:						
Roads and bridges	391	-	-	37,421	1,279	39,091
Bridge shops	39	330	-	-	-	369
Road shops	65	9,909	-	-	-	9,974
Administrative	-	227	-	-	-	227
Sub-total	495	10,466	-	37,421	1,279	49,661
External organizations:						
External use	787	33,173	-	-	-	33,960
Total general fixed assets	\$ 11,160	\$ 228,235	\$ 30,330	\$ 37,421	\$ 17,767	\$ 324,913

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

	General fixed assets June 30, 1998	Additions	Deductions and reclassifications	General fixed assets June 30, 1999
FUNCTION AND ACTIVITY:				
General government:				
Legislative	\$ 2,348	\$ 301	\$ (298)	\$ 2,351
Administrative	7,603	26,132	-	33,735
Sub-total	9,951	26,433	(298)	36,086
Health and social services:				
Health	13,727	1,523	261	15,511
Social	27,645	5,771	(443)	32,973
Sub-total	41,372	7,294	(182)	48,484
Public safety:				
Law enforcement	94,429	10,290	(38)	104,681
Justice	4,067	45	498	4,610
Sub-total	98,496	10,335	460	109,291
Community services:				
Community service development	1,450	210	(178)	1,482
Recreation	-	202	-	202
Library	42,158	3,813	(224)	45,747
Sub-total	43,608	4,225	(402)	47,431
Roads and bridges:				
Roads and bridges	37,253	1,830	8	39,091
Bridge shops	369	-	-	369
Road shops	7,703	2,271	-	9,974
Administrative	339	6	(118)	227
Sub-total	45,664	4,107	(110)	49,661
External organizations:				
External use	34,694	690	(1,424)	33,960
Total general fixed assets	\$ 273,785	\$ 53,084	\$ (1,956)	\$ 324,913

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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 Capitalized Lease Purchases Outstanding
- Schedule of Receipts and Deposits – Elected Officials
- Year 2000 Preparations

MULTNOMAH COUNTY, OREGON
SCHEDULE OF PROPERTY TAX COLLECTIONS
AND OUTSTANDING BALANCES
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

Tax Year	Taxes receivable June 30, 1998	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, 1999
1998-99	\$ -	\$ 713,897	\$ (411)	\$ 382	\$ (17,039)	\$ (674,504)	\$ 22,325
1997-98	21,642	-	(191)	668	-	(12,667)	9,452
1996-97	8,862	-	(637)	482	-	(4,119)	4,588
1995-96 and prior	6,642	-	(352)	1,026	-	(4,828)	2,488
	<u>\$ 37,146</u>	<u>\$ 713,897</u>	<u>\$ (1,591)</u>	<u>\$ 2,558</u>	<u>\$ (17,039)</u>	<u>\$ (696,118)</u>	<u>\$ 38,853</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 1999:

	Current levy	Prior years' levy	Total
General Fund	\$ 4,836	\$ 3,236	\$ 8,072
Library Fund	561	365	926
Library Bond Sinking Fund/1993 Bonds	85	59	144
Library Bond Sinking Fund/1996 Bonds	162	121	283
Public Safety Bond Sinking Fund	262	172	434
Sundry Taxing Bodies Fund	16,406	12,564	28,970
Sub-total taxes receivable	22,312	16,517	38,829
Special assessments collected through taxes	13	11	24
Total receivables	<u>\$ 22,325</u>	<u>\$ 16,528</u>	<u>\$ 38,853</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL OBLIGATION BONDS AND BOND INTEREST COUPON TRANSACTIONS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

	Outstanding June 30, 1998		1998-99 Transactions			Outstanding June 30, 1999	
	Matured	Unmatured	Issued	Matured	Refunded or paid	Matured	Unmatured
Dated March 1, 1994		\$ 18,430	\$ -	\$ 820	\$ 10,745	\$ -	\$ 6,865
Dated October 1, 1994		8,175	-	300	5,720	-	2,155
Dated October 1, 1996		101,865	-	7,115	45,715	-	49,035
Dated February 1, 1999		-	66,115	-	-	-	66,115
		<u>\$ 128,470</u>	<u>\$ 66,115</u>	<u>\$ 8,235</u>	<u>\$ 62,180</u>	<u>\$ -</u>	<u>\$ 124,170</u>

GENERAL OBLIGATION BOND INTEREST COUPONS:

Dated March 1, 1994	\$ 312	\$ 312
Dated October 1, 1994	289	289
Dated October 1, 1996	3,756	3,756
Dated February 1, 1999	-	-
	<u>\$ 4,357</u>	<u>\$ 4,357</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF REVENUE BONDS OUTSTANDING

June 30, 1999

(amounts expressed in thousands)

REVENUE BONDS:

Fiscal Year of maturity	Series 1998 Dated 10/01/98 4.00 to 4.75%	
	Principal	Interest
2000	\$ -	\$ 134
2001	155	131
2002	165	124
2003	170	118
2004	175	111
2005	185	104
2006	190	96
2007	200	88
2008	205	80
2009	215	72
2010	225	63
2011	230	53
2012	245	42
2013	255	31
2014	265	19
2015	275	7
	<u>\$ 3,155</u>	<u>\$ 1,273</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING
June 30, 1999
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

Fiscal Year of maturity	Series 1994 Dated 03/01/94 3.70 to 5.25%		Series 1994B Dated 10/01/94 4.25 to 6.00%		Series 1996A Dated 10/01/96 3.90 to 5.65%	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 855	\$ 298	\$ 315	\$ 105	\$ 3,535	\$ 601
2001	890	261	330	89	3,695	415
2002	930	220	350	71	3,865	251
2003	975	177	365	53	510	154
2004	1,020	130	385	33	535	130
2005	1,070	81	410	11	565	105
2006	1,125	28	-	-	590	77
2007	-	-	-	-	620	48
2008	-	-	-	-	655	16
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
	<u>\$ 6,865</u>	<u>\$ 1,195</u>	<u>\$ 2,155</u>	<u>\$ 362</u>	<u>\$ 14,570</u>	<u>\$ 1,797</u>

Series 1996B Dated 10/01/96 3.90 to 5.65%		Series 1999 Dated 2/01/99 3.90 to 5.65%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 3,885	\$ 1,548	\$ 25	\$ 3,382	\$ 8,615	\$ 5,934
4,060	1,344	320	2,893	9,295	5,002
4,250	1,163	330	2,883	9,725	4,588
2,735	1,008	340	2,871	4,925	4,263
2,870	881	355	2,859	5,165	4,033
3,010	744	365	2,846	5,420	3,787
3,160	597	810	2,823	5,685	3,525
3,320	440	2,020	2,768	5,960	3,256
3,495	271	2,105	2,685	6,255	2,972
3,680	92	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>\$ 34,465</u>	<u>\$ 8,088</u>	<u>\$ 66,115</u>	<u>\$ 38,809</u>	<u>\$ 124,170</u>	<u>\$ 50,251</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF LOANS OUTSTANDING
June 30, 1999
(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 07/05/96 5.65%		Dated 10/01/96 7.2%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 25	\$ 32	\$ 1	\$ 1	\$ 1	\$ 1	\$ 7	\$ 5
2001	27	30	1	1	1	1	8	4
2002	29	28	1	1	1	1	9	4
2003	31	26	1	1	1	1	9	3
2004	34	24	1	1	1	1	9	2
2005	36	21	1	1	1	1	11	1
2006	39	19	1	1	1	1	11	1
2007	42	16	1	1	1	1	3	-
2008	45	13	1	1	1	-	-	-
2009	48	9	1	1	1	-	-	-
2010	52	6	1	-	1	-	-	-
2011	52	3	1	-	1	-	-	-
2012	-	-	1	-	1	-	-	-
2013	-	-	1	-	1	-	-	-
2014	-	-	2	-	1	-	-	-
2015	-	-	2	-	1	-	-	-
2016	-	-	2	-	1	-	-	-
	<u>\$ 460</u>	<u>\$ 227</u>	<u>\$ 20</u>	<u>\$ 10</u>	<u>\$ 17</u>	<u>\$ 8</u>	<u>\$ 67</u>	<u>\$ 20</u>

Dated 12/01/96 7.2%		Dated 01/15/97 5.9%		Dated 02/08/99 5.9%		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 3	\$ 2	\$ 5	\$ 3	\$ 10	\$ 10	\$ 52	\$ 54
3	2	5	3	12	9	57	50
3	1	5	2	13	8	61	45
4	1	6	2	14	7	66	41
4	-	7	1	15	6	71	35
4	-	7	1	16	5	76	30
4	-	7	1	17	4	80	27
2	-	4	-	18	3	71	21
-	-	-	-	19	2	66	16
-	-	-	-	21	1	71	11
-	-	-	-	-	-	54	6
-	-	-	-	-	-	54	3
-	-	-	-	-	-	2	-
-	-	-	-	-	-	2	-
-	-	-	-	-	-	3	-
-	-	-	-	-	-	3	-
-	-	-	-	-	-	3	-
<u>\$ 27</u>	<u>\$ 6</u>	<u>\$ 46</u>	<u>\$ 13</u>	<u>\$ 155</u>	<u>\$ 55</u>	<u>\$ 792</u>	<u>\$ 339</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CAPITALIZED LEASE PURCHASES OUTSTANDING
June 30, 1999
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 01/22/81 6.00% to 7.25%		Dated 07/01/90 6.00% to 6.80%		Dated 05/01/93 2.75% to 7.50%		Dated 03/01/95 4.5 to 4.85%		Dated 01/09/96 6.017%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 159	\$ 174	\$ 55	\$ 6	\$ 915	\$ 750	\$ 329	\$ 8	\$ 70	\$ 4
2001	172	160	60	2	955	705	-	-	-	-
2002	186	145	-	-	1,005	656	-	-	-	-
2003	202	129	-	-	1,045	605	-	-	-	-
2004	220	112	-	-	1,100	550	-	-	-	-
2005	239	93	-	-	1,160	491	-	-	-	-
2006	259	73	-	-	1,215	428	-	-	-	-
2007	281	50	-	-	1,275	361	-	-	-	-
2008	306	26	-	-	1,345	289	-	-	-	-
2009	-	-	-	-	1,415	213	-	-	-	-
2010	-	-	-	-	1,120	141	-	-	-	-
2011	-	-	-	-	730	87	-	-	-	-
2012	-	-	-	-	350	55	-	-	-	-
2013	-	-	-	-	370	34	-	-	-	-
2014	-	-	-	-	390	11	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
	<u>\$ 2,024</u>	<u>\$ 962</u>	<u>\$ 115</u>	<u>\$ 8</u>	<u>\$ 14,390</u>	<u>\$ 5,376</u>	<u>\$ 329</u>	<u>\$ 8</u>	<u>\$ 70</u>	<u>\$ 4</u>

TELEPHONE CAPITALIZED LEASE OBLIGATION:

Fiscal Year of maturity	Dated 03/01/95 4.25 to 4.85%	
	Principal	Interest
2000	<u>\$ 124</u>	<u>\$ 3</u>

DATA PROCESSING CAPITALIZED LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 03/01/95 4.25 to 4.85%		Dated 09/01/96 0%		Dated 02/01/98 3.75% to 4.90%		Dated 03/01/99 3.90%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 82	\$ 2	\$ 60	\$ -	\$ 826	\$ 139	\$ 536	\$ 50	\$ 1,504	\$ 191
2001	-	-	60	-	859	106	557	29	1,476	135
2002	-	-	10	-	893	72	433	7	1,336	79
2003	-	-	-	-	928	35	-	-	928	35
	<u>\$ 82</u>	<u>\$ 2</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ 3,506</u>	<u>\$ 352</u>	<u>\$ 1,526</u>	<u>\$ 86</u>	<u>\$ 5,244</u>	<u>\$ 440</u>

Dated 06/01/96 3.75 to 4.60%		Dated 02/01/98 3.75 to 4.90%		Dated 04/01/99 4.00 to 4.75%		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 385	\$ 27	\$ 3,109	\$ 1,821	\$ -	\$ 1,334	\$ 5,022	\$ 4,124
405	9	2,696	1,712	1,165	1,578	5,453	4,166
-	-	2,802	1,602	1,215	1,530	5,208	3,933
-	-	2,937	1,472	1,265	1,479	5,449	3,685
-	-	2,215	1,365	1,320	1,424	4,855	3,451
-	-	2,315	1,257	1,375	1,368	5,089	3,209
-	-	2,440	1,144	1,430	1,312	5,344	2,957
-	-	2,555	1,022	1,490	1,254	5,601	2,687
-	-	2,690	891	1,550	1,192	5,891	2,398
-	-	2,825	753	1,615	1,126	5,855	2,092
-	-	2,960	617	1,685	1,057	5,765	1,815
-	-	3,100	480	1,760	982	5,590	1,549
-	-	3,250	333	1,840	902	5,440	1,290
-	-	3,405	175	1,925	817	5,700	1,026
-	-	355	87	2,125	722	2,870	820
-	-	375	70	2,120	624	2,495	694
-	-	395	51	2,250	525	2,645	576
-	-	410	31	2,325	420	2,735	451
-	-	435	11	2,435	306	2,870	317
-	-	-	-	2,555	188	2,555	188
-	-	-	-	2,680	64	2,680	64
<u>\$ 790</u>	<u>\$ 36</u>	<u>\$ 41,269</u>	<u>\$ 14,894</u>	<u>\$ 36,125</u>	<u>\$ 20,204</u>	<u>\$ 95,112</u>	<u>\$ 41,492</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF RECEIPTS AND DEPOSITS - ELECTED OFFICIALS
For the fiscal year ended June 30, 1999
(amounts expressed in thousands)

Sheriff's Office

Receipts deposited with Treasurer
<u>\$ 43,519</u>

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

MULTNOMAH COUNTY, OREGON
YEAR 2000 PREPARATIONS
June 30, 1999
(unaudited)

The County continues to treat Year 2000 compliance as a serious issue with the potential for significant impact on County business functions. The County views Year 2000 compliance efforts as a business issue and not merely an information technology issue. The County has investigated and analyzed the impact of the Year 2000 date change on electronic information systems and other aspects of the County's operations. The County has established a Year 2000 Project Office with oversight responsibility for Year 2000 compliance activity. The areas of responsibility include:

- Assessment and remediation of legacy/centralized systems.
- Assessment and remediation of non-information technology embedded microprocessor systems.
- Internal and external information technology interfaces.
- Contingency planning.
- Public awareness.
- Legal and risk management issues.
- Oversight of assessment, prioritization and remediation of County departments' decentralized information technology systems.

As of June 30, 1999, the County has expended \$4,300 to remediate Year 2000 compliance issues on mission critical systems.

The County retained COMSYS Technical Services, Inc. to assess and remediate the centralized information technology systems residing on the County's enterprise server. The County has also been working with departments, suppliers, external business partners and customers to assess and remediate all non-compliant mission critical information technology and non-information technology applications.

As of June 30, 1999, the County has accomplished the following Year 2000 activities:

- Adopted a Year 2000 acquisition and contracting policy requiring all information, technology, and non-technology equipment, software, etc. be Year 2000 compliant. The policy includes boilerplate language to be included in County contracts or intergovernmental agreements requiring parties doing business with the County to provide services, data and/or goods that meet the definition of Year 2000 compliant.
- Adopted a certification policy requiring all County Departments to report progress made on Year 2000 departmental projects to the Year 2000 Project Office.
- Inventoried and assessed all legacy/central systems and client server applications.
- Inventoried and assessed all personal computers.
- Inventoried and assessed phone system, LAN's and WAN's.
- Inventoried and assessed non-information technology systems.
- Inventoried and evaluated 25% of the County's supply chain.
- Formed partnerships with certain external partners to test Year 2000 technology interfaces.
- Board of County Commissioners and upper level management has been briefed several times on status of Year 2000 progress.

Three major mission critical systems that the County relies on are the property tax assessment and collection system, accounting system and payroll system. All are Year 2000 compliant. The County has developed contingency plans for most of its functions in the event the County does not have mission critical systems Year 2000 compliant by December 31, 1999.

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STATISTICAL INFORMATION SECTION

This section contains the following tables and information:

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

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

Fiscal Year	General government	Health and social services	Public safety and justice	Community services	Roads and bridges	Capital outlay	Debt service	Total
1990	\$ 28,771	\$ 84,813	\$ 54,317	\$ 26,668	\$ 24,246	\$ 17,224	\$ 3,175	\$ 239,214
1991	33,957	104,862	57,669	30,290	24,120	16,587	4,677	272,162
1992	31,503	116,629	71,167	30,481	25,613	7,164	4,286	286,843
1993	43,612	133,653	76,324	26,315	27,323	14,872	5,146	327,245
1994	45,648	147,372	82,938	27,481	28,220	25,081	4,472	361,212
1995	36,108	165,239	93,059	32,765	30,200	24,539	9,849	391,759
1996	35,086	181,526	96,519	35,707	32,596	33,069	8,648	423,151
1997	28,298	190,540	113,263	56,913	34,052	33,717	18,363	475,146
1998	28,474	190,941	140,510	47,764	35,197	36,773	21,242	500,901
1999	35,786	209,788	165,792	75,996	37,604	59,425	21,493	605,884

(1) All Governmental Fund Types (Budgetary basis)

Source: Current and prior years' financial statements

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

Fiscal Year	Taxes	Inter-governmental	Licenses and permits	Charges for services	Interest	Special assessments	Other	Total
1990	\$ 114,806	\$ 85,820	\$ 1,788	\$ 8,269	\$ 4,628	\$ 321	\$ 12,297	\$ 227,929
1991	128,642	106,962	2,139	9,307	3,940	155	20,146	271,291
1992	127,545	124,711	2,566	10,023	2,943	47	17,952	285,787
1993	142,569	134,774	2,833	10,763	3,468	45	23,846	318,298
1994	151,617	149,009	2,591	11,280	4,143	21	29,975	348,636
1995	171,068	162,133	2,683	8,880	5,676	-	28,549 (2)	378,989
1996	185,008	172,031	2,703	12,864	5,476	-	29,888 (3)	407,970
1997	217,295	184,697	2,751	14,882	9,691	-	37,244 (4)	466,560
1998	215,100	223,962	2,934	14,471	12,080	-	37,190 (5)	505,737
1999	250,416	232,715	3,026	15,515	11,688	-	42,337	555,697

(1) All Governmental Fund Types (Budgetary basis).

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

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

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

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

Source: Current and prior years' financial statements

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

Fiscal Year	Property	Transient lodging	Business income	Gasoline	Motor vehicle rental	Other	Total
1990	\$ 82,366	\$ 3,699	\$ 13,740	\$ 6,945	\$ 5,386	\$ 2,670	\$ 114,806
1991	97,881	3,278	14,440	6,616	4,814	1,613	128,642
1992	89,789	3,466	19,920	7,023	4,978	2,369	127,545
1993	99,609	3,962	23,872	6,854	5,926	2,346	142,569
1994	110,239	3,553	22,912	6,926	6,389	1,598	151,617
1995	122,259	4,538	27,048	7,838	7,410	1,975	171,068
1996	131,620	5,032	30,040	7,770	8,694	1,852	185,008
1997	158,878	6,162	33,255	7,411	9,589	2,000	217,295
1998	157,885	5,841	32,524	7,393	10,205	1,252	215,100
1999	183,155	6,192	40,904	7,470	10,782	1,913	250,416

(1) All Governmental Fund Types (Budgetary basis)

Source: Current and prior years' financial statements

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

Fiscal Year	Tax levy	Current collections	Collections as a % of levy	Prior year collections	Total collections	Total collections as a % of levy	Uncollected taxes	Uncollected taxes as a % of levy
1990	\$ 84,647	\$ 78,422	92.65 %	\$ 3,944	\$ 82,366	97.31 %	\$ 12,228	14.45 %
1991	100,605	93,536	92.97	4,345	97,881	97.29	11,282	11.21
1992 (2)	91,957	84,838	92.26	4,951	89,789	97.64	10,893	11.85
1993	101,479	95,001	93.62	4,608	99,609	98.16	10,481	10.33
1994	110,598	105,430	95.33	4,809	110,239	99.68	10,035	9.07
1995	123,672	117,051	94.65	5,208	122,259	98.86	8,258	6.68
1996	135,104	128,020	94.76	3,600	131,620	97.42	8,152	6.03
1997	162,985	154,723	94.93	4,155	158,878	97.48	8,924	5.48
1998 (3)	158,856	153,321	96.52	4,564	157,885	99.39	8,925	5.62
1999	188,837	179,029	94.81	4,128	183,157	96.99	9,859	5.22

- (1) All Governmental Fund Types (Budgetary basis).
(2) Property tax limitation Measure #5 went into effect.
(3) Property tax limitation Measure #50 went into effect.

Source: Current and prior years' financial statements

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

Fiscal Year	Personal property	Public utility property	Commercial property	Residential property	Total
1990	\$ 1,032,886	\$ 1,417,606	\$ 7,631,464	\$ 8,579,922	\$ 18,661,878
1991	1,131,574	1,517,037	8,164,555	9,362,368	20,175,534
1992	1,130,602	1,426,209	9,761,548	11,007,703	23,326,062
1993	1,236,666	1,530,373	9,880,502	12,879,169	25,526,710
1994	1,203,111	1,628,475	9,941,135	14,727,420	27,500,141
1995	1,218,157	1,576,140	10,740,016	17,177,183	30,711,496
1996	1,330,246	1,647,640	11,938,742	19,766,868	34,683,496
1997	1,517,728	1,794,013	12,768,546	22,380,651	38,460,938
1998 (2)	1,812,064	2,000,951	14,123,977	24,330,799	42,267,791
1999	2,032,070	2,222,076	N/A	41,278,093 (3)	45,532,239

(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) As of June 30, 1999, the breakdown of residential and commercial property values are not available.

Source: Multnomah County Division of Assessment and Taxation

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

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1990	\$ 4.54	\$ 7.48	\$ 0.74	\$ 19.22	\$ 0.02	\$ 0.34	\$ 1.05	\$ 33.39
1991	4.99	7.54	0.69	18.83	0.01	0.29	1.11	33.46
1992 (2)	3.94	5.87	0.55	15.62	0.01	0.27	0.76	27.02
1993	3.98	5.91	0.71	13.33	0.01	0.22	-	24.16
1994	4.02	5.92	0.62	10.76	0.01	0.19	-	21.52
1995	4.03	5.92	0.49	8.12	0.01	0.07	-	18.64
1996	3.90	5.79	0.68	5.58	-	0.08	0.07	16.10
1997	4.24	5.47	0.55	6.20	-	0.07	0.47	17.00
1998 (3)	4.86	6.03	0.68	7.27	-	0.07	1.08	19.99
1999	5.28	5.98	0.67	6.95	-	0.07	1.00	19.95

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

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

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

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

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

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1990	\$ 84,647	\$ 139,605	\$ 13,869	\$ 358,770	\$ 298	\$ 6,266	\$ 19,566	\$ 623,021
1991	100,605	152,122	13,875	379,882	277	5,852	22,338	674,951
1992 (1)	91,957	136,958	12,780	364,468	260	6,362	17,656	630,441
1993	101,479	150,788	18,124	340,345	273	5,539	23	616,571
1994	110,598	162,870	17,068	295,852	290	5,298	21	591,997
1995	123,672	181,848	15,110	249,441	307	2,145	25	572,548
1996	135,104	200,896	23,515	193,685	155	2,633	2,520	558,508
1997	162,985	210,568	20,970	238,347	169	2,763	18,020	653,822
1998 (2)	158,856	196,846	22,318	237,275	154	2,323	35,347	653,119
1999	188,837	214,148	23,798	248,622	159	2,422	35,911	713,897

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

(2) Property tax limitation Measure #50 went into effect.

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

MULTNOMAH COUNTY, OREGON

PRINCIPAL TAXPAYERS

June 30, 1999

(amounts expressed in thousands)

(unaudited)

<u>Taxpayer account</u>	<u>Type of business</u>	1999 Assessed Valuation (1)	Percentage of Total Assessed Valuation	
Fujitsu Microelectronics Inc.	Computers and electronics	\$ 499,924	1.40	%
U. S. West Communications	Telephone utility	305,143	0.85	
Boeing Company	Aircraft parts	181,502	0.51	
Alaska Airlines, Inc.	Airline	127,188	0.36	
Portland General Electric	Electric utility	122,439	0.34	
United Airlines, Inc.	Airline	114,827	0.32	
Delta Airlines, Inc.	Airline	91,755	0.26	
SI - Lloyd Associates	Property management	91,606	0.26	
LSI Logic Corp.	Microchip manufacturer	87,605	0.24	
Oregon Arena Corporation	Property management	85,203	0.24	
Wacker Siltronic Corp	Silicon wafers	77,321	0.22	
National Biscuit Co.	Food processing	73,679	0.21	
PacifiCorp (Pacific Power and Light)	Electric utility	69,911	0.20	
US Bancorp	Banking & financial services	69,909	0.20	
		<u>\$ 1,998,012</u>	<u>5.61</u>	%

(1) The 1998-99 Assessed Valuation is \$35,783,015; the Real Market Valuation is \$45,532,239.

Source: Multnomah County Division of Assessment and Taxation

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

<u>Fiscal Year</u>	<u>Assessments outstanding July 1</u>	<u>Assessments billed</u>	<u>Assessments collected</u>	<u>Assessments outstanding June 30</u>
1990	\$ 657	\$ -	\$ 311	\$ 346
1991	346	-	168	178
1992	178	-	56	122
1993	122	-	38	84
1994	84	-	36	48
1995	48	-	12	36
1996	36	-	7	29
1997	29	-	14	15
1998	15	-	3	12
1999	12	-	-	12

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 1999
(amounts expressed in thousands)
(unaudited)

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

Real market value (1998-99)	\$ 45,532,239
Debt limit rate	2.00%
Debt limit	<u>910,645</u>
Less bonded debt at June 30	124,170
Legal debt margin	<u>\$ 786,475</u>

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

Fiscal Year	Commercial		Residential		Total		Bank deposits in \$(000) (2)
	Number of units (1)	Value in \$(000)	Number of units (1)	Value in \$(000)	Number of units	Value in \$(000)	
1990 (3)	1,218	\$ 99,052	2,523	\$ 92,666	3,741	\$ 191,718	\$ 8,390,851
1991	2,450	102,805	5,540	208,193	7,990	310,998	11,190,032
1992	2,387	134,681	5,852	281,327	8,239	416,008	9,568,464
1993	2,367	211,211	6,026	254,668	8,393	465,879	11,222,080
1994 (3)	1,106	228,787	2,757	117,655	3,863	346,442	9,536,224
1995	920	323,947	2,273	115,317	3,193	439,264	11,552,255
1996	-	- (4)	4,453	320,871	4,453	320,871	11,414,176
1997	-	-	4,331	350,666	4,331	350,666	14,543,385
1998	-	-	2,653	223,878	2,653	223,878	13,045,877
1999 (5)	-	-	N/A	N/A	N/A	N/A	N/A

(1) Information maintained on a calendar year basis.

(2) June 30, each year.

(3) January through June.

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

(5) Information for fiscal year 1999 not yet available.

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

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

Fiscal Year	Population (2)	Real Market Value (3)	Gross Bonded Debt	Less Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Real Market Value	Net Bonded Debt per Capita (5)
1994	620,000	\$ 27,500,141	\$ 22,000	\$ 1,935	\$ 20,065	0.07 %	\$ 32
1995	626,500	30,711,496	29,705	7,021	22,684	0.07	36
1996	636,000	34,683,496	28,710	7,905	20,805	0.06	33
1997	639,000	38,460,938	136,375	14,977	121,398	0.32	190
1998	639,000	42,267,791	128,470	16,240	112,230	0.27	176
1999	642,000	45,532,239	124,170	14,014	110,167	0.24	172

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

(2) Population not expressed in thousands.

(3) Prior to 1998, Real Market Value approximated Assessed Value.

(4) Amount available for repayment of general obligation bonds.

(5) Net Bonded Debt stated in dollars.

Source: Current financial statements

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service to General Government Expenditures</u>
1995	\$ 1,295	\$ 1,348	\$ 2,643	\$ 391,759	0.70 %
1996	995	1,474	2,469	423,151	0.60
1997	1,035	2,911	3,946	475,146	0.80
1998	7,905	6,740	14,645	500,901	2.90
1999	8,235	4,657	12,892	605,884	2.10

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

Source: Current financial statements

MULTNOMAH COUNTY, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 1999
(amounts expressed in thousands)
(unaudited)

Overlapping District	Percent Overlapping	Overlapping	
		Gross (1) Bonded Debt	Net (2) Direct Debt
Mt. Scott Water District	0.82 %	\$ 17	\$ 17
Clackamas County School District 7	0.45	73	73
City of Lake Oswego	6.83	1,288	1,288
City of Milwaukie	0.43	18	18
Scappoose RFPD	7.36	10	10
Columbia County School District 1J	3.73	150	150
Port of Portland	44.17	8,836	8,836
Metro	48.34	98,305	98,305
Tri-County Metropolitan Transp. Service District	48.14	60,738	60,738
Sauvie Island RFPD 30	100.00	280	280
Multnomah County School District 1J	99.20	276,100	276,100
Multnomah County School District 3	100.00	31,570	31,570
Multnomah County School District 7	100.00	27,710	27,710
Multnomah County School District 28J	92.25	9,201	9,201
Multnomah County School District 39	100.00	6,995	6,995
Multnomah County School District 40	100.00	16,890	16,890
Multnomah County School District 51J	96.01	10,734	10,734
Multnomah County School District 10JT	82.66	27,342	27,342
North Plains School District Bonds	0.15	1	1
Orient School District 6 Bonds	55.26	1,173	1,173
Gresham Grade School District 4 Bonds	100.00	20,030	20,030
Mount Hood Community College	83.31	1,766	1,766
Portland Community College	44.95	21,990	21,990
City of Fairview	100.00	2,665	2,650
City of Gresham	100.00	9,775	9,595
City of Portland	99.57	163,026	58,663
City of Troutdale	100.00	17,603	17,063
City of Wood Village	100.00	435	435
Unified Sewerage Agency	0.71	8	7
Tualatin Valley Fire and Rescue	2.06	103	103
Washington County School District 48J	0.48	904	904
Hillsboro 1J	0.01	4	4
		<u>\$ 815,740</u>	<u>\$ 710,641</u>

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

(2) Includes all tax-supported bonds.

Source: Municipal Debt Advisory Commission, Oregon State Treasury

MULTNOMAH COUNTY, OREGON

INSURANCE IN FORCE

June 30, 1999

(unaudited)

<u>Insurance Company</u>	<u>Coverage</u>	<u>Expiration</u>
American Protection Insurance Co. Policy No. 3ZT746102-08	Buildings and Equipment	10/2/1999
American Protection Insurance Co. Policy No. 3ZT746102-08	Comprehensive Boiler and Machinery	10/2/1999
American Protection Insurance Co. Policy No. 3ZT746102-08	Hull and Machinery Marine Policy	10/2/1999
American Protection Insurance Co. Policy No. 3ZG007252	Justice Center Equipment Policy	10/2/1999
Lumbermens Mutual Casualty Policy No. 3MF746102-08	Liability Policy (Library)	10/2/1999
Republic Western Policy No. RSU 3601134	Excess Workers' Compensation	7/1/1999
Hartford Insurance Co. Policy No. PEBZE 67 13	Blanket Faithful Performance Bond	1/1/2000
Hartford Insurance Co. Bond No. 5088331	Faithful Performance Bond - Public Official Tax Collector	1/1/2000
Bond No. 5088332	Finance Director	1/1/2000
Bond No. 5091060	Treasury Manager	1/1/2000
Hartford Insurance Co. Bond No. 5088334	Faithful Performance Bond - Public Guardian	1/1/2000
Hartford Insurance Co. Bond No. SUN404213	DEQ License Bond (Multnomah County)	1/1/2000
Hartford Insurance Co. Bond No. 5087364	DEQ License Bond (Mechanic/Equipment Operator)	1/1/2000
Hartford Insurance Co. Bond No. SUN404214	DEQ License Bond (Mechanic/Equipment Operator/Fleet Inspector)	1/1/2000
Hartford Insurance Co. Bond No. 5088391	DEQ License Bond (Mechanic/Equipment Operator)	1/1/2000
Hartford Insurance Co. Bond No. SUN403141	DEQ License Bond (Fleet Inspector)	1/1/2000
Allianz Insurance Co. Policy #1031755	Hawthorne Bridge Project	3/31/1999

Source: County Insurance Agent

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Per capita income (1)</u>	<u>Median household effective buying income (1)</u>	<u>Unemployment rate (3)</u>	
1990	580,029	\$ 19	\$ 30	4.20%	
1991	600,000	20	33	4.90%	
1992	605,000	21	34	6.20%	
1993	615,000	22	36	6.00%	
1994	620,000	23	39	4.50%	
1995	626,500	25	34	3.80%	
1996	636,000	26	35 (2)	4.50%	
1997	639,000	27	37	4.30%	
1998	639,000	N/A	N/A	4.20%	
1999	642,000	N/A	N/A	4.40%	(4)

(1) Amounts expressed in thousands.

(2) The definition of effective buying income changed in 1995 and is not comparable with previous years.

(3) Portland Metropolitan Statistical Area.

(4) Preliminary estimate.

N/A means not available at current time.

Source: Employment Division, Oregon State Department of Human Resources

MULTNOMAH COUNTY, OREGON
MAJOR EMPLOYERS IN METROPOLITAN AREA

June 30, 1999

(unaudited)

<u>Employer</u>	<u>Product or Service</u>	<u>Employment</u>
Intel Corporation	Semiconductor integrated circuits	11,000
Providence Health Care System	Hospitals and clinics	10,594
Fred Meyer, Inc.	Grocery and retail variety chain	10,030
Legacy Health System	Hospital and health services	6,731
U. S. Bancorp	Bank and holding company	6,242
Kaiser Permanente	Hospitals and clinics	6,009
Freightliner Corporation	Medium and heavy-duty trucks	5,000
Tektronix, Incorporated	Electronic testing instruments	4,680
Wells Fargo & Co.	Bank	4,000
Meier and Frank Company	Department stores	3,500
U. S. West Communications	Communications utility	3,440
United Parcel Service	Small package transport	3,100
Hewlett-Packard Co.	Computer printers	3,000
Nike, Incorporated	Sports footwear and apparel	2,850
Southwest Washington Medical Center	Medical care	2,617
Albertson's	Retail Grocery Chain	2,500
Safeway Stores	Grocery chain stores	2,300
Rite Aid Corp.	Retail drug stores	2,300
Precision Castparts	Steel castings	2,120
Blue Cross & Blue Shield of Oregon	Health insurance & HMO	2,105
Boeing of Portland	Aircraft frame structures	2,000
Consolidated Freightways Inc.	Transportation	2,000
Shari's Management Corp.	Restaurant chain	2,000
Portland General Corp.	Electric utility	1,853
Horizon Air	Airline	1,800
Nordstrom	Retail specialty stores	1,700
SEH America	Silicon wafers	1,700
Burns Brothers, Inc.	Travel/fuel stops and safety traction devices	1,600
Bank of America Oregon	Full commercial banking services	1,594
McDonalds Corporation	Restaurants	1,500
Wacker Siltronic Corporation	Silicon semiconductor materials	1,500
Pacificorp	Electricity, mining, and telecommunications	1,421
Double Tree Motels	Hotel/motel chain	1,400
Target Stores	Retail chain	1,400
Epson Portland, Inc.	Computer Printers	1,350
J.C. Penney Co.	Department stores	1,300
Fort James	Pulp and paper packaging	1,300
Westwind Group dba Burger King	Burger King restaurants	1,300
Federal Government		17,800
State Government		9,900
Oregon Health Sciences University		9,000
Portland Public Schools		6,200
City of Portland		5,172
Multnomah County		4,593
Tri - Met		2,321

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

MULTNOMAH COUNTY, OREGON
MISCELLANEOUS STATISTICAL DATA
June 30, 1999
(unaudited)

GENERAL

Date of incorporation	1854
Date present charter adopted	1967
Date present charter amended	1999
Form of government	Home Rule Charter
Area - square miles	465
Multnomah County employees:	
Management and exempt	691
Bargaining units	3,902

MILES OF STREETS (UNINCORPORATED AREA)

Paved	245
Unpaved	30

FIRE PROTECTION

Number of stations	38
Number of employees:	
Full-time	762
Volunteer	118

SHERIFF PROTECTION

Number of arrests (Parts I, 2 & 3 crimes)	2,412
Vehicular patrol units	30
Number of employees (sworn and civilian)	914
Jails:	
Facilities	5
Population	1,990

RECREATION

Parks:	
Number of acres	4,100
Number of facilities	30
Number of playgrounds	7
Number of golf courses	1

EDUCATION

Number of schools:	
Elementary	163
Secondary	18
Employees:	
Instructional	5,254
Administrative and support	4,754
Number of students (estimated)	93,590
Average daily attendance (estimated)	85,792

SEWAGE DISPOSAL

Number of accounts	565
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STREET LIGHTING

Number of Lights	3,693
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ELECTIONS

Number of registered voters	381,939
Number of votes cast in last general election	217,894
Percentage of registered voters voting in last general election	57.05%

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 General Purpose Financial Statements Performed in Accordance with Federal and Oregon Audit Standards
- Report of Independent Certified Public Accountants on the County's Compliance and Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Audit Standards

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

The Board of County Commissioners
Multnomah County, Oregon

We have audited the general purpose financial statements of Multnomah County, Oregon as of and for the year ended June 30, 1999, and have issued our report thereon dated December 8, 1999. We conducted our audit in accordance with generally accepted auditing standards, 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 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 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 - Reports related to such programs are presented separately under separate 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 -

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 moneys available to retire indebtedness

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)

Taxes on Motor Vehicle Use and Fuel and the 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 the use of a road fund (as contained in ORS 294 and 373)

Insurance - Relating to insurance and fidelity bond coverage

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

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

The result of our tests indicate that, with respect to the items tested, Multnomah County, Oregon complied, in all material respects, with the provisions referred to above except as follows: 1) the County's cash deposits with banks were undercollateralized on two separate days during the year ended June 30, 1999 and 2) there was one overexpenditure as listed in note 10. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those 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 should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Portland, Oregon
December 8, 1999

Report of Independent Certified Public Accountants
on the County's Compliance and on Internal Control Over
Financial Reporting Based on an Audit of General Purpose Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Board of County Commissioners
Multnomah County, Oregon

We have audited the general purpose financial statements of Multnomah County, Oregon as of and for the year ended June 30, 1999, and have issued our report thereon dated December 8, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Multnomah County, Oregon's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of 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 general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 weakness.

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

Giant Thornton LLP

Portland, Oregon
December 8, 1999