

ANNOTATED AGENDA

Tuesday, April 3, 1990 - 9:00 AM
Multnomah County Courthouse, Room 602

INFORMAL BRIEFING

1. Briefing on Multnomah County Annual Financial Report, Single Audit Report and the recommendations for improving accounting procedures and controls by Price Waterhouse. Presented by David Boyer and Parry Ankerson.
2. Informal Review of Formal Agenda of April 5, 1990

STAFF ADVISED OF APRIL 3 MAILING DEADLINE FOR SUBMISSION OF R-2 GRANT APPLICATION. CHAIR McCOY EXECUTED DOCUMENT PENDING FORMAL ACTION APRIL 5

DISCUSSED LANGUAGE CHANGES FOR PROPOSED R-3 RESOLUTION AND NOTICE OF SALE

* * * * *

Tuesday, April 3, 1990 - 9:30 AM
Multnomah County Courthouse, Room 602

PLANNING ITEM

The following Decision is reported to the Board for acknowledgement by the Chair:

HV 1-90

APPROVE a front yard variance, a 23-foot rear yard variance and an 8 percent increase to the maximum allowed lot coverage area to allow development of this 5,988 square foot Lot of Record with a single family residence, for property located at 10501 SW Riverside Drive

APPROVED

* * * * *

Tuesday, April 3, 1990 - 1:30 PM
Multnomah County Courthouse, Room 602

BUDGET MEETING

1. 1990-1991 Budget Message delivered by Chair Gladys McCoy
2. Revenue Forecast presented by Planning and Budget
3. Overview Presentation delivered by members of the Citizen Budget Advisory Committee

Wednesday, April 4, 1990 - 9:00 AM
Multnomah County Courthouse, Room 602

BUDGET MEETING
DEPARTMENT OF JUSTICE SERVICES

1. Justice Programs
2. Administration
3. Regulatory or Special Services (Medical Examiner)
4. Court and Litigation (District Attorney)
5. Sheriff Support Services
6. Law Enforcement
7. Sanctions (Community Corrections and Probation)

* * * * *

Wednesday, April 4, 1990 - 1:30 PM
Multnomah County Courthouse, Room 602

WORK SESSION

Work Session to Discuss Close Street Supervision Proposals. Update from Department of Justice Services. Continued from March 29, 1990. TIME CERTAIN 1:30 PM

STAFF DIRECTED TO CONTINUE PREPARATION OF DRAFT INTERGOVERNMENTAL AGREEMENT AND TO DEVELOP A PROPOSED BUDGET. WORK SESSION SCHEDULED FOR WEDNESDAY, APRIL 18, 1990, FOLLOWING 9:00 AM GENERAL BUDGET WORK SESSION

* * * * *

Wednesday, April 4, 1990 - 1:30 PM
Multnomah County Courthouse, Room 602

PUBLIC HEARING
DEPARTMENT OF JUSTICE SERVICES BUDGET

WORK SESSION ON PROPOSED DJS REORGANIZATION SCHEDULED FOR THURSDAY, APRIL 12, 1990, FOLLOWING 1:30 PM DEPARTMENT OF GENERAL SERVICES BUDGET WORK SESSION

* * * * *

Thursday, April 5, 1990, 9:00 AM
Multnomah County Courthouse, Room 602

FORMAL MEETING

DEPARTMENT OF JUSTICE SERVICES

- R-1 Budget Modification #DJS 20 Authorizing Transfer of \$1,200 Within Community Corrections Budget for Certain Computer Equipment and to Reclassify a Position

APPROVED

DEPARTMENT OF HUMAN SERVICES

R-2 Approval of Notice of Intent to Submit a Grant Application with the National Institute of Drug Abuse (NIDA) to Establish a Central Intake, Assessment, Referral and Ongoing Care Management Unit for Drug Abuse Treatment Clients

APPROVED

DEPARTMENT OF ENVIRONMENTAL SERVICES

R-3 Resolution in the Matter of Setting a Time to Consider Offers to Purchase Edgefield Property, Establishing Minimum Conditions of Sale and Procedures for Submitting Offers

CONTINUED TO APRIL 12, 1990

ORDINANCES - NON-DEPARTMENTAL

R-4 Second Reading and Possible Adoption of an Ordinance Extending the Legal Restrictions on Cruising of the City of Portland to the Unincorporated Areas of Multnomah County

ORDINANCE #648 APPROVED. COMMISSIONER KELLEY TO REPORT TO BOARD THE END OF JUNE, 1990 WITH STATUS OF ORDINANCE ENFORCEMENT AND EFFORTS MADE TOWARDS FINDING ALTERNATIVES TO CRUISING

* * * * *

SUPPLEMENTAL AGENDA
UNANIMOUS CONSENT ITEMS

NON-DEPARTMENTAL

R-5 Ratification of Intergovernmental Agreement for Public Safety Management Services Between Housing Authority of Portland and Multnomah County

EXTENSION OF PUBLIC SAFETY MANAGEMENT SERVICES AGREEMENT APPROVED

R-6 Budget Modification MCSO#1 Authorizing Addition of \$86,320 to the Sheriff's Office Budget to Fund the Housing Authority Community Policing Project at Columbia Villa From April through June, 1990

APPROVED

* * * * *

Thursday, April 5, 1990 - 9:30 AM
Multnomah County Courthouse, Room 602

BUDGET MEETING
DEPARTMENT OF HUMAN SERVICES

1. Human Services Programs
2. Administration
3. Health Programs
4. Mental Health Programs
5. Senior and Disabled Programs
6. Community Action Programs
7. Youth Programs

* * * * *

Thursday, April 5, 1990 - 1:30 PM
Multnomah County Courthouse

PUBLIC HEARING
DEPARTMENT OF HUMAN SERVICES BUDGET

WORK SESSION CONTINUED TO MONDAY, APRIL 9,
1990 FOLLOWING 1:30 PM PUBLIC HEARING/WORK
SESSION, TIME PERMITTING

0768C/1-4/CAP/dr
4/5/90



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308
PAULINE ANDERSON • DISTRICT 1 • 248-5220
GRETCHEN KAFOURY • DISTRICT 2 • 248-5219
RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

AGENDA

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

FOR THE WEEK OF

APRIL 2 - APRIL 6, 1990

Tuesday, April 3, 1990 - 9:00 AM - Informal Briefing . . . Page 2
Tuesday, April 3, 1990 - 9:30 AM - Planning Item . . . Page 2
Tuesday, April 3, 1990 - 1:30 PM - Budget Meeting . . . Page 2
Wednesday, April 4, 1990 - 9:00 AM - Budget Meeting . . . Page 3
Wednesday, April 4, 1990 - 1:30 PM - Work Session . . . Page 3
Wednesday, April 4, 1990 - 1:30 PM - Public Hearing . . . Page 3
Thursday, April 5, 1990 - 9:00 AM - Formal Meeting . . . Page 4
Thursday, April 5, 1990 - 9:30 AM - Budget Meeting . . . Page 4
Thursday, April 5, 1990 - 1:30 PM - Public Hearing . . . Page 5

PUBLIC TESTIMONY WILL BE TAKEN DURING PUBLIC HEARINGS

Thursday Meetings of the Multnomah County Board of Commissioners are recorded and can be seen at the following times:

Thursday, 10:00 PM, Channel 11 for East and West side subscribers
Friday, 6:00 PM, Channel 27 for Paragon Cable (Multnomah East) subscribers
Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

Tuesday, April 3, 1990 - 9:00 AM

Multnomah County Courthouse, Room 602

INFORMAL BRIEFING

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Multnomah County Courthouse, Room 602

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Multnomah County Courthouse, Room 602

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PUBLIC TESTIMONY WILL NOT BE TAKEN AT INFORMAL MEETINGS

Wednesday, April 4, 1990 - 9:00 AM
Multnomah County Courthouse, Room 602

BUDGET MEETING

DEPARTMENT OF JUSTICE SERVICES

1. Justice Programs
2. Administration
3. Regulatory or Special Services (Medical Examiner)
4. Court and Litigation (District Attorney)
5. Sheriff Support Services
6. Law Enforcement
7. Sanctions (Community Corrections and Probation)

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Wednesday, April 4, 1990 - 1:30 PM
Multnomah County Courthouse, Room 602

PUBLIC HEARING

DEPARTMENT OF JUSTICE SERVICES BUDGET

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FORMAL MEETING

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DEPARTMENT OF HUMAN SERVICES

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DEPARTMENT OF ENVIRONMENTAL SERVICES

R-3 Resolution in the Matter of Setting a Time to Consider Offers to Purchase Edgefield Property, Establishing Minimum Conditions of Sale and Procedures for Submitting Offers

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Thursday, April 5, 1990 - 9:30 AM
Multnomah County Courthouse, Room 602

BUDGET MEETING

DEPARTMENT OF HUMAN SERVICES

1. Human Services Programs
2. Administration
3. Health Programs

Thursday, April 5, 1990 - 9:30 AM
Multnomah County Courthouse, Room 602

BUDGET MEETING

DEPARTMENT OF HUMAN SERVICES - CONT.

4. Mental Health Programs
5. Senior and Disabled Programs
6. Community Action Programs
7. Youth Programs

PUBLIC TESTIMONY WILL NOT BE TAKEN AT INFORMAL MEETINGS

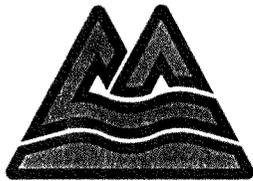
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Thursday, April 5, 1990 - 1:30 PM
Multnomah County Courthouse

PUBLIC HEARING

DEPARTMENT OF HUMAN SERVICES BUDGET

0701C/1-5/dr
3/29/90



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308
PAULINE ANDERSON • DISTRICT 1 • 248-5220
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SUPPLEMENTAL AGENDA

UNANIMOUS CONSENT ITEMS

Thursday, April 5, 1990 - 9:00 AM

Multnomah County Courthouse, Room 602

NON-DEPARTMENTAL

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- R-6 Budget Modification #MCSO 1 Authorizing Addition of \$86,320 to the Sheriff's Office Budget to Fund the Housing Authority Community Policing Project at Columbia Villa From April through June, 1990

0701C/6/dr
4/2/90

DATE SUBMITTED March 26, 1990

(For Clerk's Use)
Meeting Date APR 03 1990
Agenda No. Inf #1

REQUEST FOR PLACEMENT ON THE AGENDA

Subject: June 30, 1989 Annual Audit & Related Reports

Informal Only* April 3, 1990
(Date)

Formal Only _____
(Date)

DEPARTMENT DGS DIVISION Finance

CONTACT David Boyer TELEPHONE 248-3312

*NAME(S) OF PERSON MAKING PRESENTATION TO BOARD David Boyer, Parry Ankerson (Price Waterhouse)

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

Briefing on the County's Annual Financial Report, Single Audit Report and the recommendations for improving accounting procedures and controls by Price Waterhouse.

(Please bring reports distributed earlier.)

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

INFORMATION ONLY PRELIMINARY APPROVAL POLICY DIRECTION APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA _____

IMPACT:

PERSONNEL

FISCAL/BUDGETARY (NONE)

General Fund

Other _____

1990 MAR 28 AM 10:03
MULTI-COUNTY
OREGON
COUNTY COMMISSIONER

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSIONER: [Signature]

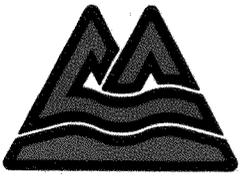
BUDGET / PERSONNEL _____

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) _____

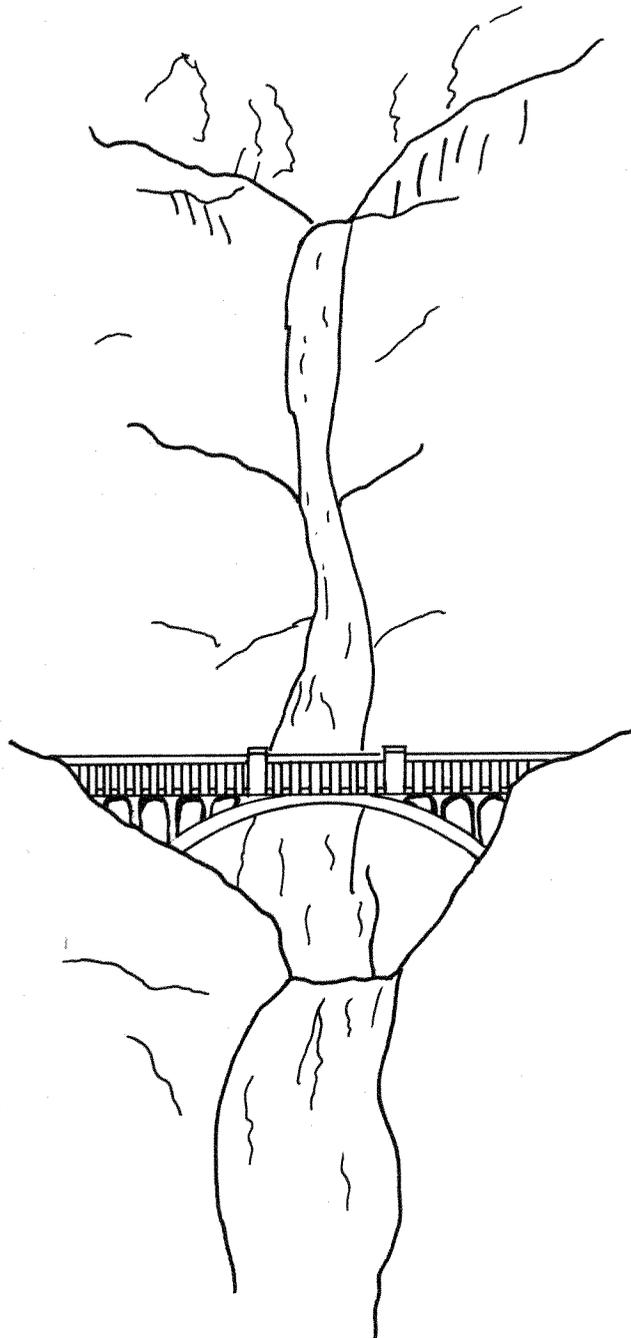
OTHER _____

(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.



MULTNOMAH COUNTY OREGON



THE SINGLE AUDIT REPORT
Fiscal Year Ended June 30, 1989



Cover: Majestic Multnomah Falls is located in East Multnomah County on the scenic Columbia River Highway. It remains a National tourist attraction. (Cover Illustration by: Jean Karecki)

MULTNOMAH COUNTY, OREGON

REPORTS IN CONFORMITY WITH

THE SINGLE AUDIT ACT OF 1984

RELATED TO THE YEAR ENDED

JUNE 30, 1989

MULTNOMAH COUNTY, OREGON

SINGLE AUDIT REPORT

For the fiscal year ended June 30, 1989

TABLE OF CONTENTS

	PAGE
Table of Contents	i
Report on Supplementary Schedule of Federal Financial Assistance	1
Schedule of Federal Financial Assistance	2 - 6
Single Audit Report on Compliance with the General Requirements	7
Compliance Report Based on Audit of General Purpose Financial Statements	8
Single Audit Opinion on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance	9 - 10
Schedule of Findings and Responses for year ended June 30, 1989	11 - 25
Update of Schedule of Findings and Responses for year ended June 30, 1988	26 - 31
Single Audit Opinion on Compliance with Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	32
Reports on Internal Controls	33 - 40

Price Waterhouse



November 3, 1989

To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

Report on Supplementary Schedule of Federal Financial Assistance.

We have audited the general purpose financial statements of Multnomah County, Oregon, for the year ended June 30, 1989, and have issued our report thereon dated November 3, 1989. These general purpose financial statements are the responsibility of Multnomah County, Oregon, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

Price Waterhouse

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1988	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1989
U.S. DEPT. OF AGRICULTURE:						
Passed through State Department of Human Resources:						
Food Distribution	10.550	\$ 466,571	\$ 21,547	\$ 395,333	\$ 466,571	\$ 92,785
Food Stamps	10.551	14,105	2,165	16,270	14,105	
National School Lunch Program	10.555	41,627		38,637	41,627	2,990
Special Supplemental Food Program for Women, Infants, and Children	10.557	795,638	78,187	703,243	795,638	170,582
Total Department of Agriculture			<u>101,899</u>	<u>1,153,483</u>	<u>1,317,941</u>	<u>266,357</u>
U.S. DEPT. OF HEALTH & HUMAN SERVICES:						
Direct Programs:						
Project Grants for Health Services to the Homeless	13.151	673,954 (1)	8,514	364,986	388,668	32,196
Community Health Centers	13.224	2,601,196	113,927	2,373,182	2,564,789	305,534
Medicare-Supplementary Medical Insurance	13.774	82,399		58,836	82,399	23,563
Passed through State Department of Human Resources						
Project Grants & Cooperative Agreements						
for T.B. Control Programs	13.116	36,612	3,769	38,591	36,612	1,790
Acquired Immune Deficiency Syndrome (Aids)	13.118	430,265 (2)	34,834	293,502	340,841	82,173
Mental Health Plan & Demonstration	13.125	9,000		9,000	9,000	
Alcohol, Drug Abuse Treatment and Rehabilitation Block Grant	13.141	839,237		839,237	839,237	
Mental Health for the Homeless Block Grant	13.150	425,084		425,084	425,084	
Family Planning Services	13.217	332,443	124,272	461,277	358,661	21,656
Administration of Developmental Disabilities Basic Support and Advocacy Grants	13.630	139,500		139,500	139,500	
Special Programs for the Aging Title III, Parts A & B Grants for Supportive Services & Senior Centers	13.633	923,626	73,087	941,361	829,214	(39,060)
Special Programs for the Aging Title III, Part C Nutrition Services	13.635	1,147,510	(15,109)	962,219	1,008,486	31,158
Special Programs for the Aging Title III, Part D	13.641	7,104		7,104		(7,104)
Social Services Block Grant	13.667	502,338		502,338	502,338	
Special Programs for the Aging Title IV Training Research and Discretionary Projects & Programs	13.668	150,000 (3)	(3,966)	97,836	82,858	(18,944)
Child Support Enforcement	13.679	1,141,775	201,134	765,303	765,211	201,042
Medical Assistance Program	13.714	6,134,616	296,006	6,233,194	6,115,268	178,080
State Legalization Impact Assistance	13.786	24,201		19,264	19,264	
Refugee & Entrant Assistance-State Programs	13.787	1,417,316	183,409	1,202,739	1,417,317	397,987
Low-Income Home Energy Assistance	13.789	854,076 (4)	43,572	238,174	474,450	279,848
Community Services Block Grant	13.792	1,025,696 (5)	(10,358)	425,377	631,431	195,696
Preventive Health Services-						
Sexually Transmitted Disease Grant	13.977	2,000			2,000	2,000
Health Programs for Refugees	13.987	42,381	4,621	43,473	42,381	3,529
Preventive Health and Health Services Block Grant	13.991	299,624	16,295	291,380	298,582	23,497
Alcohol, Drug Abuse & Mental Health Block Grant	13.992	3,634,319		3,634,319	3,634,319	
Maternal and Child Health Services Block Grant	13.994	587,288	(92,238)	269,888	403,124	40,998
Passed through National Institute on Drug Abuse:						
Drug Abuse Research Programs	13.279	673,003 (6)			308,731	308,731
Total Department of Health and Human Services			<u>981,769</u>	<u>20,637,164</u>	<u>21,719,765</u>	<u>2,064,370</u>

continued

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(continued)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1988	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1989
U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT:						
Direct Programs:						
Housing Counseling Assistance Program	14.169		6,387	6,387		
Community Development Block Grants/ Entitlement Grants	14.218	5,654,800 (7)	31,749	1,186,372	1,274,078	119,455
Section 312 Rehabilitation Loans	14.220	20,718		20,718	20,718	
Urban Homesteading	14.222	100,000 (8)			346	346
Community Development Block Grant/Secretary's Discretionary Fund/Special Projects	14.232	200,000 (9)	12,173	12,173		
Passed through State Executive Department:						
Community Development Block Grants/ Small Cities Program	14.219	400,000 (10)	85,369	231,230	172,946	27,085
Rental Housing Rehabilitation	14.230	234,000	8,258	40,581	38,499	6,176
Emergency Shelter Grants Program (ESPG)	14.231	38,808 (11)		8,500	8,500	
Passed through State Department of Human Resources:						
Solar Energy and Energy Conservation Bank	14.550	1,794,374 (12)	113,038	578,441	830,082	364,679
Total Department of Housing and Urban Development			<u>256,974</u>	<u>2,084,402</u>	<u>2,345,169</u>	<u>517,741</u>
U.S. DEPT. OF JUSTICE:						
Direct Programs:						
Criminal Justice Block Grants	16.573	51,265	(16,070)	17,500	29,706	(3,864)
Passed through Intergovernmental Research Institute						
Criminal Justice Block Grants	16.573	578,140 (13)	31,364	403,999	353,024	(19,611)
Passed through State Department of Justice:						
Crime Victim Assistance	16.575	37,555 (14)	1,577	24,592	23,715	700
State and Local Narcotics Control Assistance (Anti-Drug Abuse Act of 1986)	16.579	655,428	8,281	482,148	549,940	76,073
Passed through National Street Law Program-Georgetown University						
Juvenile Justice & Delinquency Prevention Special Emphasis & Technical Assistance	16.541	2,500		2,500	2,500	
Passed through Pre-Trial Services Resources Center:						
Law Enforcement Assistance-Narcotic and Dangerous Drugs Lab Analysis	16.001	399,531	(9,338)	390,193	385,153	(14,378)
Total Department of Justice			<u>15,814</u>	<u>1,320,932</u>	<u>1,344,038</u>	<u>38,920</u>
U.S. DEPT. OF LABOR:						
Passed through Private Industry Council:						
Job Training Partnership Act	17.250	167,175 (15)	23,688	106,777	101,461	18,372
Occupational Safety & Health	17.500	23,600		23,600	23,600	
Total Department of Labor			<u>23,688</u>	<u>130,377</u>	<u>125,061</u>	<u>18,372</u>
U.S. DEPT. OF TRANSPORTATION:						
Passed through Oregon State Marine Board:						
Boating Safety Financial Assistance	20.005	197,035			197,035	197,035
Passed through State Public Utility Commission:						
Motor Carrier Safety Assistance Program:	20.218	87,453		85,866	85,866	
Passed through State Department of Transportation:						
State Highway and Community Safety	20.600	465,068 (16)	66,677	184,003	206,838	89,512
Total Department of Transportation			<u>66,677</u>	<u>269,869</u>	<u>489,739</u>	<u>286,547</u>

continued

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(continued)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1988	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1989
U.S. ENVIRONMENTAL PROTECTION AGENCY:						
Passed through State Department of Human Resources:						
State Public Water System Supervision	66.432	1,037	517	1,037	520	
Total Environmental Protection Agency			517	1,037	520	
U.S. DEPT. OF ENERGY:						
Passed through State Department of Human Resources:						
Weather Assistance for Low-Income Persons	81.042	1,687,523 (17)	(2,799)	507,174	1,027,541	517,568
Total Department of Energy			(2,799)	507,174	1,027,541	517,568
FEDERAL EMERGENCY MANAGEMENT AGENCY:						
Direct Programs:						
Emergency Management Institute Training Assistance	83.400	4,025	303	1,474	4,025	2,854
Passed through State Executive Department:						
Emergency Management Assistance	83.503	109,185 (18)	20,837	41,440	59,591	38,988
Total Federal Emergency Management Agency			21,140	42,914	63,616	41,842
U.S. DEPT. OF EDUCATION:						
Passed through State Department of Human Resources:						
Education of Handicapped Children						
in State Operated or Supported Schools	84.009	151,035		151,035	151,035	
Rehabilitation Services-Service Projects	84.128	17,880		17,880	17,880	
Handicapped-Preschool Grants	84.173	112,604		40,858	103,724	62,866
Drug Free Schools & Communities-State Grants	84.186	60,400		60,400	60,400	
Total U.S. Department of Education				270,173	333,039	62,866
OTHER FEDERAL ASSISTANCE:						
Department of Agriculture:						
U.S. Forest Service-Patrol Contract		24,645		13,947	21,458	7,511
Department of Interior:						
Payment in Lieu of Tax		7,818		7,818	7,818	
O & C Grant		1,186,683		1,186,683	1,186,683	
Sale/Lease Federal Land		2,592		2,592	2,592	
Passed through State Executive Department:						
Forest Yield Tax		966,319		966,319	966,319	
Department of Justice:						
U.S. Marshall Contract		2,053,906	338,903	1,594,442	2,053,905	798,366
U.S. Marshall-Forfeiture		112,637		112,637	112,637	
U.S. Immigration and Naturalization		75,555	1,234	59,090	75,555	17,699
Department of Transportation:						
Passed through State Department of Transportation:						
FAU Engineering Contracts		39,050		39,050	39,050	
Hawthorne Bridge Contract		21,005		21,005	21,005	
Emergency Management Assistance:						
Passed through Emergency Local Food & Shelter Board:						
FEMA-Emergency Local Food & Shelter		368,729		368,729	368,729	
Total Other Federal Assistance			340,137	4,372,312	4,855,751	823,576
Total Federal Assistance			<u>\$ 1,805,816</u>	<u>\$ 30,789,837</u>	<u>\$ 33,622,180</u>	<u>\$ 4,638,159</u>

continued

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(continued)

FOOTNOTES:

- (1) CFDA Number 13.151 - \$391,491 Award period 01/01/88-12/31/88
\$282,463 Award period 01/01/89 - 12/31/89
- (2) CFDA Number 13.118 - Prior CFDA Number 13.146
- (3) CFDA Number 13.668 - Award period 01/01/89 - 09/30/89
- (4) CFDA Number 13.789 - \$161,067 Award period 01/01/88 - 12/31/88
\$232,542 Award period 12/01/88 - 11/30/89
\$251,306 Award period 01/01/88 - 12/31/88
\$132,492 Award period 01/01/88 - 12/31/88
\$ 76,669 Award period 01/01/89 - 09/30/89
Prior CFDA Number 13.818
- (5) CFDA Number 13.792 - \$ 72,386 Award period 01/01/88 - 08/31/88
\$367,802 Award period 01/01/88 - 12/31/88
\$ 35,514 Award period 10/01/88 - 09/30/89
\$187,642 Award period 07/01/88 - 06/30/89
\$185,990 Award period 07/01/88 - 06/30/89
\$176,362 Award period 01/01/89 - 06/30/89
Prior CFDA Number 13.665
- (6) CFDA Number 13.279 - Award period 09/30/88 - 08/31/89
- (7) CFDA Number 14.218 - \$1,846,000 Award period 10/01/84 - Open
\$1,836,000 Award period 10/01/85 - Open
\$1,544,000 Award period 10/01/86 - Open
\$300,000 Award period 04/01/89 - 04/30/90
\$ 76,800 Award period 07/01/88 - 06/30/89
\$ 52,000 Award period 07/01/88 - 06/30/89
- (8) CFDA Number 14.222 - Award period 10/01/86 - 09/30/87
- (9) CFDA Number 14.232 - Award period 06/08/88 - Open
- (10) CFDA Number 14.219 - Award period 10/01/87 - Open
- (11) CFDA Number 14.231 - \$ 30,308 Award period 01/01/88 - 09/15/88
\$ 8,500 Award period 05/05/88 - 09/15/88
- (12) CFDA Number 14.550 - \$511,168 Award period 08/05/87 - 03/31/89
\$ 27,609 Award period 04/01/88 - 03/31/89
\$969,562 Award period 08/05/87 - 03/31/89
\$ 14,556 Award period 04/01/88 - 03/31/89
\$ 2,264 Award period 07/01/88 - 06/30/89
\$269,215 Award period 01/01/89 - 09/30/89

continued

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(continued)

FOOTNOTES (continued)

- (13) CFDA Number 16.573 - \$172,000 Award period 01/01/88 - 06/30/89
 \$380,000 Award period 03/01/87 - 09/30/89
 \$ 26,140 Award period 01/01/89 - 03/30/89
- (14) CFDA Number 16.575 - \$ 19,000 Award period 10/01/87 - 09/30/88
 \$ 18,555 Award period 10/01/88 - 09/30/89
- (15) CFDA Number 17.250 - \$ 55,532 Award period 05/01/88 - 05/31/89
 \$ 64,774 Award period 06/01/88 - 09/30/88
 \$ 46,869 Award period 06/01/89 - 09/30/89
- (16) CFDA Number 20.600 - \$ 51,121 Award period 01/01/89 - 09/30/89
 \$ 63,940 Award period 10/01/88 - 02/28/89
 \$ 86,645 Award period 01/01/88 - 09/30/89
 \$116,600 Award period 07/01/88 - 12/31/88
 \$ 14,847 Award period 01/01/89 - 09/30/89
 \$112,354 Award period 01/01/89 - 09/30/89
 \$ 19,561 Award period 10/01/87 - 09/30/88
- (17) CFDA Number 81.042 - \$333,250 Award period 05/01/88 - 03/31/89
 \$ 97,325 Award period 05/01/88 - 03/31/89
 \$ 85,050 Award period 05/01/88 - 03/31/89
 \$ 26,824 Award period 05/01/88 - 03/31/89
 \$105,000 Award period 06/01/88 - 09/30/88
 \$ 60,244 Award period 06/01/88 - 09/30/88
 \$ 64,551 Award period 08/05/87 - 03/31/89
 \$ 34,032 Award period 08/05/87 - 03/31/89
 \$212,013 Award period 04/01/88 - 03/31/89
 \$ 1,000 Award period 04/01/88 - 03/31/89
 \$111,777 Award period 04/01/88 - 03/31/89
 \$100,000 Award period 06/01/89 - 09/30/89
 \$ 38,878 Award period 12/01/88 - 11/30/89
 \$316,579 Award period 01/01/89 - 09/30/89
 \$100,000 Award period 09/01/88 - 06/30/89
 \$ 1,000 Award period 07/01/88 - 06/30/89
- (18) CFDA Number 83.503 - \$52,500 Award period 10/01/87 - 09/30/88
 \$56,685 Award period 10/01/88 - 09/30/89

Price Waterhouse



November 3, 1989

To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

Single Audit Report on Compliance with the General Requirements Applicable to Major Federal Financial Assistance Programs.

We have applied procedures to test Multnomah County, Oregon, compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1989:

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Management
- Federal Financial Reports

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

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

This report is intended for the information of the Board of Commissioners and the management of Multnomah County, Oregon, and their federal cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Price Waterhouse

Price Waterhouse



November 3, 1989
To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

Compliance Report Based on the Audit of General Purpose
Financial Statements Performed in Accordance With
Government Auditing Standards.

We have audited the general purpose financial statements of Multnomah County, Oregon, for the year ended June 30, 1989, and have issued our report thereon dated November 3, 1989.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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

This report is intended for the information of the Board of Commissioners and the management of Multnomah County, Oregon, and their federal cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Price Waterhouse

Price Waterhouse



November 3, 1989

To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

Single Audit Opinion on Compliance with Specific
Requirements Applicable to Major Federal Financial
Assistance Programs.

We have audited Multnomah County, Oregon, compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1989. The management of Multnomah County, Oregon, is responsible for Multnomah County, Oregon, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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

November 3, 1989
Multnomah County, Oregon
Page 2



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

In our opinion, Multnomah County, Oregon, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1989.

Price Waterhouse

MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED JUNE 30, 1989

PROGRAM: CFDA #'s 13.667 Social Services Block Grant
and 13.992 Alcohol, Drug Abuse and Mental
Health Block Grant

Intergovernmental Agreement

FINDING: The Intergovernmental Agreement indicates that the County and the State have joint responsibility for compliance monitoring of subcontractors. In fiscal 1988, in response to this requirement, the County established a plan for monitoring subcontractor compliance. As part of this plan, the County was to perform annual contract compliance reviews. The County has been unable to fully implement its plan and has fallen behind in its performance of the annual contract compliance reviews. Specifically, we noted that out of 15 subcontractors tested, five subcontractors had not received an annual review.

RECOMMENDATION: The County should take the necessary steps to insure full implementation and compliance with its monitoring plan.

QUESTIONED COST: \$0

MULTNOMAH COUNTY
RESPONSE:

Because the Social Services Division is committed to comprehensive monitoring of subcontracted services and providers, we have maintained our goal of reviewing each subcontractor annually for compliance with contract requirements even though we were unable to meet that goal during the first two years. In May of 1989, we were finally able to add staff to conduct these reviews and have finally caught up with the schedule.

PROGRAM: CFDA #'s 13.667 Social Services Block Grant
and 13.992 Alcohol, Drug Abuse and Mental
Health Block Grant

Intergovernmental Agreement

FINDING: The County's Social Services Division (SSD) has not been performing complete and timely reconciliations of its records to the County's general ledger (LGFS). The lack of an adequate reconciliation process increases the potential that errors or inappropriate transactions will not be detected in a timely manner. The Single Audit Act of 1984 and other Federal regulations require the maintenance of an adequate system of internal control.

RECOMMENDATION: The County's Finance Division and the SSD should jointly develop a monthly or quarterly fiscal monitoring and reconciliation system that is timely and provides appropriate controls to assure the accuracy of reports to grantors.

QUESTIONED COST: \$0

**MULTNOMAH COUNTY
RESPONSE:** Although this finding refers to timely and regular reconciliation between SSD and Finance, internal controls and accuracy of reports to grantors, our understanding is that the age of outstanding payables and receivables on our Mental Health grant was the primary concern. The State Mental Health Division has acknowledged responsibility for this lack of timely closure. We are working with the State to resolve these outstanding desk audits; in the meantime, we have developed a spreadsheet to use in communicating all Mental Health grant transactions in the balance sheet to Finance so that regular reconciliations can occur.

PROGRAM: CFDA #'s 13.667 Social Services Block Grant and 13.992 Alcohol, Drug Abuse and Mental Health Block Grant

FINDING: The County is required to limit the number of residents in state psychiatric hospitals to an average daily population of 188 in accordance with the Intergovernmental Agreement with the State of Oregon. The County has been unable to stay within this limit.

RECOMMENDATION: The County should adhere to the effective limit established by the State. Accordingly, greater efforts should be taken to monitor this requirement and ensure that it is not violated. Alternatively, the County and State should agree on some other more appropriate limit. This recommendation repeats a recommendation from the prior year.

QUESTIONED COST: \$0

MULTNOMAH COUNTY
RESPONSE:

We would note that Social Services Division is in the third year of the State contract which established this requirement. Our response is the same as our prior year response: that ADP is beyond County control and is the State's responsibility as substantiated in the Paul Ahr report. The Capitation Project (which we started last year) has in fact reduced hospital stays for those clients in the project, but they have been replaced by more new clients. We do not anticipate an improvement without a variety of significant societal changes and increases in funding. Negotiations with the State to eliminate this requirement/limitation in the 89/91 Biennial Agreement were unsuccessful.

PROGRAM: CFDA #'s 13.667 Social Services Block Grant and 13.992 Alcohol, Drug Abuse and Mental Health Block Grant

FINDING: The State requires the County to abide by the standards and policies which relate to the energy conservation plan issued to comply with the Energy Policy and Conservation Act (PL 94-165). All County subcontracts must require similar compliance. In addition, the State requires the County to comply with applicable standards related to the Clean Air Act, certain Executive Orders, and regulations published by the EPA. The County must inform the State of subcontractor infractions. The County must require similar compliance in all County subcontracts for this grant.

The County indicated that it has been unable to secure the documents from the State that are necessary to follow the requirements. The County has requested the appropriate regulations from the State.

The acceptance of a requirement to follow regulations implies that those regulations should be reasonably available to the County. Also, the acceptance of responsibility to follow certain laws and regulations by the County implies a responsibility to monitor the compliance of its subcontractors.

The County has asserted that it has been unable to monitor subcontractors because of its inability to get information about the regulations.

RECOMMENDATION: The County should continue to seek all documents necessary to understand its compliance requirements. The County should provide those documents to its subcontractors. Additionally, the County should initiate formal procedures to monitor subcontractor compliance. This recommendation repeats a recommendation in the prior year.

QUESTIONED COST: \$0

MULTNOMAH COUNTY
RESPONSE:

Social Services Division concurs with the finding. We continue to seek the information from the State Mental Health Division. We did not include these requirements in our 87/88 subcontract agreements because we could not provide the information to subcontractors or monitor their compliance. We did include the requirement in our FY 88/89 subcontract agreements per State request. We will add the items to our contract compliance review checklist once we have received and passed to subcontractors the information cited.

PROGRAM: CFDA #13.714 Medical Assistance Program
Intergovernmental Agreement

FINDING: We noted that one patient file, out of the ten files reviewed, did not contain a SSD512 Report "Services and Financial Summary" which is required to be maintained in the patient's file.

RECOMMENDATION: A file checklist should be developed that list all required forms and reports. When a patient file is completed, a copy of the checklist should be filled out, signed off and inserted in each patient's file. This control procedure should reduce the risk of these types of errors occurring in the future.

QUESTIONED COST: \$0

MULTNOMAH COUNTY
RESPONSE:

It does not seem efficient to create another mandatory form that would be required to be in every client file to fix a problem that does not appear to be widespread (i.e., 10% of cases reviewed).

ASD is instituting a new supervisory case review process that will require a checklist to be completed for reviewed cases. We will analyze the outcomes of supervisory case reviews to determine any corrective action necessary for file documentation.

PROGRAM: CFDA #13.224 Community Health Centers

FINDING: While reviewing patient medical charts we noted that the fee charged, in two out of the ten charts reviewed, differed from the authorized fee schedule. Note that the dollar impact of these errors was \$1.00.

RECOMMENDATION: Procedures should be established to ensure that fees charged are in accordance with the authorized fee schedule. Note: Subsequent to the date of the noted deficiency, the County implemented a new system designed to facilitate charging of the proper fees.

QUESTIONED COST: \$0

MULTNOMAH COUNTY
RESPONSE: As noted, subsequent to the date of the deficiency, a system was implemented which provides controls to ensure charging of correct fees.

PROGRAM: CFDA #13.224 Community Health Centers

FINDING: A clinic fee registration form, which is required to be completed by patients prior to receiving medical services, was missing in eight out of the ten patient charts reviewed.

RECOMMENDATION: Procedures should be established to ensure that all required forms are completed in a timely manner and retained in the patient files.

QUESTIONED COST: \$0

MULTNOMAH COUNTY RESPONSE: The charts sampled were for clients of the Burnside Clinic where staff have assumed that clients are indigent. A procedure will be implemented to ensure required documentation of income screening is filed.

PROGRAM: U. S. Marshal Contract

FINDING: We noted that the billing report MJDA491P used by the County to track and calculate the number of prisoner days per month was different from U. S. Marshal's count for nine of the ten months we analyzed. We understand that the County relied on the U.S. Marshal's count when differences between the counts arose. We were informed that errors in the count were primarily attributed to staff lacking the necessary knowledge and experience to properly classify prisoners as Federal or other.

RECOMMENDATION: The classification of prisoners as either Federal and County for the U. S. Marshal billings should be performed by knowledgeable personnel. Additionally, the County should compare its count with that of the Federal Marshal on a daily basis to help speed billing at month-end.

QUESTIONED COST: \$0

MULTNOMAH COUNTY
RESPONSE:

In the past the calculations conducted by the U.S. Marshal staff were the basis for identifying which prisoners were under the Marshal jurisdiction and/or State jurisdiction. Beginning in July of 1989 Corrections Records staff assumed the responsibility of identifying and tracking U.S. Marshal prisoners on a daily basis. The original billing report, MJDA491P, was modified to display additional charge and disposition information regarding U.S. Marshal prisoners housed at MCDL. Procedures were implemented to provide daily billing calculations to U.S. Marshal staff. U.S. Marshal staff now have the opportunity to review the calculations daily and respond immediately, thus eliminating discrepancies once the final bill is submitted.

As of this date, daily communications between Corrections Records and U.S. Marshal staff should eliminate the extreme delay between billing and receipt of payment.

PROGRAM: U. S. Marshal Program

FINDING: A new contract between the U.S. Marshal and Multnomah County became effective October 1, 1988 increasing the housing rate for federal prisoners at the Justice Center from \$80.50 to \$97.55 per prisoner, per day. For the months of October and November 1988 the County billed the U. S. Marshal at the new rate of \$97.55 but received payment based on the old rate, resulting in an unpaid balance of \$35,096.70. The amount continues to remain outstanding beyond June 30, 1989. We reviewed correspondence and discussed the situation with County personnel and found that very little action had been taken to resolve this discrepancy.

RECOMMENDATION: The Fiscal Unit of the Sheriff's Office should investigate differences between amounts billed and received from the U. S. Marshal on a timely basis so that all funds owed to the County are collected and made available for use as soon as possible. Additionally, by identifying differences early, the County will be able to take appropriate action.

QUESTIONED COST: \$0

MULTNOMAH COUNTY RESPONSE: The audit refers to a difference in the amount billed and paid of \$35,096.70 for the months October and November, 1988. The difference was caused by the Federal Marshal paying the old per diem rate even though the new contract with the higher rate was effective October 1, 1988. The Contract was not finalized until the end of January 1989 due to questions regarding how the per diem was calculated. The Federal Marshal was not going to pay until the contract was completed, thus, the payment was delayed. The difference has since been paid in full.

In order to accomplish the goal of an efficient billing process, commencing with the month of May 1989, the Fiscal Unit of the Sheriff's Office was assigned to assist in the preparation of billings. The process is quite detailed and required participation from the Fiscal Unit, Corrections Detention/Warrant Unit and personnel from the Federal Marshal's Office. The billings have been sent out from the month of July to current on the average of within 10 working days after the close of the previous month and all payments, except for the month of December 1989, have been received. The system is working well at this point, and the Fiscal Unit will continue to review the billings to ensure that the bills are sent, and payments are received, within a timely manner.

PROGRAM: CFDA #81.042 Weatherization Assistance for Low-Income Persons

FINDING: During fiscal year 1989 the County Department of Human Services, which administered the weatherization program, did not have adequate controls to ensure that its subcontractors were administering the weatherization assistance program in compliance with the Single Audit Act of 1984 and with specific contract provisions. For example, we noted the following weaknesses in internal control:

- o The Department's failure to perform program reviews or verify allowability of expenditures made by its subgrantees.
- o The Department's failure to investigate the differences between weatherization rebates applied for and actual rebates received from utility companies.

The lack of adequate supervisory controls increase the potential for errors or irregularities by the County's subgrantees.

RECOMMENDATION: The County's Weatherization Assistance Program must strengthen its supervisory controls to ensure that its subgrantees are administering the Weatherization Program in compliance with specific contract provisions and Federal and State Acts.

QUESTIONED COST: \$0

MULTNOMAH COUNTY RESPONSE: We would concur that in FY 88-89 the DHS Director's office was not adequately staffed to ensure that its subcontractors were administering the Weatherization Assistance Program in compliance with the Single Audit Act and specific contract provisions. Because there was only 1.0 FTE assigned to this contract in FY 88-89, in addition to other duties, DHS was unable to perform program reviews or verify allowability of expenditures by its subgrantees.

For FY 89-90, the Weatherization Program has been restructured, with the County directly operating the program rather than contracting out all functions. This has allowed the newly established Community Action Program Office (CAPO) to conduct ongoing program reviews of its installation subcontractors, and has funded staff for fiscal monitoring. These changes, we believe, have significantly reduced the potential for errors or irregularities by our subcontractors, and enabled CAPO to ensure that subcontractors are in compliance with specific contract provisions and federal acts.

It is not possible to investigate "the differences between rebates applied for and actual rebates received from utility companies". So long as they are operating within the rules established by the private utility commission, utilities have the discretion to determine what they will pay for a rebate and what they may choose to disallow.

PROGRAM: CFDA #81.042 Weatherization Assistance for Low-Income Persons

FINDING: During fiscal year 1989, Multnomah County's Weatherization Assistance Program was continually late in filing its monthly weatherization financial and program reports with the State Community Services. This violates the contract between Multnomah County and the State. We discussed this non-compliance issue with County officials who stated that the primary reason for the delays was that the County's subgrantee Metropolitan Community Action (MCA) could not provide Multnomah County with timely information.

RECOMMENDATION: The County's Department of Human Services should consider withholding funds from its subgrantees whenever the subgrantees are unable to provide timely financial and program reports. This should help to eliminate the County's risk of being held responsible for its subgrantee's negligence.

QUESTIONED COST: \$0

MULTNOMAH COUNTY RESPONSE: In FY 89-90, the DHS Director's office did, as recommended, withhold funds from its subgrantees when they were unable to provide timely financial and program reports. This had only limited success. This problem has been eliminated for FY 89-90 with respect to the Weatherization Program. As a result of the restructuring mentioned above, the County directly prepares all program and fiscal reports and no longer depends on its subgrantees for this work. The delinquency in reporting should be eliminated for FY 89-90.

PROGRAM: CFDA #81.042 Weatherization Assistance for Low-Income Persons

FINDING: During fiscal year 1989 Multnomah County's Department of Human Services entered into a payroll agreement with its main subcontractor (Metropolitan Community Action) whereby the subcontractor paid the full salary of the employee who acted as a liaison between the Department and the subcontractor and who spent 100% of his time dealing with the subcontractor. His entire salary was charged to Weatherization Assistance even though the Department had instructed the subcontractor to charge his salary to general County funds. Thus, the employee's salary was inappropriately allocated to the Weatherization Program.

RECOMMENDATION: The Department of Human Services must assure that proper cost allocations among programs are being made.

QUESTIONED COST: The employee's salary of approximately \$15,000 for fiscal year 1989, less the appropriate allocation to the Weatherization Assistance program included in the employee's salary, is a questioned cost. An exact amount cannot be estimated due to incomplete time records for this individual.

MULTNOMAH COUNTY RESPONSE:

Metropolitan Community Action (MCA) had been instructed to charge the entire amount of the salary for the liaison employee between MCA and DHS to the County General Fund.

The County General Fund has absorbed the costs of this employee and the contractor was able to substantiate other allowable costs to replace these questioned costs.

MULTNOMAH COUNTY, OREGON

UPDATE OF THE
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 1988

<u>PROGRAM</u>	<u>FINDING/NONCOMPLIANCE/RECOMMENDATION</u>	<u>QUESTIONED</u> <u>COST</u>
CFDA #13.714 Medical	<p>Finding: Form 458A "Financial Planning for Title XIX Nursing Facilities: which is required to be maintained in the client's file was missing. The incident was explained as the patient being a social security beneficiary and state referred. However, technically the form appears to be still required.</p> <p>Recommendation: Form 458A "Financial Planning for Title XIX Nursing Facilities" should be used in all cases.</p>	\$ 0

Multnomah County response:

Form 458A "Financial Planning for Title XIX Nursing Facilities" is required for all nursing facility clients being funded by Title XIX. Therefore we will comply, and reemphasize its necessity to effected staff.

1989 Update:

No such instances of noncompliance were noted in the 1989 examination.

<u>PROGRAM</u>	<u>FINDING/NONCOMPLIANCE/RECOMMENDATION</u>	<u>QUESTIONED COST</u>
CFDA #13.714 Medical	<p>Finding: Within Title XIX we noted that a patient's file reflected a break in RN monitoring for a period of approximately four and one-half months which is greater than sixty day maximum allowed. County personnel attributed the delay to a very heavy work load during this period of time.</p> <p>Recommendation: The RN department should continue to monitor patient files within the sixty day time frame and if necessary the County should consider hiring additional part-time staff in order to properly staff the operation during heavy workload.</p>	\$ 0

Multnomah County response:

There is a sixty-day RN review requirement for clients receiving in-home services when they are dependent in any activity of daily living. The RN's who perform this function are under contract with Senior Services Division of the State of Oregon. It is however, the case manager's responsibility to assure the initial assessment and that the sixty-day review occurs. ASD will assure there is adequate RN contracted hours to meet this requirement.

1989 Update:

No such instances of noncompliance were noted in the 1989 examination.

<u>PROGRAM</u>	<u>FINDING/NONCOMPLIANCE/RECOMMENDATION</u>	<u>QUESTIONED COST</u>
CFDA#13.635 Special Programs for the Aging--Title III, Part C--Nutrition Services	<p>Finding: The Intergovernmental Agreement requires the Aging Services Division (ASD) nutrition contractor menus to be reviewed and approved by a registered dietitian on a weekly basis and the approved menu filed in the contractor's files. There were several instances where the weekly menus had not been approved. Additionally, no menus were found for the period of July 1 to December 31 for the Japanese Ancestral Society files.</p> <p>Recommendation: We recommend that all documents requiring approval in accordance with the intergovernmental agreement or other binding agreements or regulations be formally approved (signature or initials) and properly filed. Management should assure compliance with such arrangements.</p>	\$ 0

Multnomah County response:

The procedures implemented beginning July 1, 1988 to meet the requirement that a Registered Dietitian approve nutrition contractor menus is as follows:

- a. Each contractor submits its proposed menus to ASD 1 month in advance.
- b. The menus are sent to a Registered Dietitian (a contract employee for ASD), for review and comment.
- c. The Registered Dietitian reviews the menus, dates and signs them on the front page of each batch received, and returns them to ASD with comments or questions, if any.
- d. The signed menus are filed in each nutrition provider's contract file.

A log is maintained by the Program Development Specialist showing the dates:

- Menus are received by ASD;
- Menus are sent to the Registered Dietitian;
- Menus are returned to ASD by the Registered Dietitian.

1989 Update:

No such instances of noncompliance were noted in the 1989 examination.

QUESTIONED
COST

PROGRAM

FINDING/NONCOMPLIANCE/RECOMMENDATION

CFDA #13.667 Social Services Block Grant-Intergovernmental Agreement

Finding: The County is required to limit the number of residents in state psychiatric hospitals to an average daily population of 188 in accordance with the intergovernmental agreement with the State of Oregon. The County has been unable to maintain this requirement.

\$ 0

Recommendation: The County should adhere to the effective limit established by the State. Accordingly, greater efforts should be taken to monitor this requirement and ensure that it is not violated.

Multnomah County response:

We would note that Social Services Division is in the second year of the State contract which established this requirement. Our response is the same as our prior year response: that ADP is beyond County control and is the State's responsibility as substantiated in the Paul Ahr report. The Capitation Project (which we started last year) has in fact reduced hospital stays for those clients in the project, but they have been replaced by more new clients. We do not anticipate an improvement without a variety of significant societal changes and increases in funding. We will negotiate with the State to eliminate this requirement/limitation in the 89/91 Biennial Agreement.

1989 Update:

The County was not able to consistently adhere to this requirement during the fiscal year 1989. See reissued finding in the current year findings section.

<u>PROGRAM</u>	<u>FINDING/NONCOMPLIANCE/RECOMMENDATION</u>	<u>QUESTIONED COST</u>
CFDA #13.667 Social Services Block Grant and CFDA #13.992 Alcohol and Drug and Mental Health Services Block Grant	<p>Finding: The State requires the County to abide by the standards and policies which relate to energy conservation plan issued to comply with the Energy Policy and Conservation Act (PL94-165). All County subcontracts must require similar compliance. In addition, the State requires the County to comply with applicable standards related to the Clean Air Act, certain Executive Orders, and regulations published by the EPA. The County must inform the State of subcontractor infractions. The County must require similar compliance in all County subcontracts.</p> <p>The County indicated that it has been unable to secure the documents from the State that are necessary to follow the requirements. The County has requested the appropriate regulations from the State. Its most recent request was in a letter to the State Mental Health Division on August 12, 1988.</p> <p>The acceptance of a requirement to follow regulations implies that the those regulations should be reasonably available to the County. Also, the acceptance of responsibility to follow certain laws and regulations by the County implies a responsibility to monitor the compliance of its subcontractors.</p> <p>The County has asserted that it has been unable to monitor subcontractors because of its inability to get information about the regulations.</p> <p>Recommendation: The County should continue to seek all documents necessary to understand its compliance requirements. The County should provide those documents to its subcontractors. Additionally, the County should initiate formal procedures to monitor subcontractor compliance.</p>	\$ 0

PROGRAM

FINDING/NONCOMPLIANCE/RECOMMENDATION

QUESTIONED
COST

Multnomah County response:

Social Services Division concurs with the finding. We continue to seek the information from the State Mental Health Division. We did not include these requirements in our 87/88 subcontract agreements because we could not provide the information to subcontractors or monitor their compliance. We did include the requirement in our FY 88/89 subcontract agreements per State request. We will add the items to our contract compliance review checklist once we have received and passed to subcontractors the information cited.

1989 Update:

The County has still not received the information from the State. See reissued finding in the current year findings section.

Price Waterhouse



November 3, 1989

To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

Single Audit Opinion on Compliance with Requirements
Applicable to Nonmajor Federal Financial Assistance
Program Transactions.

In connection with our audit of the 1989 general purpose financial statements of Multnomah County, Oregon, and with our study and evaluation of Multnomah County, Oregon, internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments", we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1989.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Multnomah County, Oregon, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed nonmaterial instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Multnomah County, Oregon, had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners and the management of Multnomah County, Oregon, and their federal cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Price Waterhouse



November 3, 1989

To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

Report on Internal Control Structure in Accordance with
Government Auditing Standards.

We have audited the general purpose financial statements of Multnomah County, Oregon for the year ended June 30, 1989, and have issued our report thereon dated November 3, 1989.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of Multnomah County, Oregon, for the year ended June 30, 1989, we considered its internal control structure 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 structure.

The management of Multnomah County, Oregon, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with



generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified significant internal control structure policies and procedures in the following categories:

Accounting Controls:

- Revenues
- Accounts payable and cash disbursements
- Payroll
- General ledger

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

November 3, 1989
Multnomah County, Oregon
Page 3



However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Multnomah County, Oregon, in a separate communication dated November 3, 1989.

This report is intended for the information of the Board of Commissioners and the management of Multnomah County, Oregon, and their federal cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Erice Waterhouse

Price Waterhouse



November 3, 1989

To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

Report on Internal Controls (Accounting and Administrative) Based on the Study and Evaluation Made as Part of the Audit of the General Purpose Financial Statements and the Additional Tests Required by the Single Audit Act.

We have audited the general purpose financial statements of Multnomah County, Oregon, for the year ended June 30, 1989, and have issued our report thereon dated November 3, 1989. As a part of our audit, we made a study and evaluation of internal accounting control systems, including applicable internal administrative controls, used in administering federal financial assistance programs to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, the Single Audit Act of 1984, and the provisions of OMB Circular A-128, "Audits of State and Local Governments". For the purpose of this report, we have classified the significant internal accounting and administrative controls used in administering federal financial assistance programs in the following categories:

Accounting Controls:

- Revenues
- Accounts payable and cash disbursements
- Payroll
- General ledger



Controls Used in Administering Federal Programs:

General Requirements

- Political activity
- Davis-Bacon Act
- Civil Rights
- Cash management
- Relocation assistance and real property management
- Federal financial reports

Specific Requirements

- Types of services
- Eligibility
- Matching level of effort
- Reporting
- Cost allocation
- Special requirements, if any
- Monitoring subrecipients

The management of Multnomah County, Oregon, is responsible for establishing and maintaining internal control systems used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems used in administering federal financial assistance programs are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations and policies; resources are safeguarded against waste, loss and misuse; and reliable data are obtained, maintained and fairly disclosed in reports.

November 3, 1989
Multnomah County, Oregon
Page 3



Because of inherent limitations in any system of internal accounting control and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study included all of the applicable control categories listed above. During the year ended June 30, 1989, Multnomah County, Oregon, expended a substantial portion of its total federal financial assistance under major federal financial assistance programs. With respect to internal control systems used in administering major federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal control systems used solely in administering the nonmajor federal financial assistance programs of Multnomah County, Oregon, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering the nonmajor federal financial assistance programs of Multnomah County, Oregon did not extend beyond this preliminary review phase.

November 3, 1989
Multnomah County, Oregon
Page 4



Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance programs of Multnomah County, Oregon. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance programs of Multnomah County, Oregon. Further, we do not express an opinion on the internal control systems used in administering the major federal financial assistance programs of Multnomah County, Oregon.

Also, our audit, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the internal control systems used solely in administering nonmajor federal financial assistance programs.

Our consideration of the internal control systems would not necessarily disclose all matters in the internal control systems that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control systems elements does not reduce to a relatively low level the risk that errors or irregularities, in amounts that would be material in relation to the general purpose financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control systems and their operation that we consider to be material weaknesses as defined above.

November 3, 1989
Multnomah County, Oregon
Page 5



However, we noted certain matters involving the internal control systems and its operation that we have reported to the management of Multnomah County, Oregon, in a separate communication dated November 3, 1989.

This report is intended for the information of the Board of Commissioners and the management of Multnomah County, Oregon, and their federal cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

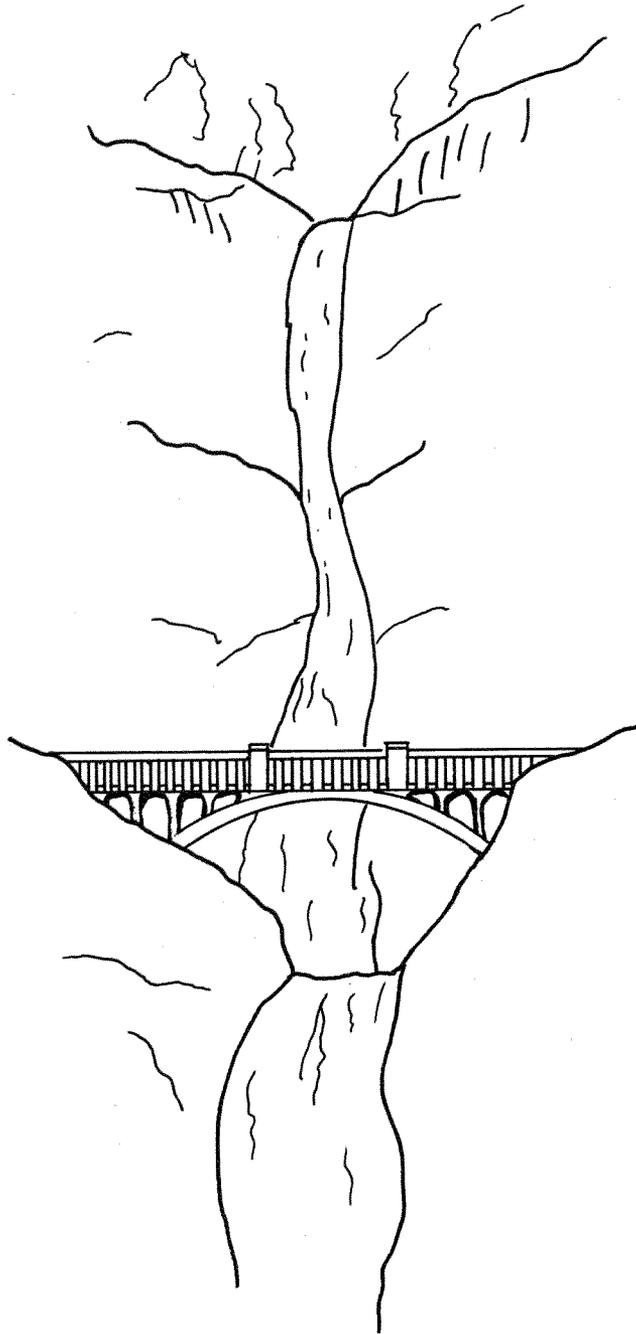
Pine Waterhouse



RECYCLED PAPERS



MULTNOMAH COUNTY OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 1989



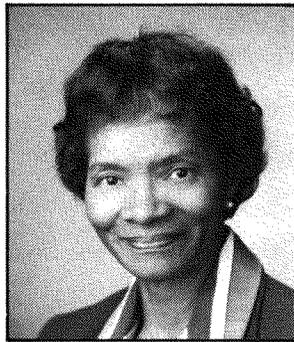
Cover: Majestic Multnomah Falls is located in East Multnomah County on the scenic Columbia River Highway. It remains a National tourist attraction. (Cover Illustration by: Jean Karecki)

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1989

Prepared by:

**Finance Division, Department of General Services
Linda D. Alexander, Director of General Services
David A. Boyer, Finance Director
1120 SW Fifth Avenue, Suite 1430
Portland, Oregon 97204-1976**

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



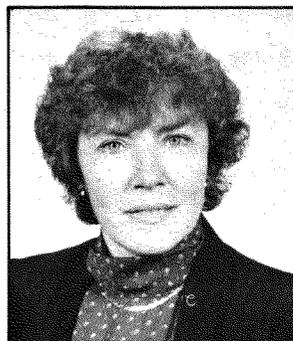
GLADYS McCOY
Chair



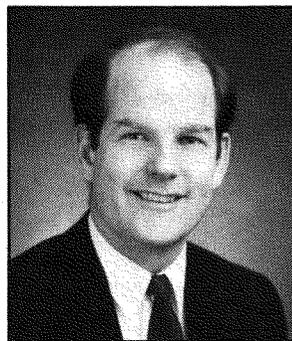
PAULINE ANDERSON
Commissioner



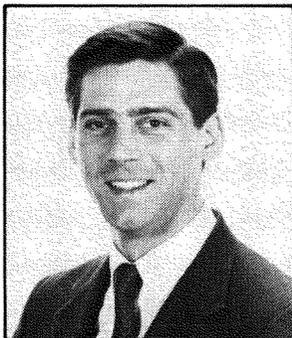
SHARON KELLEY
Commissioner



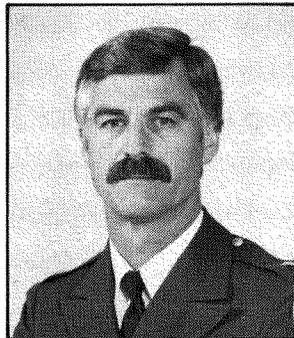
GRETCHEN KAFOURY
Commissioner



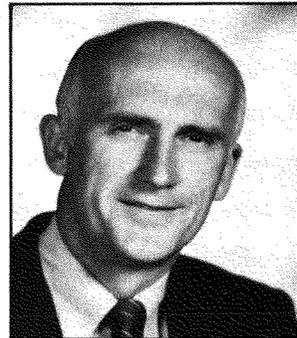
RICK BAUMAN
Commissioner



DANIEL A. IVANCIE
Auditor



ROBERT SKIPPER
Sheriff



MICHAEL SCHRUNK
District Attorney

INTRODUCTORY SECTION

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1989

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Organization Chart.....	1
List of Principal Officers.....	2
Letter of Transmittal.....	3 - 12
Certificate of Achievement for Excellence in Financial Reporting....	13

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT.....	14
GENERAL PURPOSE FINANCIAL STATEMENTS ("Liftable" Combined Financial Statements):	
Combined Balance Sheet - All Fund Types and Account Groups.....	15 - 16
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.....	17
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types..	18 - 19
Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) - All Proprietary Fund Types.....	20
Combined Statement of Changes in Financial Position - All Proprietary Fund Types.....	21
Notes to the Combined Financial Statements.....	22 - 39

MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)

	Page
FINANCIAL SECTION (Continued)	
ADDITIONAL INFORMATION (Combining and Individual Fund and Account Group Statements and Schedules):	
General Fund and Short-Term Debt Retirement Fund:	
Combining Balance Sheet.....	40
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	41
Schedules of Revenues and Expenditures - Budget and Actual:	
General Fund.....	42 - 43
Short-term Debt Retirement Fund.....	44
Special Revenue Funds:	
Combining Balance Sheet.....	45 - 46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	47 - 48
Schedules of Revenues and Expenditures - Budget and Actual:	
Road Fund.....	49
Emergency Communications Fund.....	50
Recreational Facilities Fund.....	51
Bicycle Path Construction Fund.....	52
Federal and State Program Fund.....	53
County School Fund.....	54
Corner Preservation Fund.....	55
Tax Title Land Sales Fund.....	56
Animal Control Fund.....	57
Willamette River Bridges Fund.....	58
Serial Levy Fund.....	59
Library Serial Levy Fund.....	60

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

FINANCIAL SECTION (Continued)	<u>Page</u>
Cable Television Fund.....	61
County Fair Fund.....	62
Inmate Welfare Fund.....	63
Convention Center Fund.....	64
Assessment District Operating Fund.....	65
 Debt Service Funds:	
Combining Balance Sheet.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	67
 Schedule of Revenues and Expenditures – Budget and Actual:	
Assessment District Bond Sinking Fund.....	68
Capital Lease Retirement Fund.....	69
 Capital Projects Funds:	
Combining Balance Sheet.....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	71
 Schedules of Revenues and Expenditures – Budget and Actual:	
Inverness Jail Construction Fund.....	72
Lease/Purchase Project Fund.....	73
 Enterprise Funds:	
Combining Balance Sheet.....	74
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit).....	75
Combining Statement of Changes in Contributed Capital.....	76

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

	Page
FINANCIAL SECTION (Continued)	
Combining Statement of Changes in Financial Position.....	77
Schedules of Revenues and Expenditures – Budget and Actual:	
Data Processing Fund.....	78
Dunthorpe–Riverdale Service District No. 1 General Fund.....	79
Dunthorpe–Riverdale Service District No. 1 Sinking Fund.....	80
West Hills Service District No. 2 Fund.....	81
Central County Service District No. 3 Fund.....	82
Mid–County Service District No. 14 Fund.....	83
Internal Service Funds:	
Combining Balance Sheet.....	84
Combining Statement of Revenues, Expenses and Changes in Retained Earnings.....	85
Combining Statement of Changes in Contributed Capital.....	86
Combining Statement of Changes in Financial Position.....	87
Schedules of Revenues and Expenditures – Budget and Actual:	
Insurance Fund.....	88
Fleet Management Fund.....	89
Telephone Fund.....	90
Fiduciary (Agency) Funds:	
Combining Balance Sheet.....	91
Combining Statement of Changes in Assets and Liabilities.....	92
General Fixed Assets Account Group:	
Schedule of General Fixed Assets.....	93
Schedule of General Fixed Assets – By Function and Activity.....	94
Schedule of Changes in General Fixed Assets – By Function and Activity.....	95

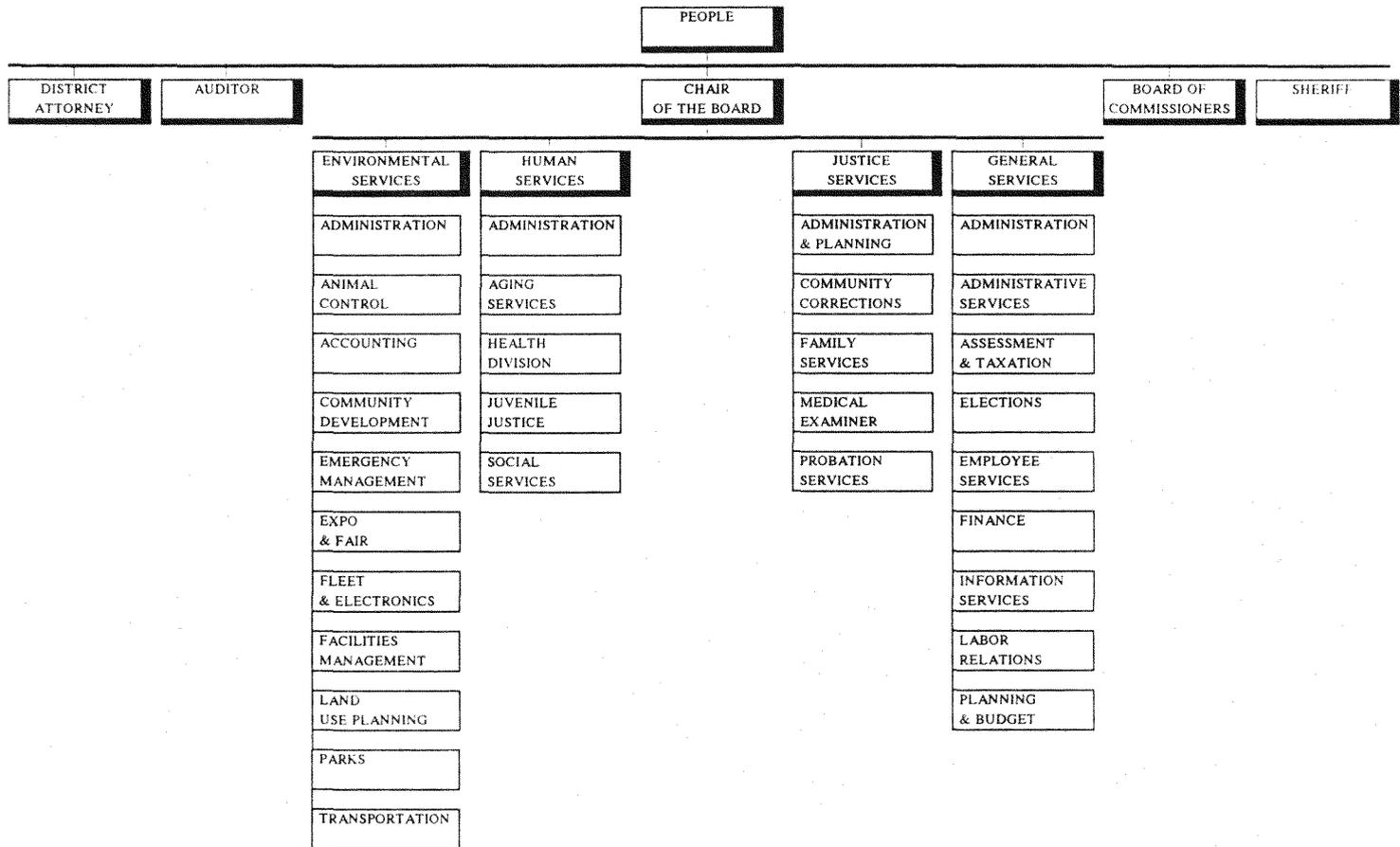
MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
FINANCIAL SECTION (Continued)	
OTHER SCHEDULES	
Schedule of Federal Financial Assistance.....	96 - 100
Schedule of Property Tax Collections and Outstanding Balances....	101
Schedule of Bonds, and Bond Interest Coupon Transactions.....	102
Schedule of Bonds Outstanding.....	103
Schedule of Certificates of Participation Outstanding.....	104
Schedule of Revenues and Expenditures - Multnomah County Fair.....	105
Schedule of Receipts and Deposits - Elected Officials.....	106
STATISTICAL SECTION	
General Governmental Expenditures by Function - Last Ten Fiscal Years.....	107
General Governmental Revenues by Source - Last Ten Fiscal Years.....	108
General Governmental Tax Revenues by Source - Last Ten Fiscal Years.	108
Property Tax Levies and Collections - Last Ten Fiscal Years.....	109
Assessed Value of Taxable Property - Last Ten Fiscal Years.....	110
Consolidated Tax Rates - Last Ten Fiscal Years.....	111
Consolidated Tax Levies - Last Ten Fiscal Years.....	111
Principal Taxpayers.....	112
Special Assessment Billings and Collections - Last Ten Fiscal Years.....	113
Computation of Direct and Overlapping Debt.....	114

MULTNOMAH COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
STATISTICAL SECTION (Continued)	
Computation of Legal Debt Margin.....	115
Construction and Bank Deposits - Last Ten Fiscal Years.....	116
Insurance in Force.....	117
Population, Per Capita Income and Unemployment - Last Ten Fiscal Years.....	118
Major Employers in Metropolitan Area.....	119
Miscellaneous Statistical Data.....	120
AUDIT COMMENTS AND DISCLOSURES	
AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS.....	121 - 124

MULTNOMAH COUNTY, OREGON



**MULTNOMAH COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 1989**

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
<u>Board of County Commissioners</u>		
Chair of Board	Gladys McCoy 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/90
District No. 1	Pauline S. Anderson 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/92
District No. 2	Gretchen Kafoury 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/92
District No. 3	Richard H. Bauman 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/92
District No. 4	Sharron E. Kelley 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/90
<u>Other Elected Officers</u>		
County Auditor	Daniel A. Ivancie 1120 SW Fifth Avenue, Suite 1500 Portland, OR 97204-1976	12/31/90
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/90
County Sheriff	Robert G. Skipper 12240 NE Glisan Street Portland, OR 97230	12/31/90
<u>Other Appointed Officers</u>		
Director, Department of General Services	Linda D. Alexander	Not elected
Finance Director	David A. Boyer, CCM	Not elected
Accounting Supervisor	Jean M. Uzelac	Not elected
County Counsel	Laurence Kressel	Not elected



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS GLADYS McCOY PAULINE ANDERSON GRETCHEN KAFOURY RICK BAUMAN SHARRON KELLEY	DEPARTMENT OF GENERAL SERVICES PORTLAND BUILDING 1120 SW FIFTH, 14TH FLOOR PORTLAND, OR 97204-1934	OFFICE OF THE DIRECTOR EMPLOYEE SERVICES FINANCE LABOR RELATIONS PLANNING & BUDGET	(503) 248-3303 (503) 248-5015 (503) 248-3312 (503) 248-5135 (503) 248-3883
	AT OTHER LOCATIONS:	ADMINISTRATIVE SERVICES ASSESSMENT & TAXATION ELECTIONS INFORMATION SERVICES	(503) 248-5111 (503) 248-3345 (503) 248-3720 (503) 248-3749

To: Honorable County Chair, Board of County Commissioners and citizens of Multnomah County, Oregon

Date: November 30, 1989

We are pleased to submit the Comprehensive Annual Financial Report of Multnomah County, Oregon, for the fiscal year ended June 30, 1989, together with the unqualified opinion thereon of our independent certified public accountants, Price Waterhouse.

This report, required by State law, ORS 297.425, is prepared by the Finance Division, Department of General Services, and is organized into six parts: (1) Introductory Section, including this letter of transmittal; (2) General Purpose Financial Statements, and the related notes; (3) Additional Information, containing the combining and individual fund and account group statements, and schedules; (4) Other Schedules; (5) Statistical Section, containing historical financial and statistical information; and (6) Audit Comments and Disclosures, including comments required by Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

The County is also required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act of 1984, OMB Circular A-128 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations has been issued under separate cover.

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

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

ECONOMY

Multnomah County is located in northwestern Oregon at the confluence of the Columbia and Willamette rivers, approximately 110 river miles from the Pacific Ocean. The cities of Portland and Gresham 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. This diversification makes the metropolitan area far less dependent on the forest and food product industries than the rest of the state.

Multnomah County's economic picture continued to improve during fiscal year 1988-89. Employment rose and unemployment declined. Most of the increase in wage and salary employment was in the non-manufacturing sector. The Portland area wage and salary employment rose from 586 in 1988 to 609 in 1989. The number of jobless workers in the County's labor market dropped and the area's unemployment rate fell to 4.8% at December 31, 1988, the lowest since the late 1960's.

Based on current projections, the Portland area's expansion will slow in 1990 along with the national economy.

ORGANIZATIONAL STRUCTURE AND SERVICES PROVIDED

Multnomah County, Oregon, was incorporated in 1854 and is governed according to its Home Rule Charter, which became effective in January 1967 and 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 one informal meeting per week for the purpose of reviewing the formal agenda and hearing information briefings from staff, departments and outside agencies. Some meetings are held outside County offices for greater citizen input on agenda items.

The County organization and the basic services provided are:

- **Department of Human Services** - responsible for promoting the health and social well-being of the community through mental and physical health programs and clinics, disease analysis, disease surveillance, juvenile justice services and social services to the handicapped, aged and indigent.
- **Department of Justice Services** - responsible for policing and certain judicial processes within the County by providing services for public safety, State Medical Examiner, District Attorney, county jails and corrections. This department also includes the Sheriff's Office.
- **Department of Environmental Services** - responsible for land use and transportation planning, road and bridge maintenance, parks and recreational operations, animal control, management of the Multnomah County Exposition Center and keeping the County's physical property and vehicles in good working order.

- **Department of General Services** - responsible for treasury functions, the internal management of finance, strategic planning and budget, employee services, labor negotiations, data processing, risk management, purchasing, coordinating multi-governmental activities, elections, County Clerk functions, and assessment and taxation.
- **Nondepartmental** - functions which are outside the scope of the aforementioned departments are categorized as nondepartmental. They include the Office of the County Chair, the Board of County Commissioners, the County Auditor and a forum for citizens' input. Financial support to outside organizations such as the Metropolitan Arts Commission, Library, and similar non-County organizations, is also categorized as nondepartmental activity.

DEPARTMENTAL ACTIVITY

Community Action Programs provide emergency services like housing, clothing, and food for individuals and families in need. This past year, the County made a significant change in how those services are delivered. Citizens of Multnomah County were being served by two separate Community Action Programs (CAP). In 1988-89, Multnomah County became the sole designated CAP within the County, contracting with a non-profit agency for emergency services.

Several improvements in information systems took place in 1988-89. Human Services implemented a Health Management Information System to track client appointments and billings. The Sheriff's Office Time and Attendance Reporting System (SOTARS) was implemented to track labor costs and schedule and dispatch by shift and location. This information is also used to automatically update the County's payroll system.

Columbia Villa, a housing project, suffered an increase in gang activity over the last few years. Multnomah County spearheaded efforts to develop a multi-disciplined service delivery team from the County, City, State and agencies like United Way. The project has been very successful in decreasing gang activity in Columbia Villa.

The Department of Environmental Services completed a five year study identifying current and future facility space needs for the County. As a result of this study, the County has negotiated several property purchases for health clinics and Sheriff's Office facilities.

FUTURE PROJECTS

Multnomah County began a strategic planning process in June 1989. The process has involved citizens, elected officials, and department managers in the development of a vision for the future of Multnomah County. The County's Strategic Plan should be finalized by December, 1989 and will be implemented through future budgets.

The Board of Commissioners has affirmed its commitment to programs for youths. Three additional teen health clinics which provide health and mental health services will be opened in FY 89-90 and full funding was continued for the existing four teen clinics.

The County is continuing its efforts to create an Integrated Criminal Justice Information System to provide better information for policy and decision making. The County is also in the process of replacing the computer system for Assessment and Taxation.

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, 1989, and the results of operations of such funds and the changes in financial position of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles (GAAP).

The County budgets a total of thirty-two funds of which twenty-three are governmental fund types and nine are proprietary fund types. The County also maintains six fiduciary (agency) funds. The following bases of accounting are used for the respective funds:

<u>Applied Fund</u>	<u>Accounting Basis</u>
<ul style="list-style-type: none"> • Governmental Fund Types: <ul style="list-style-type: none"> General Fund Special Revenue Funds Debt Service Funds Capital Projects Funds • Fiduciary (Agency) Fund Types • Proprietary Fund Types: <ul style="list-style-type: none"> Enterprise Funds Internal Service Funds 	<ul style="list-style-type: none"> Modified Accrual Basis Modified Accrual Basis Accrual Basis

At the beginning of the fiscal year, the following changes were made:

- The Inmate Welfare Fund, a special revenue fund, was established. This fund accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- The Capital Lease Retirement Fund, a debt service fund, was established. This fund accounts for lease-purchase principal and interest payments for buildings and major pieces of equipment acquired through the issuance of Certificates of Participation or other lease purchase arrangements. Resources consist of service reimbursements and cash transfers from other County funds.
- The Inverness Jail Construction Fund, a capital projects fund, was established. This fund accounts for the construction of the Inverness Jail facility.
- The Capital Reserve Fund, a capital projects fund, was renamed the Lease/Purchase Project Fund, a capital projects fund. This fund accounts for expenditures for equipment, property acquisitions, remodeling and construction of County facilities. Resources are derived from Certificates of Participation proceeds and General Fund service reimbursements.

- The Telephone Fund was reclassified from a special revenue fund to an internal service fund. This reclassification was made to reflect the County's change to recording all expenses, including personal services, in one fund and setting telephone rates, billed to internal County users, at a level to support the telephone operations. Previously, personal services related to telephone activity were recorded in the General Fund.

REPORTING ENTITY

This report includes all of the 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 County Service Districts. 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 and are reported as enterprise activities. The four districts included are:

- Dunthorpe-Riverdale Service District No. 1
- West Hills Service District No. 2
- Central County Service District No. 3
- Mid-County Service District No. 14

INTERNAL ACCOUNTING CONTROLS AND BUDGETARY PROCESS

Multnomah County maintains, and management relies upon, a system of internal controls designed to provide reasonable assurance that assets are safeguarded, that accounting transactions are executed and properly recorded so that financial statements can be prepared in accordance with GAAP and the County's budgetary requirements. The internal controls also ensure 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 credible 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 agency funds. The County budget is adopted by the Board of County Commissioners by expenditure categories, i.e., personal services, materials and services, capital outlay, cash transfers and contingency by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. The original and supplemental budgets require budget hearings before the public, publications in newspapers and final adoption by the Board of County Commissioners. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between the legal categories. The appropriation transfers must be approved by the Board of County Commissioners in public meetings.

FINANCIAL SUMMARY OF GENERAL GOVERNMENT FUNCTIONS

The following financial data is summarized from the more detailed information included in this financial report.

Revenues accounted for in the Governmental Fund Types totaled \$214,198 for fiscal year 1989, an increase of \$33,604 over fiscal year 1988. The amount, percentage of total revenue by source and changes from 1988 are:

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Changes from Fiscal Year 1988</u>
Taxes	\$108,880	50.8%	\$ 9,293
Intergovernmental	76,023	35.5	14,934
Licenses and permits	6,363	3.0	4,573
Charges for services	7,405	3.5	937
Interest	4,686	2.2	1,204
Special assessments	351	.2	(119)
Other	10,490	4.8	2,782
Total	<u>\$214,198</u>	<u>100.0%</u>	<u>\$ 33,604</u>

Overall revenues increased 18.6% from the previous year. The major increases are:

- The increase of taxes consists of \$4,678 in additional property taxes and \$4,000 in Business Income Taxes.
- The increase of intergovernmental revenue is due to an increase in Federal and State funded programs.
- The increase of licenses and permits is due to a one-time lump sum payment of cable TV fees from Rogers Cable.

Expenditures accounted for in the Governmental Fund Types totaled \$223,948 an increase of \$37,363 over fiscal year 1988. The expenditures, percentage by function and changes from the previous year are:

<u>Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Changes from Fiscal Year 1988</u>
General government	\$ 27,535	12.3%	\$ 3,966
Health and social services	74,212	33.1	14,651
Public safety and justice	49,314	22.1	7,814
Community services	25,128	11.2	(1,831)
Roads and bridges	21,101	9.4	2,939
Capital outlay	14,799	6.6	8,044
Debt service	11,859	5.3	1,780
Total	<u>\$223,948</u>	<u>100.0%</u>	<u>\$37,363</u>

Expenditures increased 20.0% from the previous year. Some of the larger increases/decreases are:

- General Government increased primarily due to the purchase and programming of several software programs.
- Major components of the increase in Health and Social Services were mental health programs \$4,996; health clinics \$698; aging programs \$1,260; and community action programs \$3,595.
- Public Safety and Justice increased primarily due to the opening of the Inverness Jail.
- Community Services decreased primarily due to less support provided to non-County agencies.
- Roads and Bridges increased due to a planned increase in road and bridge maintenance.
- Capital outlay increased due to the Inverness Jail construction and purchase of the J.K. Gill building which houses a substantial portion of the Human Services Division.

PROPRIETARY FUND TYPES

Operating revenues accounted for in the Proprietary Funds for the fiscal year ended June 30, 1989 were \$18,495, an increase of \$3,221 over fiscal year 1988. This represents an increase of 21.1%. Operating expenses totaled \$19,255 for fiscal year ended June 30, 1989, an increase of \$2,733 or 16.5% from fiscal year 1988. The net loss for the year ended June 30, 1989 was \$(91) compared to a net loss of \$(417) in fiscal year 1988.

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

RISK MANAGEMENT

The County is partially self-insured for employee medical, dental and vision benefits, 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 a semi-annual basis. A Risk Management Advisory Committee directs and evaluates the progress of the risk management program.

GENERAL FIXED ASSETS

The general fixed assets of the County are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Enterprise and Internal Service Funds. As of June 30, 1989, the general fixed assets of the County amounted to \$136,146. This amount represents the original or estimated cost of the assets and is considerably less than the estimated replacement value.

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 \$574,339 for fiscal year 1989. The major levying entities are categorized as follows:

	<u>Amount</u>	<u>Percent of Levy</u>
Education Districts	\$337,013	58.7%
Cities	117,471	20.4
Multnomah County	80,476	14.0
Urban Renewal Districts	16,521	2.9
Water & Special Purpose Districts	16,073	2.8
Fire Districts	6,785	1.2
TOTAL	<u>\$574,339</u>	<u>100.0%</u>

CASH AND INVESTMENT MANAGEMENT

To obtain maximum return on investments, Multnomah County pools most funds for investment purposes and uses an automated cash flow management and investment system.

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 and advise the County on its investment plan and investment performance.

The average daily balance of investments for fiscal year 1989 was \$69,287 and the average yield on these investments was 8.69%. Investment interest earnings in all funds, including trust funds, for fiscal year 1989 was \$6,100 as compared to \$4,557 in fiscal year 1988.

The investments are displayed in a note to the financial statements disclosing the carrying amounts and market values both by investment type and in total. The note also discloses the "level of credit risk" associated with the investment types.

DEBT ADMINISTRATION

At June 30, 1989, Multnomah County had no General Obligation Bonds outstanding. Under Oregon Revised Statute the County's general obligation bonded debt issuances are subject to a legal limitation of 2% of total true cash value of taxable property. The County does not have any Revenue Bonds outstanding.

The total unmatured General Obligation Special Assessment bonded indebtedness as of June 30, 1989, was \$1,465. The Special Assessment Bancroft bonds are secured by liens on the benefited properties, then by the County's taxing authority and are retired by assessment payments received from the benefited property owners. Multnomah County has maintained its AAI rating from Moody's Investors Services.

General Long-term Obligation Special Assessment (Bancroft) Improvement Bonds

<u>Date of Issue</u>	<u>Year of Maturity</u>	<u>Original Issue</u>	<u>Balance June 30, 1989</u>	<u>Interest Rates</u>
11/01/80	1991	\$1,961	\$ 535	7.00% to 7.60%
10/01/82	1993	1,397	745	7.00% to 11.00%
11/01/84	1995	269	185	8.80% to 14.00%
		<u>\$3,627</u>	<u>\$1,465</u>	

The enterprise debt consists of general obligation bonds of Dunthorpe-Riverdale Service District No. 1. The issue is as follows:

Enterprise General Obligation Bonds

<u>Date of Issue</u>	<u>Year of Maturity</u>	<u>Original Issue</u>	<u>Balance June 30, 1989</u>	<u>Interest Rates</u>
01/01/66	1991	\$700	\$56	4.75% to 8.25%

Tax Anticipation Notes

On July 1, 1988, the County issued \$9,000 in Tax Anticipation Notes (TANS). The notes had a stated interest rate of 5.75% with a net effective interest cost of 5.64%. The notes matured on June 30, 1989. The \$10 General Fund notes payable at June 30, 1989 represents a TAN from the 1984 series issue that has not been presented for payment. The County has maintained its MIG 1 rating from Moody's Investor Service.

CERTIFICATES OF PARTICIPATION (CAPITALIZED LEASES)

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 payment.

At June 30, 1989 Multnomah County had a number of Certificates of Participation outstanding. These issues are summarized below. The County has maintained its A1 rating from Moody's Investors Service on Certificates of Participation issues.

On September 1, 1987, the County issued \$1,070 in Certificates of Participation to refinance data processing equipment and to purchase various other equipment for County organizations. As of June 30, 1989, \$819 is outstanding on this issue. These certificates mature each September 1, through September 1991. The interest rates on this issue range from 4.25% to 5.25%.

On June 1, 1988, the County issued \$5,470 in Certificates of Participation to construct the Inverness Jail Facility. As of June 30, 1989, \$4,485 is outstanding on this issue. These certificates mature each June 1, through June 1, 1993. The interest rates on this issue range from 5.00% to 5.90%.

On July 1, 1988, Multnomah County issued additional Certificates of Participation in the amount of \$4,225 to finance the purchase and remodeling of the J.K. Gill Building. These certificates mature each July 15 through July 2008. The interest rates or yields on this issue range from 5.25% to 7.60%.

INDEPENDENT AUDIT

Oregon State law requires an annual audit of the financial records and transactions of all County functions by independent certified public accountants. This requirement has been complied with and the combined financial statements have been audited and have received an "unqualified opinion" from Price Waterhouse, our independent accountants. See page 14 in the Financial Section for the full text of our auditors' opinion.

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, 1988. This was the fifth consecutive year that Multnomah County has received this prestigious award.

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. 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.

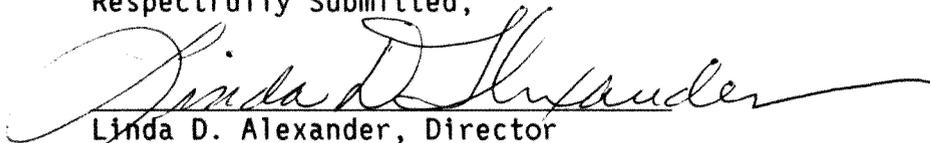
SUMMARY

Multnomah County's ending financial position strengthened from the previous year. As of June 30, 1989, the fund balances in the Governmental Fund Types was \$35,818, an increase of 11.8% from the June 30, 1988 balance of \$32,045, \$1,899 of the fund balances at June 30, 1989 is reserved for debt retirement.

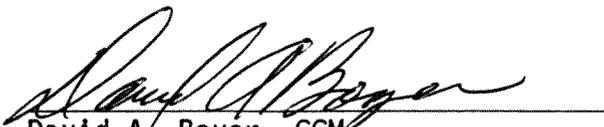
ACKNOWLEDGMENTS

As a final note, we wish to acknowledge the excellent work by the employees in the Finance Division, Department of General Services who prepared this report. Appreciation is also extended to the Chair of the Board, Board of County Commissioners and other County personnel.

Respectfully Submitted,



Linda D. Alexander, Director
Department of General Services



David A. Boyer, CCM
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Multnomah County,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1988

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 (CAFR's) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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FINANCIAL SECTION

Price Waterhouse



November 3, 1989

Board of County Commissioners
Multnomah County, Oregon
Portland, Oregon

Independent Auditors' Report

In our opinion, the accompanying general purpose financial statements of Multnomah County, Oregon as of and for the year ended June 30, 1989 as listed in the accompanying table of contents present fairly, in all material respects, the financial position of Multnomah County, Oregon, at June 30, 1989 and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. These general purpose financial statements are the responsibility of Multnomah County, Oregon, management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations. 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed as Additional Information and Other Schedules 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 other data included in this report, designated as "Statistical Section" in the table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

PRICE WATERHOUSE

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, 1989
 (amounts expressed in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Cash and investments	\$ 6,198	\$ 23,369	\$ 1,898	\$ 58
Receivables:				
Taxes	8,594	1,336		
Accounts	1,543	7,199		
Loans		3,269		
Interest	95	7		
Special assessments		181	476	
Contracts	349	949		
Due from other funds	2,954			
Inventories	730	308		
Prepaid insurance				
Foreclosed properties		509		
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>\$ 20,463</u>	<u>\$ 37,127</u>	<u>\$ 2,374</u>	<u>\$ 58</u>
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Payrolls payable	\$	\$	\$	\$
Accounts payable	1,687	3,923	7	173
Tax anticipation notes	10			
Due to other funds		2,897		53
Interest payable	1			
General obligation bonds				
Special assessment bonds with government commitment				
Assistance receipts unapplied		1,141		
Compensated absences	636	370		
Deferred revenue	7,752	5,086	468	
Amounts held in trust				
Capitalized leases				
Deferred compensation				
Total liabilities	<u>10,086</u>	<u>13,417</u>	<u>475</u>	<u>226</u>
Equity and other credits:				
Investment in general fixed assets				
Contributed capital				
Retained earnings (deficit):				
Reserved for debt service				
Unreserved, undesignated				
Fund balances (deficit):				
Reserved for capital projects				(168)
Reserved for debt service			1,899	
Reserved for Capitation Program		330		
Unreserved, undesignated	10,377	23,380		
Total equity and other credits	<u>10,377</u>	<u>23,710</u>	<u>1,899</u>	<u>(168)</u>
Total liabilities, equity and other credits	<u>\$ 20,463</u>	<u>\$ 37,127</u>	<u>\$ 2,374</u>	<u>\$ 58</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	
\$ 1,694	\$ 7,508	\$ 29,882	\$	\$	\$ 70,607
4		63,089			73,023
164	47	12			8,965
					3,269
					102
130					787
12					1,310
	325				2,954
	27				1,363
					27
					509
2,526	3,564		136,146		142,236
				1,899	1,899
				15,140	15,140
<u>\$ 4,530</u>	<u>\$ 11,471</u>	<u>\$ 92,983</u>	<u>\$ 136,146</u>	<u>\$ 17,039</u>	<u>\$ 322,191</u>
\$ 185	\$ 2,703	\$ 3,447	\$	\$	\$ 3,447
		4,879			13,557
		4			10
1					2,954
56					2
				1,465	56
					1,465
					1,141
139	53			3,015	4,213
		71,031			13,306
366				12,559	71,031
		13,622			12,925
<u>747</u>	<u>2,756</u>	<u>92,983</u>		<u>17,039</u>	<u>137,729</u>
			136,146		136,146
4,454	4,630				9,084
(41)					(41)
(630)	4,085				3,455
					(168)
					1,899
					330
					33,757
<u>3,783</u>	<u>8,715</u>		<u>136,146</u>		<u>184,462</u>
<u>\$ 4,530</u>	<u>\$ 11,471</u>	<u>\$ 92,983</u>	<u>\$ 136,146</u>	<u>\$ 17,039</u>	<u>\$ 322,191</u>

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MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum only)</u>
REVENUES:					
Taxes	\$ 86,005	\$ 22,875	\$	\$	\$ 108,880
Intergovernmental	7,418	68,404			75,822
Licenses and permits	808	5,555			6,363
Charges for services	5,225	2,180			7,405
Interest	2,403	1,958	325		4,686
Special assessments		31	320		351
Other	7,002	1,902	237	271	9,412
Total revenues	<u>108,861</u>	<u>102,905</u>	<u>882</u>	<u>271</u>	<u>212,919</u>
EXPENDITURES:					
Current:					
General government	26,248	625	4	131	27,008
Health and social services	8,781	65,230			74,011
Public safety and justice	41,382	6,583		271	48,236
Community services	15,981	9,126			25,107
Roads and bridges		21,044			21,044
Capital outlay	2,878	3,692		8,229	14,799
Debt service:					
Principal			1,769		1,769
Interest	516		574		1,090
Total expenditures	<u>95,786</u>	<u>106,300</u>	<u>2,347</u>	<u>8,631</u>	<u>213,064</u>
Excess of revenues over (under) expenditures	<u>13,075</u>	<u>(3,395)</u>	<u>(1,465)</u>	<u>(8,360)</u>	<u>(145)</u>
OTHER FINANCING SOURCES (USES):					
Certificates of participation proceeds			408	3,817	4,225
Operating transfers in	12,379	23,548	1,236		37,163
Operating transfers out	<u>(21,244)</u>	<u>(16,031)</u>			<u>(37,275)</u>
Total other financing sources (uses)	<u>(8,865)</u>	<u>7,517</u>	<u>1,644</u>	<u>3,817</u>	<u>4,113</u>
Excess of revenues and other sources over (under) expenditures and other uses	4,210	4,122	179	(4,543)	3,968
FUND BALANCES, JUNE 30, 1988	6,459	19,491	1,408	4,687	32,045
EQUITY TRANSFERS IN (OUT)	<u>(292)</u>	<u>97</u>	<u>312</u>	<u>(312)</u>	<u>(195)</u>
FUND BALANCES (DEFICIT), JUNE 30, 1989	<u>\$ 10,377</u>	<u>\$ 23,710</u>	<u>\$ 1,899</u>	<u>\$ (168)</u>	<u>\$ 35,818</u>

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

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, 1989
(amounts expressed in thousands)

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
REVENUES:						
Taxes	\$ 82,036	\$ 86,005	\$ 3,969	\$ 22,993	\$ 22,875	\$ (118)
Intergovernmental	6,458	7,418	960	75,101	68,605	(6,496)
Licenses and permits	795	808	13	1,109	5,555	4,446
Charges for services	5,029	5,225	196	1,803	2,180	377
Interest	1,888	2,403	515	1,032	1,958	926
Special assessments				30	31	1
Other	7,844	7,002	(842)	1,822	1,902	80
Total revenues	<u>104,050</u>	<u>108,861</u>	<u>4,811</u>	<u>103,890</u>	<u>103,106</u>	<u>(784)</u>
EXPENDITURES:						
Current:						
General government	28,733	26,775	1,958	805	625	180
Health and social services	8,929	8,781	148	68,231	65,431	2,800
Public safety and justice	42,678	41,382	1,296	9,175	7,661	1,514
Community services	15,115	15,981	(866)	11,543	9,147	2,396
Roads and bridges				25,328	21,101	4,227
Capital outlay	4,298	2,878	1,420	12,933	3,692	9,241
Debt service:						
Principal	9,000	9,000				
Interest	495	516	(21)			
Contingency	969		969	3,597		3,597
Total expenditures	<u>110,217</u>	<u>105,313</u>	<u>4,904</u>	<u>131,612</u>	<u>107,657</u>	<u>23,955</u>
Excess of revenues over (under) expenditures	<u>(6,167)</u>	<u>3,548</u>	<u>9,715</u>	<u>(27,722)</u>	<u>(4,551)</u>	<u>23,171</u>
OTHER FINANCING SOURCES (USES):						
Certificates of participation proceeds						
Operating transfers in	21,606	21,606		25,063	23,840	(1,223)
Operating transfers out	(31,860)	(30,763)	1,097	(15,104)	(14,953)	151
Tax anticipation note proceeds	9,000	9,000				
Total other financing sources (uses)	<u>(1,254)</u>	<u>(157)</u>	<u>1,097</u>	<u>9,959</u>	<u>8,887</u>	<u>(1,072)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(7,421)</u>	<u>3,391</u>	<u>10,812</u>	<u>(17,763)</u>	<u>4,336</u>	<u>22,099</u>
FUND BALANCES, JUNE 30, 1988	<u>7,911</u>	<u>6,986</u>	<u>(925)</u>	<u>17,763</u>	<u>19,374</u>	<u>1,611</u>
FUND BALANCES (DEFICIT), JUNE 30, 1989	<u>\$ 490</u>	<u>\$ 10,377</u>	<u>\$ 9,887</u>	<u>\$</u>	<u>\$ 23,710</u>	<u>\$ 23,710</u>

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

Debt Service Funds			Capital Projects Funds			Totals (Memorandum only)		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
\$	\$	\$	\$	\$	\$	\$ 105,029	\$ 108,880	\$ 3,851
						81,559	76,023	(5,536)
						1,904	6,363	4,459
						6,832	7,405	573
156	325	169	10		(10)	3,086	4,686	1,600
350	320	(30)				380	351	(29)
1,756	1,315	(441)	271	271		11,693	10,490	(1,203)
<u>2,262</u>	<u>1,960</u>	<u>(302)</u>	<u>281</u>	<u>271</u>	<u>(10)</u>	<u>210,483</u>	<u>214,198</u>	<u>3,715</u>
158	4	154	190	131	59	29,886	27,535	2,351
						77,160	74,212	2,948
			1,280	271	1,009	53,133	49,314	3,819
						26,658	25,128	1,530
						25,328	21,101	4,227
			9,036	8,229	807	26,267	14,799	11,468
1,700	1,769	(69)				10,700	10,769	(69)
650	574	76				1,145	1,090	55
						4,566		4,566
<u>2,508</u>	<u>2,347</u>	<u>161</u>	<u>10,506</u>	<u>8,631</u>	<u>1,875</u>	<u>254,843</u>	<u>223,948</u>	<u>30,895</u>
<u>(246)</u>	<u>(387)</u>	<u>(141)</u>	<u>(10,225)</u>	<u>(8,360)</u>	<u>1,865</u>	<u>(44,360)</u>	<u>(9,750)</u>	<u>34,610</u>
	408	408	4,765	3,817	(948)	4,765	4,225	(540)
158	158					46,827	45,604	(1,223)
						(46,964)	(45,716)	1,248
						9,000	9,000	
<u>158</u>	<u>566</u>	<u>408</u>	<u>4,765</u>	<u>3,817</u>	<u>(948)</u>	<u>13,628</u>	<u>13,113</u>	<u>(515)</u>
(88)	179	267	(5,460)	(4,543)	917	(30,732)	3,363	34,095
1,371	1,720	349	5,460	4,375	(1,085)	32,505	32,455	(50)
<u>\$ 1,283</u>	<u>\$ 1,899</u>	<u>\$ 616</u>	<u>\$</u>	<u>\$ (168)</u>	<u>\$ (168)</u>	<u>\$ 1,773</u>	<u>\$ 35,818</u>	<u>\$ 34,045</u>

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Enterprise	Internal Service	Totals (Memorandum only)
OPERATING REVENUES:			
Charges for services	\$ 6,294	\$ 11,483	\$ 17,777
Insurance premiums		418	418
Experience ratings and refunds		300	300
Total operating revenues	6,294	12,201	18,495
OPERATING EXPENSES:			
Salaries and wages	1,773	861	2,634
Employee benefits	626	286	912
Repairs and maintenance	479	317	796
Utilities	804	59	863
Equipment rental	118	53	171
Facility rental	216		216
Professional services	652	11	663
Communications	149	521	670
Operating supplies	117	687	804
Insurance claims and premiums		8,641	8,641
Administrative		595	595
Depreciation	602	967	1,569
Internal support	476		476
Other expenses	48	197	245
Total operating expenses	6,060	13,195	19,255
Operating income (loss)	234	(994)	(760)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	112	411	523
Interest expense	(33)		(33)
Gain (loss) on sale of fixed assets	(2)	69	67
Total nonoperating revenue (expense)	77	480	557
Net income (loss) before operating transfers	311	(514)	(203)
OPERATING TRANSFERS IN			
Net income (loss)	311	(402)	(91)
RETAINED EARNINGS (DEFICIT), JUNE 30, 1988	(982)	4,487	3,505
RETAINED EARNINGS (DEFICIT), JUNE 30, 1989	\$ (671)	\$ 4,085	\$ 3,414

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

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum only)</u>
SOURCES OF WORKING CAPITAL:			
Operations:			
Net income (loss)	\$ 311	\$ (402)	\$ (91)
Add (deduct) items not affecting working capital:			
Depreciation	602	967	1,569
Loss (gain) on sale of fixed assets	<u>2</u>	<u>(69)</u>	<u>(67)</u>
Working capital provided by operations	915	496	1,411
Contributions from other funds		1,528	1,528
Customer and other contributions	135		135
Decrease in contracts receivable	4		4
Proceeds from sale of equipment		75	75
Decrease in restricted assets	<u>8</u>		<u>8</u>
Total sources of working capital	<u>1,062</u>	<u>2,099</u>	<u>3,161</u>
USES OF WORKING CAPITAL:			
Aquisition of fixed assets	233	2,379	2,612
Changes in maturities of long-term debt and interest payable	<u>222</u>		<u>222</u>
Total uses of working capital	<u>455</u>	<u>2,379</u>	<u>2,834</u>
Increase (decrease) in working capital	<u>\$ 607</u>	<u>\$ (280)</u>	<u>\$ 327</u>
CHANGES IN COMPONENTS WHICH INCREASED (DECREASED) WORKING CAPITAL:			
Cash and investments	\$ 975	\$ (21)	\$ 954
Accounts receivable	(480)	41	(439)
Inventories		11	11
Prepaid insurance		(4)	(4)
Accounts payable	129	(292)	(163)
Compensated absences	(6)	(15)	(21)
Capitalized leases	<u>(11)</u>		<u>(11)</u>
Increase (decrease) in working capital	<u>\$ 607</u>	<u>\$ (280)</u>	<u>\$ 327</u>

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

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MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 1989
(amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Multnomah County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of significant accounting policies utilized by the County in the preparation of the accompanying financial statements:

Basis of Accounting

The governmental and agency fund types are budgeted and presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available and expenditures are recorded at the time liabilities are incurred, except for:

- Interest expense on special assessment bonds are recorded on its due date.
- Vacation pay earned but not taken within sixty days of year-end is recorded as expenditures when they are to be liquidated by available financial resources.

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).
- Current special assessments receivable.
- Intergovernmental revenues.

The measurement focus for the governmental fund types is on determination of financial position and changes in financial position (sources, uses and balances of financial resources), rather than on net income determination.

The proprietary fund types are budgeted on the modified accrual basis of accounting 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 is on determination of net income, financial position, and changes in financial position.

The County's agency funds have a measurement focus in accordance with their purposes. Agency funds are purely custodial (assets equal liabilities) and do not involve the measurement of operations.

Governmental Reporting Entity

For financial reporting purposes, the County includes all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or depend upon the County. Control or dependency on the County was determined on the basis of the budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, obligation of the County to finance any deficits that may occur, or receipt of significant subsidies from the County. Based on the above criteria, the County includes the following entities in the financial statements in accordance with GAAP:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

- Dunthorpe-Riverdale Service District No.1
- West Hills Service District No. 2
- Central County Service District No. 3
- Mid-County Service District No. 14

The Board of County Commissioners functions as the governing body of the Districts and financial interdependence exists with the County administering their financial affairs.

The Multnomah County Library has not been included in the combined financial statements. Although the County provides the largest single source of funding for the Library's operation, it operates as a non-profit corporation. The governing body of the Library is independently appointed by the Library Association of Portland and functions independently of the County's governing body. The Library has numerous sources of funding other than the County, is not subject to Oregon Local Budget Law, and the County furnishes no financial or other services to the Library other than incidental services which are reimbursed. The Library Association of Portland is vested with sole and exclusive power to purchase property, care for library buildings, appoint and remove all employees and manage the public library system. As a non-profit organization, the Library is authorized to issue its own debt.

No other entities manifested significant aspects of control by or dependency on the County and, consequently, none were required to be included in the combined financial statements.

Cash and Investments

General County investments, included in cash and investments in the combined balance sheet, are carried at amortized cost except for investments in the deferred compensation agency fund which are reported at market value. The composition of the County's investments is controlled by the County's investment policy which is adopted by the County Commission.

Receivables

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

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

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

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

Inventories

Inventories of materials and supplies in the General Fund and Special Revenue (Road) Fund are valued at average cost. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Prepaid Insurance

Insurance premiums paid for insurance coverage beyond June 30 are recorded as prepaid insurance.

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

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

One-half year 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. 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, vacation pay liabilities and special assessment improvement bonds are accounted for in the General Long-term Obligation Account Group. Long-term obligations of proprietary fund types are accounted for in the respective funds.

Self Insurance

The County is partially self-insured for employee medical, dental and vision benefits, workers' compensation, property, tort and general liability claims. Tort and general liability claims are limited to \$300 per occurrence by State statute. The County has excess coverage insurance policies that cover individual claims in excess of \$8 and \$10 for equipment, \$25 for other perils and \$100 for flood, rental value and extra expense. The County also has an excess coverage insurance policy for individual workers' compensation claim 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 and workers' compensation claims. IBNR claims are claims that are incurred through the end of the fiscal year but not reported until after that date. The County does not provide for losses to be incurred from tort and general liability claims since the amounts are not susceptible to reasonable estimation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributed Capital

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

- Cash transfers of equity from other funds.
- Receipts from federal and state financial assistance restricted to acquire 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.

Compensated Absences

Vacation pay taken within sixty days following year-end is considered measurable and available and is recognized as expenditures in the governmental fund types. Other vacation pay for governmental fund types which has been earned but is not expected to be liquidated with expendable available resources are recorded in the General Long-term Obligation Account Group. The amount of accumulated vacation pay is considered normal. Vacation pay is recorded as an expense in the proprietary fund types when earned. Sick pay is charged when leave is taken because it does not vest when earned.

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 positions, results of operations, or changes in financial positions in conformity with generally accepted accounting principles. Such amounts do not represent consolidated financial information as interfund eliminations have not been made in the aggregation of this data.

Budgets

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

Unexpected additional resources may be appropriated through the use of a supplemental budget and Board of County Commissioners' action. The original and supplemental budgets require budget hearings before the public, publications in newspapers and approval by the Board of County Commissioners. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between the legal categories. Such transfers require approval by the Board of County Commissioners. The County made numerous appropriation transfers between categories during fiscal year 1989. During the fiscal year no supplemental budgets were adopted.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The County budgets all fund types, except Agency Funds, on the modified accrual basis of accounting. The budget is prepared differently from generally accepted accounting principles. Therefore, the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types is presented on the budgetary basis. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is presented in accordance with generally accepted accounting principles.

NOTE 2. ORGANIZATION AND OPERATIONS:

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

The County's financial operations are accounted for in the following funds:

Governmental Fund Types

General Fund

The General Fund accounts for all activities not accounted for by other funds of the County. The principal sources of revenues for this fund are property taxes and business income taxes. The Short-term Debt Retirement Fund accounts for tax anticipation note issues. This fund is combined with the General Fund for presentation in the combined financial statements and the cash transfer from the General Fund to the Short-term Debt Retirement Fund is eliminated.

Special Revenue Funds

The Special Revenue Funds account for revenue derived from specific taxes or other earmarked revenue sources, including federal and state financial assistance awards, which are legally restricted to finance particular functions or activities. Funds included in this fund category are:

- Road Fund
- Emergency Communications Fund
- Recreational Facilities Fund
- Bicycle Path Construction Fund
- Federal and State Program Fund
- County School Fund
- Corner Preservation Fund
- Tax Title Land Sales Fund
- Animal Control Fund
- Willamette River Bridges Fund
- Serial Levy Fund
- Library Serial Levy Fund
- Cable Television Fund
- County Fair Fund
- Inmate Welfare Fund
- Convention Center Fund
- Assessment District Operating Fund

NOTE 2. ORGANIZATION AND OPERATIONS: (Continued)

Debt Service Funds

These funds account for the retirement of special assessment improvement bonds from the collection of "Bancroft" assessment liens and for the retirement of Certificates of Participation (capitalized leases). In previous years the retirement of Certificates of Participation was accounted for in the Capital Projects Funds. The unmatured special assessment improvement bonds and Certificates of Participation are accounted for in the General Long-term Obligations Account Group. Funds included are:

- Assessment District Bond Sinking Fund
- Capital Lease Retirement Fund

Capital Projects Funds

These funds account for expenditures on major construction projects and proceeds from certificates of participation issued to finance capital acquisitions. Funds included are:

- Lease/Purchase Project Fund
- Inverness Jail Construction Fund

Proprietary Fund Types

Enterprise Funds

These funds account for the financing of predominantly self-supporting activities which render services to the public on a user charge basis. Funds included are:

- Data Processing Fund
- Dunthorpe-Riverdale Service District No. 1 Fund
- West Hills Service District No. 2 Fund
- Central County Service District No. 3 Fund
- Mid-County Service District No. 14 Fund

Internal Service Funds

These funds account for activities and services performed primarily for other organizational units within the County. In previous years the Telephone Fund was accounted for in the Special Revenue Funds. Funds included are:

- Insurance Fund
- Fleet Management Fund
- Telephone Fund

Fiduciary Fund Types

Agency Funds

The 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 agreement or applicable legislative enactment for each particular fund. Funds included are:

- Sundry Taxing Bodies Fund
- Clearing Fund
- Department and Offices Agency Fund
- Sewer System Development Fund
- Deferred Compensation Fund
- Public Guardian Fund

NOTE 2. ORGANIZATION AND OPERATIONS: (Continued)

Account Groups

General Fixed Assets Account Group

This 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 receipt from sale of general fixed assets is accounted for as a revenue in the appropriate fund depending on the original funding source.

General Long-term Obligations Account Group

This account group accounts for long-term obligations of the County resulting from special assessment improvement bonds, capitalized lease transactions, Certificates of Participation lease transactions, compensated absences and other long-term obligations, which will be financed from resources of the governmental fund types.

NOTE 3. RECONCILIATION BETWEEN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS AND BUDGETARY BASIS:

The budgets of the General and Special Revenue Funds are prepared on a basis which differs in certain respects from generally accepted accounting principles. For purposes of preparing the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types, the actual results of operations have been adjusted to a basis consistent with the County's budget. During the year the County budgeted and expended the current portion of vacation pay and the budgetary fund balance is the same as under generally accepted accounting principles. The following adjustments made to revenues, expenditures, cash transfers and equity transfers were necessary to present the actual data on the budgetary basis:

	Excess of revenues and other sources over (under) expenditures and other uses - All Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS:	\$ 4,210	\$ 4,122
Revenues:		
Decrease in accounts receivable from grantors for compensated absences		201
Expenditures:		
Decrease in current portion of compensated absences	(527)	(279)
Cash Transfers:		
Residual equity transfer to Internal Service Funds		195
Reclassify cash transfers in (out) to equity transfers	<u>(292)</u>	<u>97</u>
BUDGETARY BASIS:	<u>\$ 3,391</u>	<u>\$ 4,336</u>

NOTE 4. DEPOSITS AND INVESTMENTS:

Multnomah County pools virtually all funds for investment purposes. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments." Total deposits and investments is \$70,607.

NOTE 4. DEPOSITS AND INVESTMENTS: (Continued)

Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits was \$9,928 and the bank balance was \$10,043. Of the bank balances, \$7,800 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, and the balance was uninsured and uncollateralized. The State requires collateral be deposited with a value of 25% of the balances over federal depository insurance, but in some instances, the State Banking Commission can require banks and other financial institutions to put up over 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 of any situations that could potentially cause loss of County funds. The County was not fully collateralized in accordance with State requirements three times during the year. At June 30, 1989 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 an Oregon financial institution, commercial paper, repurchase agreements, State of Oregon Local Government Investment Pool and various interest bearing bonds of Oregon municipalities. The County is authorized to enter into reverse repurchase agreements. In addition, the County's investments are governed by a written Investment Policy. The Policy, which is approved by the State Treasurer's Office and adopted annually by the Board of County Commissioners, specifies the County's investment objectives, required diversification, certain limitations and reporting requirements.

The County's investments are categorized below to give an indication of the level of risk assumed by the County at June 30, 1989. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the banker's trust department in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by brokers or dealers, or by their trust department or agent.

	Category			Carrying Amount	Market Value
	1	2	3		
U.S. Govn't. securities	\$3,492	\$	\$	\$ 3,492	\$ 3,489
U.S. Govn't. instrumentality securities	1,000			1,000	1,000
Bankers' acceptances		27,295		27,295	27,313
Commercial paper			6,667	6,667	6,669
	<u>\$4,492</u>	<u>\$27,295</u>	<u>\$ 6,667</u>	38,454	38,471
Local Government Investment Pool				12,621	12,621
Aetna Life & Casualty					
Deferred Compensation Fund				9,604	9,604
Total investments				60,679	60,696
Deposits				9,928	9,928
Total Cash and Investments				<u>\$70,607</u>	<u>\$70,624</u>

County policy requires that the market value of the securities collateralizing repurchase agreements cover at least the carrying amount. The market value of the securities underlying repurchase agreements did not fall significantly below the required level during the year.

NOTE 4. DEPOSITS AND INVESTMENTS: (Continued)

Due primarily to cash receipts from property taxes, cash balances are high at certain times during the year. As a result, the County's investments in short-term repurchase agreements, for which the underlying securities were held by the dealer increased to a high of \$20,000 on November 17, 1988. As a result, the amounts that were shown in Category 3 at those times were substantially higher than at June 30, 1989.

Reverse Repurchase Agreements

State statutes and County policy permit the County to enter into reverse repurchase agreements which are sales of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contracted rate of interest. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers default on their obligations to resell these securities, the County would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. The County did not enter into any reverse repurchase agreements during the fiscal year and did not hold any reverse repurchase agreements at June 30, 1989.

NOTE 5. INTERFUND TRANSACTIONS:

The following due to other funds recorded on the Combined Balance Sheet are temporary advances. All amounts are payable to the General Fund.

<u>Due from:</u>	<u>Amount</u>
Special Revenue Funds:	
Emergency Communications	\$ 47
Federal and State Program	2,850
Capital Projects Fund:	
Lease/Purchase Project	53
Trust and Agency Fund:	
Department and Offices Agency	<u>4</u>
Total	<u>\$2,954</u>

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity or equity transfers. All other interfund transfers are reported as operating transfers.

The following 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	\$37,163
Plus: operating transfers as recorded in Internal Service Funds on the Combined Statement of Revenue, Expenses and Changes in Retained Earnings (Deficit) - All Proprietary Fund Types	
Operating transfers out	<u>112</u>
	<u>\$37,275</u>

NOTE 6. 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 October 15 through December 31, when the distribution is made weekly. Uncollected taxes, including delinquent amounts, are deemed to

NOTE 6. PROPERTY TAXES: (Continued)

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 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.

NOTE 7. ASSESSMENTS RECEIVABLE:

Assessments receivable represent uncollected amounts levied against benefitted property for the cost of street, lighting and sewer improvements. An allowance for uncollectable 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%.

NOTE 8. CONTRACTS RECEIVABLE:

The following is a summary of contracts receivable as of June 30, 1989:

	<u>Total</u>	<u>Due within one year</u>
General Fund:		
Contracts from sale of surplus County property, payable in monthly or annual installments plus 6% to 10% interest	\$ 349	\$ 24
Special Revenue Funds:		
Road Fund - Contracts covering sale of excess right-of-way property, payable in monthly installments plus 6% to 12% interest	39	2
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	<u>910</u>	<u>201</u>
Total Special Revenue Funds	<u>949</u>	<u>203</u>
Enterprise Fund:		
Central County Service District No. 3	<u>12</u>	<u>3</u>
Total	<u>\$1,310</u>	<u>\$ 230</u>

NOTE 9. FIXED ASSETS:

The County transferred \$2,147 at cost from the General Fixed Assets Account Group to the Telephone Fund, an Internal Service Fund. The estimated fair value of fixed assets added to the Telephone Fund was \$1,133. The changes in the General Fixed Assets Account Group for the fiscal year ended June 30, 1989, and fixed assets by major classes for the General Fixed Assets Account Group and Proprietary Funds are as follows:

	Land and Land <u>Improvements</u>	Buildings and <u>Improvements</u>	<u>Parksites</u>	<u>Bridges</u>	<u>Equipment</u>	<u>Total</u>
General Fixed Assets:						
Balance June 30, 1988	\$3,172	\$80,501	\$4,891	\$28,834	\$10,396	\$127,794
Additions	1,626	8,399		100	1,067	11,192
Retirements					(1,074)	(1,074)
Net Transfers					(1,766)	(1,766)
Balance June 30, 1989	<u>\$4,798</u>	<u>\$88,900</u>	<u>\$4,891</u>	<u>\$28,934</u>	<u>\$ 8,623</u>	<u>\$136,146</u>

NOTE 9. FIXED ASSETS: (Continued)

	Land and Land Improvements	Buildings and Improvements	Equipment	Total
Proprietary Funds:				
Enterprise Funds	\$	\$ 2,039	\$ 3,575	\$ 5,614
Accumulated Depreciation		(803)	(2,285)	(3,088)
Total Enterprise		<u>\$ 1,236</u>	<u>\$ 1,290</u>	<u>\$ 2,526</u>
Internal Services Funds	19	\$ 26	\$ 7,030	\$ 7,075
Accumulated Depreciation		(3)	(3,508)	(3,511)
Total Internal Service	<u>\$ 19</u>	<u>\$ 23</u>	<u>\$ 3,522</u>	<u>\$ 3,564</u>

NOTE 10. DEFERRED COMPENSATION PLAN:

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

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

The amount deferred, adjusted to fair market value at June 30, 1989, and investment earnings thereon amount to \$13,622. The amounts accumulated by the County under the deferred compensation plan, including investment earnings, are excluded from resources or expenditures for budgetary purposes.

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

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

NOTE 11. DEFICIT FUND BALANCE AND BUDGETARY OVEREXPENDITURES

The Animal Control Fund, a Special Revenue Fund, has a deficit fund balance of \$22. The Lease/Purchase Project Fund, a Capital Projects Fund, has a deficit fund balance of \$168. Dunthorpe-Riverdale and West Hills Service districts, Enterprise Funds, have negative retained earnings of \$584 and \$406 respectively but have positive total fund equity due to contributed capital.

The following funds had overexpenditures in the indicated budgetary line items:

General Fund:	
General Fund - General Services Materials and Services	\$ 54
Short-Term Debt Retirement Fund - Nondepartmental Interest	21
Special Revenue Funds:	
Federal and State Program - Environmental Services Capital Outlay	54
Animal Control - Environmental Services	
Personal Services	31
Materials and Services	33
Cable Television - General Services Personal Services	2
Convention Center - Nondepartmental Materials and Services	91
Internal Service Funds:	
Insurance Fund - Materials and Services	144

NOTE 12. TAX ANTICIPATION NOTES (TANS):

The County issued \$9,000 in TANS on July 1, 1988 with a maturity date of June 30, 1989. The net effective interest rate was 5.64%. The TANS were issued to provide seasonal cash flow needs for the General Fund. The TANS 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 \$10 notes payable at June 30, 1989 is a matured note from the County's 1984 series TAN issue that has not been presented for payment.

NOTE 13. LONG-TERM OBLIGATIONS:

Bonded debt recorded in the General Long-term Obligations Account Group are special assessment improvement bonds. These bonds are financed by special assessment collections. The County would be obligated to pay debt service on these bonds if special assessment collections were insufficient to meet the debt service requirements. In such event, the County is authorized to levy property taxes to recover the necessary amounts. The Enterprise Funds debt are general obligation bonds. The original total issue amounts were \$3,627 and \$700 respectively with stated interest of 7.00% to 14%.

Special Assessment Improvement Bonds:

Fiscal Year of Maturity	Principal		Outstanding June 30, 1989	Unmatured Interest Outstanding June 30, 1989
	Outstanding June 30, 1988	Paid during year		
1989	\$ 465	\$ 465	\$	\$
1990	435		435	96
1991	480		480	62
1992	225		225	35
1993	250		250	16
1994	35		35	5
1995	40		40	2
	<u>\$1,930</u>	<u>\$ 465</u>	<u>\$1,465</u>	<u>\$216</u>

Enterprise General Obligation Bonds - Dunthorpe-Riverdale Service District No. 1:

Fiscal Year of Maturity	Principal		Outstanding June 30, 1989	Unmatured Interest Outstanding June 30, 1989
	Outstanding June 30, 1988	Paid during year		
1989	\$ 28	\$28	\$	\$
1990	28		28	2
1991	28		28	1
	<u>\$ 84</u>	<u>\$28</u>	<u>\$56</u>	<u>\$3</u>

The County has entered into various lease agreements to acquire property and equipment. The lease obligations of the General Fixed Asset Account Group are recorded as liabilities in the General Long-term Obligations Account Group. All other lease obligations are related to the Data Processing Fund, an Enterprise Fund, and are recorded as capitalized lease obligations.

NOTE 13. LONG-TERM OBLIGATIONS: (Continued)

The General Long-term Obligation Account Group activity:

	Principal			Outstanding June 30, 1989
	Outstanding June 30, 1988	Incurred during Yr.	Paid during Yr.	
Lease/purchase with the City of Portland for two floors in the Portland Building payable in annual installments through 2008, including interest at 9%.	\$3,229	\$	\$ 63	\$ 3,166
Certificates of Participation financing, dated July 1, 1988, for acquisition of J.K. Gill Building, payable in annual installments through 2008 including interest from 5.25% to 7.60%.		4,225		4,225
Certificates of Participation financing, dated September 1, 1987, for acquisition of equipment, payable in annual installments through 1991, including interest from 4.25% to 5.25%.	738		173	565
Certificates of Participation financing, dated June 1, 1988, for jail construction, payable in annual installments through 1993, including interest from 5% to 6.25%.	5,470		985	4,485
Agreements with State of Oregon for purchase of election equipment and Justice Center space, payable in annual installments through 1992, including interest at 11%.	<u>261</u>		<u>143</u>	<u>118</u>
Total capital lease obligations	9,698	4,225	1,364	12,559
Special Assessment (Bancroft) improvement bonds are payable in annual payments through 1995, including interest from 7% to 14%.	1,930		465	1,465
Accrued vacation liability, (compensated absences)	<u>2,592</u>	<u>4,251</u>	<u>3,828</u>	<u>3,015</u>
Total General Long-term Obligations	<u>\$14,220</u>	<u>\$8,476</u>	<u>\$5,657</u>	<u>\$ 17,039</u>

The Enterprise capitalized lease obligations activity -
Data Processing Fund:

	Principal		
	Outstanding June 30, 1988	Paid during Year	Outstanding June 30, 1989
Certificates of Participation financing, dated September 1, 1987, for acquisition of equipment, payable in annual installments through 1991, including interest from 4.25% to 5.25%.	\$332	\$ 78	\$254
Lease/purchase of main-frame computer, payable in annual installments through 1990, including interest at 7.4%.	<u>217</u>	<u>105</u>	<u>112</u>
Total capitalized lease obligations	<u>\$549</u>	<u>\$183</u>	<u>\$366</u>

NOTE 13. LONG-TERM OBLIGATIONS: (Continued)

These leases have been capitalized in accordance with generally accepted accounting principles. 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, 1989:

Fiscal Year Ending June 30,	General Long-term Obligation Leases	Enterprise Fund Leases	Total Lease Obligations
1990	\$ 2,285	\$212	\$ 2,497
1991	2,288	92	2,380
1992	2,282	90	2,372
1993	2,047		2,047
1994	748		748
Thereafter through 2009	<u>10,912</u>	<u> </u>	<u>10,912</u>
Total minimum lease payments	20,562	394	20,956
Less amount representing interest	<u>(8,003)</u>	<u>(28)</u>	<u>(8,031)</u>
Present value of minimum lease payments	<u>\$12,559</u>	<u>\$366</u>	<u>\$12,925</u>

The assets under capitalized leases recorded in the General Fixed Assets Account Group and the Enterprise Fund were capitalized at original costs of \$14,264 and \$946, respectively.

In addition to the above payments, the County is liable for 10.98% of substantially all operating costs of the Portland Building held under capital lease in the General Fixed Asset Account Group. The amount paid for fiscal year 1989 was \$540.

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

Fiscal Year Ending June 30,	
1990	\$1,149
1991	669
1992	622
1993	578
1994	404
Thereafter through 2006	<u>225</u>
	<u>\$3,647</u>

Operating lease payments (excluding executory costs) during the year ended June 30, 1989 aggregated \$1,141.

NOTE 14. FUND EQUITY AND CONTRIBUTED CAPITAL:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Fund Balance reserved for the Capitation Program is held to provide medicaid recipients with the service of health maintenance organizations.

During the year contributed capital in the Enterprise and Internal Service Funds changed as follows:

Enterprise Funds:	
Balance, June 30, 1988	\$4,156
Add:	
Contribution from connection fees	19
Contribution from customers and developers	93
Property taxes considered contributions	23
Contributions from General Fund	<u>163</u>
Balance, June 30, 1989	<u>\$4,454</u>
Internal Service Funds:	
Balance, June 30, 1988	\$3,102
Add:	
Contributions from Special Revenue Fund	195
Transfer of equipment from General Fixed Assets Account Group at market value	<u>1,333</u>
Balance, June 30, 1989	<u>\$4,630</u>

NOTE 15. POST RETIREMENT HEALTH CARE BENEFITS:

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

The County provides a portion of health care benefits to substantially all County employees, with the exception of Deputy Sheriffs and Corrections Officers, when they reach normal retirement age. 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 1989, those costs totalled \$153, net of retirement payments.

NOTE 16. PENSION PLAN:

Substantially all County employees are participants in the State of Oregon Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental units in the State of Oregon. The County's payroll for employees covered by PERS for the year ended June 30, 1989 was \$63,950. The County's total payroll was \$65,602.

All County full-time employees are eligible to participate in the PERS. Benefits generally vest after five years of continuous service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70. Retirement benefits are based on salary and length of service, are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

The County is required by the rules applicable to PERS to contribute 13.30% of covered employees' salaries to PERS. The contribution rate is determined based on actuarial valuations which are performed by PERS every two years. The required employee contribution of 6% of covered compensation is paid by the County pursuant to collective bargaining agreements.

NOTE 16. PENSION PLAN: (Continued)

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

The pension benefit obligation was computed as part of an actuarial valuation performed as of December 31, 1987 and is the most recent available. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5%, (b) projected salary increases of 6% per year in addition to salary increases due to promotions and longevity, (c) post-retirement benefit increases of 2% per year (the maximum allowable), and (d) a 10% final increase in the benefits for members who utilize unused sick leave to increase the final average salary to calculate their pension.

Pension benefit obligation for retirees, beneficiaries or terminated employees entitled to benefits but not yet receiving them is not presented because PERS pools the risk related to such employees among all employers. PERS fully funds these obligations at the time of retirement or separation from service. Accordingly, the County's separate actuarial valuation covers only current employees.

PERS' policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. The contribution rate for normal cost is determined using the "entry age actuarial cost method". A thirty year amortization is used to amortize the costs of the unfunded actuarial liabilities. Any ad hoc benefit increases are funded over 30 years.

Accumulated employee contributions and allocated investment income is not segregated by PERS. The excess of the accrued benefits applicable to the County's employees over the net assets available for benefits at December 31, 1985 and December 31, 1987, are as follows:

	<u>December 31, 1985</u>	<u>December 31, 1987</u>
Pension benefit obligation - current employees:		
Member account balances including interest	\$23,899	\$33,952
Vested accrued benefits	47,764	60,677
Non-vested accrued benefits	<u>1,818</u>	<u>3,767</u>
Total benefit obligations	73,481	98,396
Net Assets available for benefits (at market value)	<u>28,076</u>	<u>41,384</u>
Total unfunded liability	<u>\$45,405</u>	<u>\$57,012</u>

An analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the County's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of Multnomah County's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the retirement system. Ten-year historical trend information presenting PERS progress in accumulating sufficient assets to pay benefits when due is not yet available because the first actuarial valuation was prepared at December 31, 1985. The following is the only information available to the County as of June 30, 1989.

NOTE 16. PENSION PLAN: (Continued)

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percent Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Pension Benefit as a Percent of Payroll</u>
1985	\$28,076	\$73,481	38.2%	\$45,405	\$46,062	98.6%
1987	41,384	98,396	42.1	57,012	55,424	102.9

The County's contribution rate was determined through the actuarial valuation performed as of December 31, 1987. The County's total payroll, contribution amount and contribution rate for the last five years are:

<u>Fiscal Year</u>	<u>Total Covered Payroll</u>	<u>Employee Contributions</u>	<u>Employer Contribution</u>	<u>Employer Contribution Rate</u>
1985	\$46,062	\$2,594	\$ 4,951	11.30%
1986	51,340	2,873	5,801	11.30
1987	55,424	3,104	6,191	11.30 - 11.54
1988	60,341	3,379	7,193	11.54 - 13.30
1989	63,950	3,620	8,505	13.30

Ten-year historical information of revenues by source and expenses by type for the statewide PERS system and other PERS information is presented in their comprehensive annual financial report of December 31, 1988.

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES:

Additional commitments under contracts at June 30, 1989 are as follows:

General Fund	\$2,058
Special Revenue Funds	2,485
Capital Projects Funds	<u>311</u>
	<u>\$4,854</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 18. SEGMENT INFORMATION FOR ENTERPRISE FUNDS:

The County's Enterprise Funds account for the financing of predominantly self-supporting activities which render services to the public on a user charge basis. Segment information at June 30, 1989 and for the year then ended, is as follows:

	Segment			Total
	Data Processing	Lighting	Sewer	
Operating revenue	\$5,456	\$ 722	\$ 116	\$6,294
Depreciation expense	546	25	31	602
Operating income (loss)	301	(47)	(20)	234
Revenue from other governmental units	5,456			5,456
Net income	270	27	14	311
Current capital contributions and transfers	163	93	42	298
Property, plant and equipment:				
Additions at cost	288	108		396
Deletions at cost	2	5		7
Net working capital	456	636	366	1,458
Total assets	2,097	1,047	1,386	4,530
Long-term liabilities:				
Payable from operating revenue:				
Current portion	193			193
Long-term portion	173			173
Payable from other sources:				
Current portion			28	28
Long-term portion			28	28
Total equity	1,568	929	1,286	3,783

NOTE 19. SUBSEQUENT EVENTS:

On August 1, 1989, Multnomah County purchased two health clinics, a Sheriff's Office facility and equipment by issuing \$6,606 in Certificates of Participation. The certificates' total interest rate is 6.51% and they mature August 1990 through August 2009. The certificates are rated A1 by Moody's Investors Service.

On July 7, 1989, Multnomah County issued Tax Anticipation Notes, dated July 1, 1989, in the amount of \$9,000. The net effective interest rate is 6.00% and the notes mature June 29, 1990. The notes are rated MIG 1 by Moody's Investors Service.

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

GENERAL FUND AND SHORT-TERM DEBT RETIREMENT FUND.

Two budgetary funds, the General Fund and Short-Term Debt Retirement Fund, are combined to be the General Fund under generally accepted accounting principles. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- General Fund - accounts for the financial operations of the County which are not accounted for in any other fund. The principal source of revenue is property taxes. Primary expenditures in the General Fund are made for general government, public safety and human services.
- Short-term Debt Retirement Fund - accounts for the repayment of short-term borrowings incurred through the sale of tax anticipation notes.

MULTNOMAH COUNTY, OREGON
 COMBINING BALANCE SHEET
 GENERAL FUND AND SHORT-TERM DEBT RETIREMENT FUND
 JUNE 30, 1989
 (amounts expressed in thousands)

	<u>General</u>	<u>Short-term Debt Retirement</u>	<u>GAAP General Fund Total</u>
ASSETS:			
Cash and investments	\$ 6,187	\$ 11	\$ 6,198
Receivables:			
Taxes	8,594		8,594
Accounts	1,542		1,542
Interest	95		95
Contracts	349		349
Due from other funds	2,955		2,955
Inventories	730		730
Total assets	<u>\$ 20,452</u>	<u>\$ 11</u>	<u>\$ 20,463</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 1,687	\$	\$ 1,687
Tax anticipation notes		10	10
Interest payable		1	1
Compensated absences	636		636
Deferred revenue	7,752		7,752
Total liabilities	<u>10,075</u>	<u>11</u>	<u>10,086</u>
Fund balances:			
Unreserved, undesignated	10,377		10,377
Total liabilities and fund balances	<u>\$ 20,452</u>	<u>\$ 11</u>	<u>\$ 20,463</u>

MULTNOMAH COUNTY, OREGON
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND AND SHORT-TERM DEBT RETIREMENT FUND
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	General	Short-term Debt Retirement	Eliminations	GAAP General Fund Total
REVENUES:				
Taxes	\$ 86,005	\$	\$	\$ 86,005
Intergovernmental	7,418			7,418
Licenses and permits	808			808
Charges for services	5,225			5,225
Interest	2,086	317		2,403
Other	7,002			7,002
Total revenues	<u>108,544</u>	<u>317</u>		<u>108,861</u>
EXPENDITURES:				
Current:				
General government	26,220	28		26,248
Health and social services	8,781			8,781
Public safety and justice	41,382			41,382
Community services	15,981			15,981
Capital outlay	2,878			2,878
Debt service:				
Principal		9,000	(9,000)	
Interest		516		516
Total expenditures	<u>95,242</u>	<u>9,544</u>	<u>(9,000)</u>	<u>95,786</u>
Excess of revenues over (under) expenditures	13,302	(9,227)	9,000	13,075
OTHER FINANCING SOURCES (USES):				
Operating transfers in	12,379	9,227	(9,227)	12,379
Operating transfers out	(30,471)		9,227	(21,244)
Tax anticipation note proceeds	9,000		(9,000)	
Total other financing sources (uses)	<u>(9,092)</u>	<u>9,227</u>	<u>(9,000)</u>	<u>(8,865)</u>
Excess of revenues and other sources over (under) expenditures and other uses	4,210			4,210
FUND BALANCES, JUNE 30, 1988	6,459			6,459
EQUITY TRANSFERS (OUT)	(292)			(292)
FUND BALANCES (DEFICIT), JUNE 30, 1989	<u>\$ 10,377</u>	<u>\$</u>	<u>\$</u>	<u>\$ 10,377</u>

MULTNOMAH COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 61,920	\$ 62,805	\$ 885
Prior years'	3,556	3,540	(16)
Penalties and interest	917	959	42
Payments in lieu of taxes	44	22	(22)
Sales on foreclosures	91	53	(38)
Transient lodging	15	15	
Business income	11,500	14,600	3,100
Motor vehicle rental	3,993	4,011	18
Intergovernmental:			
Federal	2,550	3,461	911
State	3,344	3,451	107
Local	564	506	(58)
Licenses and permits	795	808	13
Charges for services	5,029	5,225	196
Interest	1,570	2,086	516
Other:			
Miscellaneous	1,889	1,992	103
Service reimbursements	5,955	5,010	(945)
Total revenues	<u>103,732</u>	<u>108,544</u>	<u>4,812</u>
OTHER FINANCING SOURCES:			
Transfers from other funds:			
Road	190	190	
Serial Levy	4,575	4,575	
Library Serial Levy	7,189	7,189	
Fleet Management	300	300	
Recreational Facilities	125	125	
Tax anticipation note proceeds	9,000	9,000	
Total other financing sources	<u>21,379</u>	<u>21,379</u>	
BEGINNING FUND BALANCE	7,911	6,986	(925)
Total	<u>\$ 133,022</u>	<u>136,909</u>	<u>3,887</u>
EXPENDITURES:			
Human Services:			
Personal services	\$ 7,645	7,600	45
Materials and services	1,284	1,181	103
Capital outlay	74	65	9
Sub-total	<u>9,003</u>	<u>8,846</u>	<u>157</u>

continued

MULTNOMAH COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)
(continued)

	Budget	Actual	Variance favorable (unfavorable)
Justice Services:			
Personal services	\$ 35,276	\$ 34,839	\$ 437
Materials and services	7,402	6,543	859
Capital outlay	736	649	87
Sub-total	<u>43,414</u>	<u>42,031</u>	<u>1,383</u>
Environmental Services:			
Personal services	3,970	3,893	77
Materials and services	6,406	5,939	467
Capital outlay	3,358	2,058	1,300
Sub-total	<u>13,734</u>	<u>11,890</u>	<u>1,844</u>
General Services:			
Personal services	8,302	7,962	340
Materials and services	3,081	3,135	(54)
Capital outlay	76	74	2
Sub-total	<u>11,459</u>	<u>11,171</u>	<u>288</u>
Nondepartmental:			
Personal services	2,509	2,425	84
Materials and services	19,530	19,374	156
Capital outlay	54	32	22
Contingency	969		969
Sub-total	<u>23,062</u>	<u>21,831</u>	<u>1,231</u>
Total expenditures	<u>100,672</u>	<u>95,769</u>	<u>4,903</u>
OTHER FINANCING USES:			
Transfers to other funds:			
Federal and State Program	19,267	18,236	1,031
County School	1,275	1,275	
Animal Control	1,284	1,243	41
Inmate Welfare	85	85	
Corner Preservation	207	207	
Capital Lease Retirement	158	158	
Insurance	332	332	
Telephone	25		25
Short-term Debt Retirement	9,227	9,227	
Total other financing uses	<u>31,860</u>	<u>30,763</u>	<u>1,097</u>
Total	<u>132,532</u>	<u>126,532</u>	<u>6,000</u>
ENDING FUND BALANCE	<u>490</u>	<u>\$ 10,377</u>	<u>\$ 9,887</u>
	<u>\$ 133,022</u>		

MULTNOMAH COUNTY, OREGON
 SHORT-TERM DEBT RETIREMENT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Interest	\$ 318	\$ 317	\$ (1)
OTHER FINANCING SOURCE:			
Transfer from General Fund	9,227	9,227	
Total	<u>\$ 9,545</u>	<u>9,544</u>	<u>(1)</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	\$ 50	28	22
Debt service:			
Principal	9,000	9,000	
Interest	495	516	(21)
Total expenditures	<u>\$ 9,545</u>	<u>9,544</u>	<u>1</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

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SPECIAL REVENUE FUNDS

These funds account for revenue derived from specific tax or other revenue sources, including state gas tax, grants, and rental charges which are designated 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 in the special revenue category are:

- Road Fund - accounts for revenues primarily from motor vehicle fee apportionments from the State of Oregon and County gasoline taxes. Expenditures consist of construction, repair, maintenance and operation of public highways and roads as restricted by Article IX of the Constitution of the State of Oregon.
- Emergency Communications Fund - accounts for monies distributed by the State which are designated for an emergency communication network in conjunction with the City of Portland.
- Recreational Facilities Fund - accounts for the revenues from the lease/management agreement with Glisan Street Recreation, Inc. for the acquisition and development of recreational facilities and lease of Glendoveer Golf Course.
- Bicycle Path Construction Fund - accounts for revenue specifically designated for bicycle path construction.
- 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 General Fund and forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts as required by ORS 328.015 through ORS 328.035.
- 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 as an in lieu of property taxes.
- Animal Control Fund - accounts for revenues from dog and cat licenses, control fees and transfers from 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.
- Serial Levy Fund - accounts for the collections from a three year special serial levy for the construction and operations of a jail facility. Funds are transferred to the General Fund for jail operations and to the Capital Lease Retirement Fund for retirement of Certificates of Participation.

Continued

SPECIAL REVENUE FUNDS

(Continued)

- Library Serial Levy Fund - accounts for the collections of a three year special serial levy which is transferred to the General Fund for disbursement to the Multnomah County Library.
- Cable Television Fund - accounts for the activities of the East County Cable Franchise Consortium. The fund reflects franchise fees paid to other jurisdictions and cable regulation expenditures.
- County Fair Fund - accounts for the revenues and expenditures of the annual County Fair.
- Inmate Welfare Fund - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- Convention Center Fund - accounts for a Transient lodging tax collected from all hotels and motels in the County to be used for Convention Center expenditures.
- Assessment District Operating Fund - accounts for the construction of improvements or provisions of services which are paid for from special assessments levied against benefitted property owners.

Note: Telephone Fund was closed and assets transferred to an Internal Service Fund.

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MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1989
(amounts expressed in thousands)

	Road	Emergency Communications	Recreational Facilities	Bicycle Path Construction	Federal and State Program	County School	Corner Preservation
ASSETS:							
Cash and investments	\$ 10,860	\$	\$ 177	\$ 338	\$ 3	\$ 87	\$ 158
Receivables:							
Taxes							
Accounts	1,396	47	63		5,562		
Loans					3,269		
Interest	7						
Special assessments							
Contracts	39						
Inventories	308						
Foreclosed properties							
Total assets	<u>\$ 12,610</u>	<u>\$ 47</u>	<u>\$ 240</u>	<u>\$ 338</u>	<u>\$ 8,834</u>	<u>\$ 87</u>	<u>\$ 158</u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts payable	\$ 1,612	\$	\$ 86	\$	\$ 2,109	\$	\$
Due to other funds		47			2,850		
Assistance receipts unapplied					1,141		
Compensated absences	65				276		
Deferred revenue	186				2,128		
Total liabilities	<u>1,863</u>	<u>47</u>	<u>86</u>	<u></u>	<u>8,504</u>	<u></u>	<u></u>
Fund balances (deficits):							
Reserved for Capitation Program					330		
Unreserved, undesignated	10,747		154	338		87	158
Total fund balances (deficits)	<u>10,747</u>	<u></u>	<u>154</u>	<u>338</u>	<u>330</u>	<u>87</u>	<u>158</u>
Total liabilities and fund balances (deficits):	<u>\$ 12,610</u>	<u>\$ 47</u>	<u>\$ 240</u>	<u>\$ 338</u>	<u>\$ 8,834</u>	<u>\$ 87</u>	<u>\$ 158</u>

Tax Title	Animal	Willamette	Serial	Library	Cable	County	Inmate	Convention	Assessment	
Land Sales	Control	River	Levy	Serial	Television	Fair	Welfare	Center	District	Total
		Bridges		Levy					Operating	
\$ 104	\$ 16	\$ 3,254	\$ 3,369	\$ 110	\$ 4,623	\$ 179	\$ 84	\$ 6	\$ 1	\$ 23,369
			482	854						1,336
	2	80			1		48			7,199
										3,269
										7
									181	181
910										949
										308
509										509
<u>\$ 1,523</u>	<u>\$ 18</u>	<u>\$ 3,334</u>	<u>\$ 3,851</u>	<u>\$ 964</u>	<u>\$ 4,624</u>	<u>\$ 179</u>	<u>\$ 132</u>	<u>\$ 6</u>	<u>\$ 182</u>	<u>\$ 37,127</u>
\$	\$ 24	\$ 66	\$	\$	\$ 9	\$ 2	\$ 15	\$	\$	\$ 3,923
										2,897
	16	12			1					1,141
1,419		10	423	742					178	370
<u>1,419</u>	<u>40</u>	<u>88</u>	<u>423</u>	<u>742</u>	<u>10</u>	<u>2</u>	<u>15</u>		<u>178</u>	<u>5,086</u>
										330
104	(22)	3,246	3,428	222	4,614	177	117	6	4	23,380
<u>104</u>	<u>(22)</u>	<u>3,246</u>	<u>3,428</u>	<u>222</u>	<u>4,614</u>	<u>177</u>	<u>117</u>	<u>6</u>	<u>4</u>	<u>23,710</u>
<u>\$ 1,523</u>	<u>\$ 18</u>	<u>\$ 3,334</u>	<u>\$ 3,851</u>	<u>\$ 964</u>	<u>\$ 4,624</u>	<u>\$ 179</u>	<u>\$ 132</u>	<u>\$ 6</u>	<u>\$ 182</u>	<u>\$ 37,127</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Road	Emergency Communications	Recreational Facilities	Bicycle Path Construction	Federal and State Program	County School	Corner Preservation
REVENUES:							
Taxes	\$ 7,907	\$	\$	\$	\$	\$ 241	\$
Intergovernmental	13,727	192			54,408		
Licenses and permits	52						
Charges for services	317		477		1,008		221
Interest	1,136	1		25	7	6	
Special assessments							
Other	644				262		
Total revenues	<u>23,783</u>	<u>193</u>	<u>477</u>	<u>25</u>	<u>55,685</u>	<u>247</u>	<u>221</u>
EXPENDITURES:							
Current:							
General government							
Health and social services					65,230		
Public safety and justice					6,265		
Community services		193	163	26	1,617	1,435	
Roads and bridges	18,799						250
Capital outlay	2,341		87	6	809		
Total expenditures	<u>21,140</u>	<u>193</u>	<u>250</u>	<u>32</u>	<u>73,921</u>	<u>1,435</u>	<u>250</u>
Excess of revenues over (under) expenditures	<u>2,643</u>		<u>227</u>	<u>(7)</u>	<u>(18,236)</u>	<u>(1,188)</u>	<u>(29)</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in	135			65	18,236	1,275	
Operating transfers out	(2,929)		(125)				
Total other financing sources (uses)	<u>(2,794)</u>		<u>(125)</u>	<u>65</u>	<u>18,236</u>	<u>1,275</u>	
Excess of revenues and other sources over (under) expenditures and other uses	<u>(151)</u>		<u>102</u>	<u>58</u>		<u>87</u>	<u>(29)</u>
FUND BALANCES (DEFICIT), JUNE 30, 1988	10,898		52	280	330		(20)
EQUITY TRANSFERS IN (OUT)							207
FUND BALANCES (DEFICIT), JUNE 30, 1989	<u>\$ 10,747</u>	<u>\$</u>	<u>\$ 154</u>	<u>\$ 338</u>	<u>\$ 330</u>	<u>\$ 87</u>	<u>\$ 158</u>

Tax Title	Animal	Willamette	Serial	Library	Cable	County	Inmate	Convention	Assessment		Total
Land Sales	Control	River	Levy	Serial	Television	Fair	Welfare	Center	District	Telephone	
		Bridges		Levy					Operating		
\$ 290	\$	\$	\$ 4,483	\$ 7,275	\$	\$	\$	\$ 2,679	\$	\$	\$ 22,875
		21				56					68,404
	375				5,128						5,555
	117	5			35						2,180
99			546		102		4	16	16		1,958
									31		31
	31	165				433	367				1,902
<u>389</u>	<u>523</u>	<u>191</u>	<u>5,029</u>	<u>7,275</u>	<u>5,265</u>	<u>489</u>	<u>371</u>	<u>2,695</u>	<u>47</u>		<u>102,905</u>
625											625
							318				65,230
	1,766				818	417		2,691			6,583
		1,958							37		9,126
	9	419					21				21,044
<u>625</u>	<u>1,775</u>	<u>2,377</u>			<u>818</u>	<u>417</u>	<u>339</u>	<u>2,691</u>	<u>37</u>		<u>3,692</u>
<u>(236)</u>	<u>(1,252)</u>	<u>(2,186)</u>	<u>5,029</u>	<u>7,275</u>	<u>4,447</u>	<u>72</u>	<u>32</u>	<u>4</u>	<u>10</u>		<u>106,300</u>
	1,243	2,467									(3,395)
			(5,653)	(7,189)					127		23,548
	1,243	2,467	(5,653)	(7,189)					(135)		(16,031)
									(8)		7,517
(236)	(9)	281	(624)	86	4,447	72	32	4	2		4,122
340	(13)	2,965	4,052	136	167	105		2	2	195	19,491
							85			(195)	97
<u>\$ 104</u>	<u>\$ (22)</u>	<u>\$ 3,246</u>	<u>\$ 3,428</u>	<u>\$ 222</u>	<u>\$ 4,614</u>	<u>\$ 177</u>	<u>\$ 117</u>	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$</u>	<u>\$ 23,710</u>

MULTNOMAH COUNTY, OREGON
ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Gasoline	\$ 7,550	\$ 7,172	\$ (378)
Penalties		10	10
Forest reserve yield	580	725	145
Intergovernmental:			
Federal	1	3	2
State	14,656	13,631	(1,025)
Local	152	93	(59)
Licenses and permits	18	52	34
Charges for services	95	317	222
Interest	770	1,136	366
Other:			
Miscellaneous	48	41	(7)
Service reimbursements	603	603	
Total revenues	<u>24,473</u>	<u>23,783</u>	<u>(690)</u>
OTHER FINANCING SOURCE:			
Transfers from Assessment			
District Operating Fund	183	135	(48)
BEGINNING FUND BALANCE			
Total	<u>\$ 35,169</u>	<u>34,864</u>	<u>(305)</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 5,388	5,060	328
Materials and services	17,269	13,787	3,482
Capital outlay	9,004	2,341	6,663
Contingency	476		476
Total expenditures	<u>32,137</u>	<u>21,188</u>	<u>10,949</u>
OTHER FINANCING USES:			
Transfers to other funds:			
General	190	190	
Bicycle Path Construction	65	65	
Willamette River Bridges	2,467	2,467	
Assessment District Operating	230	127	103
Insurance	80	80	
Total other financing uses	<u>3,032</u>	<u>2,929</u>	<u>103</u>
Total	<u>\$ 35,169</u>	<u>24,117</u>	<u>11,052</u>
ENDING FUND BALANCE		<u>\$ 10,747</u>	<u>\$ 10,747</u>

MULTNOMAH COUNTY, OREGON
EMERGENCY COMMUNICATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - State	\$ 200	\$ 192	\$ (8)
Interest		1	1
Total revenues	<u>\$ 200</u>	<u>193</u>	<u>(7)</u>
EXPENDITURES:			
Justice Services:			
Materials and services	<u>\$ 200</u>	<u>193</u>	<u>7</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
RECREATIONAL FACILITIES FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable</u>
REVENUES:			
Charges for services	\$ 397	\$ 477	\$ 80
BEGINNING FUND BALANCE	<u>33</u>	<u>52</u>	<u>19</u>
Total	<u>\$ 430</u>	<u>529</u>	<u>99</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 186	163	23
Capital outlay	<u>119</u>	<u>87</u>	<u>32</u>
Total expenditures	<u>305</u>	<u>250</u>	<u>55</u>
OTHER FINANCING USE:			
Transfer to Road Fund	<u>125</u>	<u>125</u>	
Total	<u>\$ 430</u>	<u>375</u>	<u>55</u>
ENDING FUND BALANCE		<u>\$ 154</u>	<u>\$ 154</u>

MULTNOMAH COUNTY, OREGON
BICYCLE PATH CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable</u>
REVENUES:			
Interest	\$	\$ 25	\$ 25
OTHER FINANCING SOURCE:			
Transfer from Road Fund	65	65	
BEGINNING FUND BALANCE			
Total	<u>\$ 65</u>	<u>280</u>	<u>280</u>
	<u>370</u>	<u>305</u>	
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 27	26	1
Capital outlay	38	6	32
Total expenditures	<u>\$ 65</u>	<u>32</u>	<u>33</u>
ENDING FUND BALANCE		<u>\$ 338</u>	<u>\$ 338</u>

MULTNOMAH COUNTY, OREGON
 FEDERAL AND STATE PROGRAM FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL

For the fiscal year ended June 30, 1989

(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 59,867	\$ 54,609	\$ (5,258)
Charges for services	904	1,008	104
Interest		7	7
Other:			
Miscellaneous	242	245	3
Service reimbursements	8	17	9
Total revenues	<u>61,021</u>	<u>55,886</u>	<u>(5,135)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	19,268	18,236	(1,032)
BEGINNING FUND BALANCE			
Total	<u>\$ 330</u>	<u>330</u>	<u></u>
	<u>\$ 80,619</u>	<u>74,452</u>	<u>(6,167)</u>
EXPENDITURES:			
Human Services:			
Personal services	\$ 20,461	19,961	500
Materials and services	47,770	45,470	2,300
Capital outlay	289	265	24
Sub-total	<u>68,520</u>	<u>65,696</u>	<u>2,824</u>
Justice Services:			
Personal services	2,836	2,668	168
Materials and services	4,746	3,597	1,149
Capital outlay	660	467	193
Sub-total	<u>8,242</u>	<u>6,732</u>	<u>1,510</u>
Environmental Services:			
Personal services	606	492	114
Materials and services	3,228	1,125	2,103
Capital outlay	23	77	(54)
Sub-total	<u>3,857</u>	<u>1,694</u>	<u>2,163</u>
Total expenditures	<u>\$ 80,619</u>	<u>74,122</u>	<u>6,497</u>
ENDING FUND BALANCE		<u>\$ 330</u>	<u>\$ 330</u>

MULTNOMAH COUNTY, OREGON
COUNTY SCHOOL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable</u>
REVENUES:			
Taxes - Forest reserve yield	\$ 193	\$ 241	\$ 48
Interest	4	6	2
Total revenues	<u>197</u>	<u>247</u>	<u>50</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	<u>1,275</u>	<u>1,275</u>	
Total	<u>\$ 1,472</u>	<u>1,522</u>	<u>50</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	<u>\$ 1,472</u>	<u>1,435</u>	<u>37</u>
ENDING FUND BALANCE		<u>\$ 87</u>	<u>\$ 87</u>

MULTNOMAH COUNTY, OREGON
CORNER PRESERVATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 261	\$ 221	\$ (40)
OTHER FINANCING SOURCE:			
Transfer from General Fund	207	207	
BEGINNING FUND BALANCE (DEFICIT)	<u>21</u>	<u>(20)</u>	<u>(41)</u>
Total	<u>\$ 489</u>	<u>408</u>	<u>(81)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 250	250	
Contingency	<u>239</u>		<u>239</u>
Total expenditures	<u>\$ 489</u>	<u>250</u>	<u>239</u>
ENDING FUND BALANCE		<u>\$ 158</u>	<u>\$ 158</u>

MULTNOMAH COUNTY, OREGON
 TAX TITLE LAND SALES FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Taxes - Sales on foreclosures	\$ 558	\$ 290	\$ (268)
Interest	247	99	(148)
Total revenues	<u>805</u>	<u>389</u>	<u>(416)</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 805</u>	<u>340</u>	<u>340</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	<u>\$ 805</u>	<u>625</u>	<u>180</u>
ENDING FUND BALANCE		<u>\$ 104</u>	<u>\$ 104</u>

MULTNOMAH COUNTY, OREGON
ANIMAL CONTROL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Licenses and permits	\$ 296	\$ 375	\$ 79
Charges for services	110	117	7
Other - Miscellaneous	35	31	(4)
Total revenues	<u>441</u>	<u>523</u>	<u>82</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	1,283	1,243	(40)
BEGINNING FUND BALANCE			
Total	<u>4</u>	<u>4</u>	<u>42</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 1,278	1,309	(31)
Materials and services	441	474	(33)
Capital outlay	9	9	
Total expenditures	<u>\$ 1,728</u>	<u>1,792</u>	<u>(64)</u>
ENDING FUND BALANCE (DEFICIT)		<u>\$ (22)</u>	<u>\$ (22)</u>

MULTNOMAH COUNTY, OREGON
WILLAMETTE RIVER BRIDGES FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - Federal	\$ 166	\$ 21	\$ (145)
Charges for services		5	5
Other:			
Miscellaneous		1	1
Service reimbursements	45	164	119
Total revenues	<u>211</u>	<u>191</u>	<u>(20)</u>
OTHER FINANCING SOURCE:			
Transfer from Road Fund	2,467	2,467	
BEGINNING FUND BALANCE			
Total	<u>\$ 5,261</u>	<u>2,974</u>	<u>391</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 1,352	1,294	58
Materials and services	1,029	673	356
Capital outlay	2,711	419	2,292
Contingency	169		169
Total expenditures	<u>\$ 5,261</u>	<u>2,386</u>	<u>2,875</u>
ENDING FUND BALANCE		<u>\$ 3,246</u>	<u>\$ 3,246</u>

MULTNOMAH COUNTY, OREGON
SERIAL LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Property:			
Current year	\$ 4,277	\$ 4,338	\$ 61
Prior years'	141	124	(17)
Penalties and interest		17	17
Sales on foreclosures		4	4
Interest		546	546
Total revenues	<u>4,418</u>	<u>5,029</u>	<u>611</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 8,366</u>	<u>9,081</u>	<u>715</u>
EXPENDITURES:			
Justice Services:			
Materials and services	\$ 1,078	1,078	
Contingency	2,713		2,713
Total expenditures	<u>3,791</u>	<u>1,078</u>	<u>2,713</u>
OTHER FINANCING USE:			
Transfer to General Fund	4,575	4,575	
Total	<u>\$ 8,366</u>	<u>5,653</u>	<u>2,713</u>
ENDING FUND BALANCE		<u>\$ 3,428</u>	<u>\$ 3,428</u>

MULTNOMAH COUNTY, OREGON
LIBRARY SERIAL LEVY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 6,825	\$ 6,921	\$ 96
Prior years'	269	292	23
Penalties and interest		56	56
Sales on foreclosures		6	6
Total revenues	<u>7,094</u>	<u>7,275</u>	<u>181</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 95</u>	<u>136</u>	<u>41</u>
	<u>\$ 7,189</u>	<u>7,411</u>	<u>222</u>
OTHER FINANCING USE:			
Transfer to General Fund	<u>\$ 7,189</u>	<u>7,189</u>	
ENDING FUND BALANCE		<u>\$ 222</u>	<u>\$ 222</u>

MULTNOMAH COUNTY, OREGON
CABLE TELEVISION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Licenses and permits	\$ 795	\$ 5,128	\$ 4,333
Charges for services	36	35	(1)
Interest		102	102
Total revenues	<u>831</u>	<u>5,265</u>	<u>4,434</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 124</u>	<u>167</u>	<u>43</u>
	<u>\$ 955</u>	<u>5,432</u>	<u>4,477</u>
EXPENDITURES:			
General Services:			
Personal services	\$ 80	82	(2)
Materials and services	875	736	139
Total expenditures	<u>\$ 955</u>	<u>818</u>	<u>137</u>
ENDING FUND BALANCE		<u>\$ 4,614</u>	<u>\$ 4,614</u>

MULTNOMAH COUNTY, OREGON
COUNTY FAIR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental - State	\$ 59	\$ 56	\$ (3)
Other:			
Fair	265	253	(12)
Racing	174	180	6
Total revenues	<u>498</u>	<u>489</u>	<u>(9)</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 52</u>	<u>109</u>	<u>57</u>
	<u>\$ 550</u>	<u>598</u>	<u>48</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 93	81	12
Materials and services	457	340	117
Total expenditures	<u>\$ 550</u>	<u>421</u>	<u>129</u>
ENDING FUND BALANCE		<u>\$ 177</u>	<u>\$ 177</u>

MULTNOMAH COUNTY, OREGON
 INMATE WELFARE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL

For the fiscal year ended June 30, 1989

(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Interest	\$	\$ 4	\$ 4
Other - sale of goods	400	367	(33)
Total revenues	<u>400</u>	<u>371</u>	<u>(29)</u>
OTHER FINANCING SOURCES:			
Transfers from General Fund	85	85	
BEGINNING FUND BALANCE			
Total	<u>\$ 60</u>		<u>(60)</u>
	<u>\$ 545</u>	<u>456</u>	<u>(89)</u>
EXPENDITURES:			
Justice Services:			
Materials and services	\$ 515	318	197
Capital outlay	30	21	9
Total expenditures	<u>\$ 545</u>	<u>339</u>	<u>206</u>
ENDING FUND BALANCE		<u>\$ 117</u>	<u>\$ 117</u>

MULTNOMAH COUNTY, OREGON
CONVENTION CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes - Transient lodging	\$ 2,600	\$ 2,679	\$ 79
Interest		16	16
Total revenues	<u>2,600</u>	<u>2,695</u>	<u>95</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 2,600</u>	<u>2</u>	<u>2</u>
EXPENDITURES:			
Nondepartmental:			
Materials and services	<u>\$ 2,600</u>	<u>2,691</u>	<u>(91)</u>
ENDING FUND BALANCE		<u>\$ 6</u>	<u>\$ 6</u>

MULTNOMAH COUNTY, OREGON
ASSESSMENT DISTRICT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 11	\$ 16	\$ 5
Special assessments	30	31	1
Other - Administration	2		(2)
Total revenues	<u>43</u>	<u>47</u>	<u>4</u>
OTHER FINANCING SOURCE:			
Transfer from Road Fund	230	127	(103)
BEGINNING FUND BALANCE			
Total	<u>\$ 273</u>	<u>2</u>	<u>2</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 40	37	3
Capital outlay	50		50
Total expenditures	<u>90</u>	<u>37</u>	<u>53</u>
OTHER FINANCING USE:			
Cash transfer to Road Fund	183	135	48
Total	<u>\$ 273</u>	<u>172</u>	<u>101</u>
ENDING FUND BALANCE		<u>\$ 4</u>	<u>\$ 4</u>

DEBT SERVICE FUNDS

These funds account for the payment of principal and interest on special assessment improvement bonds and Certificates of Participation. The modified accrual basis of accounting is used. Funds included are:

- Assessment District Bond Sinking Fund - In accordance with ORS 223.285, accounts for the payment of principal and interest on special assessment improvement bonds. Revenues are received from the collection of Bancroft Assessment liens.
- 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 service reimbursements and cash transfers from other County funds.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 1989
 (amounts expressed in thousands)

	<u>Assessment District Bond Sinking</u>	<u>Capital Lease Retirement</u>	<u>Total</u>
ASSETS:			
Cash and investments	\$ 1,295	\$ 603	\$ 1,898
Special assessments receivable	<u>476</u>	<u> </u>	<u>476</u>
Total assets	<u><u>\$ 1,771</u></u>	<u><u>\$ 603</u></u>	<u><u>\$ 2,374</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 6	\$ 1	\$ 7
Deferred revenue	<u>468</u>	<u> </u>	<u>468</u>
Total liabilities	<u><u>474</u></u>	<u><u>1</u></u>	<u><u>475</u></u>
Fund balances:			
Reserved for debt service	<u>1,297</u>	<u>602</u>	<u>1,899</u>
Total liabilities and fund balances	<u><u>\$ 1,771</u></u>	<u><u>\$ 603</u></u>	<u><u>\$ 2,374</u></u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Assessment District Bond Sinking	Capital Lease Retirement	Total
REVENUES:			
Interest	\$ 163	\$ 162	\$ 325
Special assessments	320		320
Other		237	237
Total revenues	<u>483</u>	<u>399</u>	<u>882</u>
EXPENDITURES:			
Current:			
General government		4	4
Debt service:			
Principal	465	1,304	1,769
Interest	129	445	574
Total expenditures	<u>594</u>	<u>1,753</u>	<u>2,347</u>
Excess of revenues over (under) expenditures	<u>(111)</u>	<u>(1,354)</u>	<u>(1,465)</u>
OTHER FINANCING SOURCES (USES):			
Certificate of participation proceeds		408	408
Operating transfers in		1,236	1,236
Total other financing sources (uses)		<u>1,644</u>	<u>1,644</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(111)</u>	290	179
FUND BALANCES, JUNE 30, 1988	1,408		1,408
EQUITY TRANSFER IN		312	312
FUND BALANCES, JUNE 30, 1989	<u>\$ 1,297</u>	<u>\$ 602</u>	<u>\$ 1,899</u>

MULTNOMAH COUNTY, OREGON
 ASSESSMENT DISTRICT BOND SINKING FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL

For the fiscal year ended June 30, 1989

(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Interest	\$ 156	\$ 163	\$ 7
Special assessments	350	320	(30)
Total revenues	<u>506</u>	<u>483</u>	<u>(23)</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 1,371</u>	<u>1,408</u>	<u>37</u>
	<u>\$ 1,877</u>	<u>1,891</u>	<u>14</u>
EXPENDITURES:			
Environmental Services:			
Debt service:			
Principal	\$ 465	465	
Interest	129	129	
Total expenditures	<u>594</u>	<u>594</u>	
ENDING FUND BALANCE	<u>\$ 1,283</u>	<u>\$ 1,297</u>	<u>\$ 14</u>
	<u>\$ 1,877</u>		

MULTNOMAH COUNTY, OREGON
CAPITAL LEASE RETIREMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$	\$ 162	\$ 162
Other - Service reimbursements	1,756	1,315	(441)
Total revenues	<u>1,756</u>	<u>1,477</u>	<u>(279)</u>
OTHER FINANCING SOURCES:			
Transfer from General Fund	158	158	
Certificates of participation proceeds		408	408
Total other financing sources	<u>158</u>	<u>566</u>	<u>408</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 1,914</u>	<u>312</u>	<u>312</u>
EXPENDITURES:			
Nondepartmental:			
- Materials and services	\$ 158	4	154
Debt service:			
Principal	1,235	1,304	(69)
Interest	521	445	76
Total expenditures	<u>\$ 1,914</u>	<u>1,753</u>	<u>161</u>
ENDING FUND BALANCE		<u>\$ 602</u>	<u>\$ 602</u>

CAPITAL PROJECTS FUNDS

These funds account for expenditures on major construction projects and proceeds from certificates of participation issued to finance capital acquisitions. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- Lease/Purchase Project Fund - accounts for purchases and construction of capital acquisition.
- Inverness Jail Construction Fund - accounts for the construction of the Inverness Jail.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 1989
 (amounts expressed in thousands)

	<u>Inverness Jail Construction</u>	<u>Lease/ Purchase Project</u>	<u>Total</u>
ASSETS:			
Cash and investments	\$ 58	\$	\$ 58
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 58	\$ 115	\$ 173
Due to other funds		53	53
Total liabilities	<u>58</u>	<u>168</u>	<u>226</u>
Fund balances deficits:			
Reserved for capital projects		(168)	(168)
Total liabilities and fund balances	<u>\$ 58</u>	<u>\$</u>	<u>\$ 58</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Inverness Jail <u>Construction</u>	Lease/ Purchase <u>Project</u>	<u>Total</u>
REVENUES:			
Other	\$ _____	\$ 271	\$ 271
EXPENDITURES:			
Current:			
General government		131	131
Public safety and justice	271		271
Capital outlay	4,078	4,151	8,229
Total expenditures	<u>4,349</u>	<u>4,282</u>	<u>8,631</u>
Excess of revenues over (under) expenditures	<u>(4,349)</u>	<u>(4,011)</u>	<u>(8,360)</u>
OTHER FINANCING SOURCE:			
Certificates of participation proceeds		3,817	3,817
Excess of revenues and other sources over (under) expenditures and other uses	(4,349)	(194)	(4,543)
FUND BALANCES, JUNE 30, 1988		4,687	4,687
EQUITY TRANSFERS IN (OUT)	4,349	(4,661)	(312)
FUND BALANCES (DEFICIT), JUNE 30, 1989	<u>\$ _____</u>	<u>\$ (168)</u>	<u>\$ (168)</u>

MULTNOMAH COUNTY, OREGON
INVERNESS JAIL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 10	\$	\$ (10)
BEGINNING FUND BALANCE			
Total	<u>\$ 5,460</u>	<u>4,349</u>	<u>(1,111)</u>
	<u>\$ 5,470</u>	<u>4,349</u>	<u>(1,121)</u>
EXPENDITURES:			
Justice Services:			
Materials and services	\$ 1,280	271	1,009
Capital outlay	4,190	4,078	112
Total expenditures	<u>\$ 5,470</u>	<u>4,349</u>	<u>1,121</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
LEASE/PURCHASE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable <u>(unfavorable)</u>
REVENUES:			
Other - Service reimbursements	\$ 271	\$ 271	\$
OTHER FINANCING SOURCE:			
Certificates of participation proceeds	4,765	3,817	(948)
BEGINNING FUND BALANCE			
Total	<u>\$ 5,036</u>	<u>26</u> <u>4,114</u>	<u>26</u> <u>(922)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 190	131	59
Capital outlay	4,846	4,151	695
Total expenditures	<u>\$ 5,036</u>	<u>4,282</u>	<u>754</u>
ENDING FUND BALANCE (DEFICIT)		<u>\$ (168)</u>	<u>\$ (168)</u>

Note: This fund was renamed during the fiscal year. Prior name was the Capital Reserve Fund.

ENTERPRISE FUNDS

These funds are used to finance and account for the acquisition, operation and maintenance of the data processing, sewage treatment and street lighting facilities 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 vacation benefits (compensated absences), depreciation, debt and capital outlay. Funds included are:

- Data Processing Fund - accounts for the County's data processing operations.
- Dunthorpe Riverdale Service District No. 1 Fund - accounts for the operation of the sanitary sewer system in Southwest unincorporated Multnomah County.
- Dunthorpe-Riverdale Service District No. 1 Sinking Fund - accounts for the retirement of the general obligation debt of the sanitary sewer system.
- West Hills Service District No. 2 Fund - accounts for the operation of the sanitary sewer system in West unincorporated Multnomah County.
- Central County Service District No. 3 Fund - accounts for the operation of the sanitary sewer system in East Multnomah County.
- Mid-County Service District No. 14 Fund - accounts for the operation of street lights throughout unincorporated Multnomah County.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1989
(amounts expressed in thousands)

	Data Processing	Dunthorpe-Riverdale Service District No. 1	West Hills Service District No. 2	Central County Service District No. 3	Mid-County Service District No. 14	Total
ASSETS:						
Current Assets:						
Cash and investments	\$ 674	\$ 330	\$ 47	\$ 15	\$ 615	\$ 1,681
Receivables (net of allowances for uncollectibles):						
Accounts	138				26	164
Special assessments		12	2	3	113	130
Total current assets	<u>812</u>	<u>342</u>	<u>49</u>	<u>18</u>	<u>754</u>	<u>1,975</u>
Restricted assets:						
Debt service:						
Cash and investments		13				13
Property taxes receivable		4				4
Total restricted assets		<u>17</u>				<u>17</u>
Fixed assets (net of accumulated depreciation)	1,285	853	95		293	2,526
Contracts receivable				12		12
Total assets	<u>\$ 2,097</u>	<u>\$ 1,212</u>	<u>\$ 144</u>	<u>\$ 30</u>	<u>\$ 1,047</u>	<u>\$ 4,530</u>
LIABILITIES AND FUND EQUITY:						
Current liabilities:						
Accounts payable	\$ 24	\$ 40	\$ 3	\$	\$ 118	\$ 185
Compensated absences	139					139
Capitalized leases - current	193					193
Total current liabilities	<u>356</u>	<u>40</u>	<u>3</u>		<u>118</u>	<u>517</u>
Current liabilities payable from restricted assets:						
Interest payable		1				1
General obligation bonds - current		28				28
Total current liabilities payable from restricted assets		<u>29</u>				<u>29</u>
Noncurrent liabilities:						
General obligation bonds (net of current portion)		28				28
Capitalized leases (net of current portion)	173					173
Total noncurrent liabilities	<u>173</u>	<u>28</u>				<u>201</u>
Total liabilities	<u>529</u>	<u>97</u>	<u>3</u>		<u>118</u>	<u>747</u>
Fund equity:						
Contributed capital	1,545	1,699	547		663	4,454
Retained earnings (deficit):						
Reserved for debt service		(41)				(41)
Unreserved, undesignated	23	(543)	(406)	30	266	(630)
Total fund equity	<u>1,568</u>	<u>1,115</u>	<u>141</u>	<u>30</u>	<u>929</u>	<u>3,783</u>
Total liabilities and fund equity (deficit)	<u>\$ 2,097</u>	<u>\$ 1,212</u>	<u>\$ 144</u>	<u>\$ 30</u>	<u>\$ 1,047</u>	<u>\$ 4,530</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Data Processing	Dunthorpe- Riverdale Service District No. 1	West Hills Service District No. 2	Central County Service District No. 3	Mid-County Service District No. 14	Total
OPERATING REVENUES:						
Charges for services	\$ 5,456	\$ 92	\$ 11	\$ 13	\$ 722	\$ 6,294
OPERATING EXPENSES:						
Salaries and wages	1,773					1,773
Employee benefits	626					626
Repairs and maintenance	479					479
Utilities		79	6	11	708	804
Equipment rental	118					118
Facility rental	216					216
Professional services	652					652
Communications	149					149
Operating supplies	117					117
Depreciation	546	28	3		25	602
Internal support	435	5	2	1	33	476
Other expenses	44	1			3	48
Total operating expenses	5,155	113	11	12	769	6,060
Operating income (loss)	301	(21)		1	(47)	234
NONOPERATING REVENUES (EXPENSES):						
Interest revenue		28	4	5	75	112
Interest expense	(30)	(3)				(33)
Loss on sale of fixed assets	(1)				(1)	(2)
Total nonoperating revenues (expenses)	(31)	25	4	5	74	77
Net income (loss)	270	4	4	6	27	311
RETAINED EARNINGS (DEFICIT), JUNE 30, 1988	(247)	(588)	(410)	24	239	(982)
RETAINED EARNINGS (DEFICIT), JUNE 30, 1989	\$ 23	\$ (584)	\$ (406)	\$ 30	\$ 266	\$ (671)

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Data Processing	Dunthorpe- Riverdale Service District No. 1	West Hills Service District No. 2	Central County Service District No. 3	Mid-County Service District No. 14	Total
CONTRIBUTED CAPITAL, JUNE 30, 1988	<u>\$ 1,382</u>	<u>\$ 1,658</u>	<u>\$ 546</u>	<u>\$ _____</u>	<u>\$ 570</u>	<u>\$ 4,156</u>
ADD:						
Contributions from connection fees		18	1			19
Contributions from customers					93	93
Contributions from property taxes		23				23
Contributions from General Fund	163					163
Total contributions added	<u>163</u>	<u>41</u>	<u>1</u>	<u>_____</u>	<u>93</u>	<u>298</u>
CONTRIBUTED CAPITAL, JUNE 30, 1989	<u><u>\$ 1,545</u></u>	<u><u>\$ 1,699</u></u>	<u><u>\$ 547</u></u>	<u><u>\$ _____</u></u>	<u><u>\$ 663</u></u>	<u><u>\$ 4,454</u></u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Data Processing	Dunthorpe- Riverdale Service District No. 1	West Hills Service District No. 2	Central County Service District No. 3	Mid-County Service District No. 14	Total
SOURCES OF WORKING CAPITAL:						
Operations:						
Net income (loss)	\$ 270	\$ 4	\$ 4	\$ 6	\$ 27	\$ 311
Add (deduct) items not affecting working capital:						
Depreciation	546	28	3		25	602
Loss on sale of fixed assets	1				1	2
Working capital provided by operations	<u>817</u>	<u>32</u>	<u>7</u>	<u>6</u>	<u>53</u>	<u>915</u>
Customer and other contributions		41	1		93	135
Decrease in contracts receivable				4		4
Decrease in restricted assets		8				8
Total sources of working capital	<u>817</u>	<u>81</u>	<u>8</u>	<u>10</u>	<u>146</u>	<u>1,062</u>
USES OF WORKING CAPITAL:						
Aquisition of fixed assets	125				108	233
Changes in maturities of long-term debt and interest payable	<u>193</u>	<u>29</u>				<u>222</u>
Total uses of working capital	<u>318</u>	<u>29</u>			<u>108</u>	<u>455</u>
Increase in working capital	<u>\$ 499</u>	<u>\$ 52</u>	<u>\$ 8</u>	<u>\$ 10</u>	<u>\$ 38</u>	<u>\$ 607</u>
CHANGES IN COMPONENTS WHICH INCREASED (DECREASED) WORKING CAPITAL:						
Cash and investments	\$ 607	\$ 57	\$ 7	\$ (61)	\$ 365	\$ 975
Accounts receivable	(78)	1	(2)	(3)	(398)	(480)
Accounts payable	(13)	(6)	3	74	71	129
Compensated absences	(6)					(6)
Capitalized leases	(11)					(11)
Increase in working capital	<u>\$ 499</u>	<u>\$ 52</u>	<u>\$ 8</u>	<u>\$ 10</u>	<u>\$ 38</u>	<u>\$ 607</u>

MULTNOMAH COUNTY, OREGON
DATA PROCESSING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 326	\$ 788	\$ 462
Other - Service reimbursements	4,493	4,668	175
Total revenues	<u>4,819</u>	<u>5,456</u>	<u>637</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 279</u>	<u>273</u>	<u>(6)</u>
	<u>\$ 5,098</u>	<u>5,729</u>	<u>631</u>
EXPENDITURES:			
General Services:			
Personal services	\$ 2,432	2,425	7
Materials and services	2,529	2,425	104
Capital outlay	135	124	11
Contingency	2		2
Total expenditures	<u>\$ 5,098</u>	<u>4,974</u>	<u>124</u>
ENDING FUND BALANCE		<u>\$ 755</u>	<u>\$ 755</u>

MULTNOMAH COUNTY, OREGON
DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable</u>
REVENUES:			
Assessments - sewer	\$ 91	\$ 92	\$ 1
Charges for services - connection	10	18	8
Interest	12	26	14
Total revenues	<u>113</u>	<u>136</u>	<u>23</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 313</u>	<u>242</u>	<u>42</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 99	85	14
Contingency	20		20
Total expenditures	<u>119</u>	<u>85</u>	<u>34</u>
ENDING FUND BALANCE	<u>\$ 194</u>	<u>\$ 293</u>	<u>\$ 99</u>
	<u>\$ 313</u>		

MULTNOMAH COUNTY, OREGON
DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1
SINKING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 22	\$ 20	\$ (2)
Prior years'	1	2	1
Penalties and interest		1	1
Interest	<u>1</u>	<u>1</u>	
Total revenues	<u>24</u>	<u>24</u>	
BEGINNING FUND BALANCE			
Total	<u>\$ 41</u>	<u>20</u>	<u>3</u>
EXPENDITURES:			
Environmental Services:			
Debt service			
Principal	\$ 28	28	
Interest	<u>3</u>	<u>3</u>	
Total expenditures	<u>31</u>	<u>31</u>	
ENDING FUND BALANCE	<u>\$ 10</u>	<u>\$ 13</u>	<u>\$ 3</u>
	<u>\$ 41</u>		

MULTNOMAH COUNTY, OREGON
WEST HILLS SERVICE DISTRICT NO. 2 FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL

For the fiscal year ended June 30, 1989

(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Assessments - sewer	\$ 16	\$ 13	\$ (3)
Charges for services - connection		1	1
Interest	1	4	3
Total revenues	<u>17</u>	<u>18</u>	<u>1</u>
BEGINNING FUND BALANCE	30	35	5
Total	<u>\$ 47</u>	<u>53</u>	<u>6</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 13	8	5
Contingency	10		10
Total expenditures	<u>23</u>	<u>8</u>	<u>15</u>
ENDING FUND BALANCE	<u>\$ 24</u>	<u>\$ 45</u>	<u>\$ 21</u>
	<u>\$ 47</u>		

MULTNOMAH COUNTY, OREGON
CENTRAL COUNTY SERVICE DISTRICT NO. 3 FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable</u>
REVENUES:			
Assessments - sewer	\$	\$ 5	\$ 5
Charges for service - connection		2	2
Interest		6	6
Total revenues		<u>13</u>	<u>13</u>
BEGINNING FUND BALANCE			
Total	<u>4</u>	<u>19</u>	<u>15</u>
	<u>\$ 4</u>	<u>32</u>	<u>28</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ <u>4</u>	<u>1</u>	<u>3</u>
ENDING FUND BALANCE		<u>\$ 31</u>	<u>\$ 31</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, 1989

(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Assessments - street lighting			
Current year	\$ 1,100	\$ 659	\$ (441)
Prior years'	90	65	(25)
Interest	55	92	37
Other		3	3
Total revenues	<u>1,245</u>	<u>819</u>	<u>(426)</u>
BEGINNING FUND BALANCE	350	480	130
Total	<u>\$ 1,595</u>	<u>1,299</u>	<u>(296)</u>
EXPENDITURES:			
Environmental Services:			
Materials and services	\$ 1,250	744	506
Capital outlay	25	14	11
Contingency	25		25
Total expenditures	<u>1,300</u>	<u>758</u>	<u>542</u>
ENDING FUND BALANCE	<u>\$ 295</u>	<u>\$ 541</u>	<u>\$ 246</u>
	<u>\$ 1,595</u>		

INTERNAL SERVICE FUNDS

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

- Insurance Fund - accounts for the County's insurance programs for liability, tort, workers' compensation, property, medical, dental, vision, life and long-term disability claims and insurance.
- Fleet Management Fund - accounts for all motor vehicle fleet operations.
- Telephone Fund - accounts for all telephone operations.

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 1989
 (amounts expressed in thousands)

	<u>Insurance</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Total</u>
ASSETS:				
Current assets:				
Cash and investments	\$ 6,230	\$ 922	\$ 356	\$ 7,508
Accounts receivable		1	46	47
Inventories		325		325
Prepaid insurance	27			27
Total current assets	6,257	1,248	402	7,907
Fixed assets (net)	6	2,448	1,110	3,564
Total assets	<u>\$ 6,263</u>	<u>\$ 3,696</u>	<u>\$ 1,512</u>	<u>\$ 11,471</u>
LIABILITIES AND FUND EQUITY:				
Current liabilities:				
Accounts payable	\$ 2,531	\$ 126	\$ 46	\$ 2,703
Compensated absences	5	41	7	53
Total current liabilities	<u>2,536</u>	<u>167</u>	<u>53</u>	<u>2,756</u>
Fund equity:				
Contributed capital		3,301	1,329	4,630
Retained earnings:				
Unreserved, undesignated	3,727	228	130	4,085
Total equity	<u>3,727</u>	<u>3,529</u>	<u>1,459</u>	<u>8,715</u>
Total liabilities and fund equity	<u>\$ 6,263</u>	<u>\$ 3,696</u>	<u>\$ 1,512</u>	<u>\$ 11,471</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Insurance</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for services	\$ 7,429	\$ 2,657	\$ 1,397	\$ 11,483
Insurance premiums	418			418
Experience rating and refunds	300			300
Total operating revenues	<u>8,147</u>	<u>2,657</u>	<u>1,397</u>	<u>12,201</u>
OPERATING EXPENSES:				
Salaries and wages	15	706	140	861
Employee benefits	5	238	43	286
Repairs and maintenance	12	100	205	317
Utilities		59		59
Equipment rental		21	32	53
Professional services		11		11
Communications	2	11	508	521
Operating supplies	11	673	3	687
Insurance claims and premiums	8,641			8,641
Administrative	595			595
Depreciation	1	799	167	967
Other	15	13	169	197
Total operating expenses	<u>9,297</u>	<u>2,631</u>	<u>1,267</u>	<u>13,195</u>
Operating income (loss)	<u>(1,150)</u>	<u>26</u>	<u>130</u>	<u>(994)</u>
NONOPERATING REVENUES:				
Interest revenue	411			411
Gain on sale of equipment		69		69
Total nonoperating revenues	<u>411</u>	<u>69</u>		<u>480</u>
Net income (loss) before operating transfers	(739)	95	130	(514)
OPERATING TRANSFERS IN (OUT)				
Net income (loss)	<u>(327)</u>	<u>(205)</u>	<u>130</u>	<u>(402)</u>
RETAINED EARNINGS, JUNE 30, 1988	<u>4,054</u>	<u>433</u>		<u>4,487</u>
RETAINED EARNINGS, JUNE 30, 1989	<u>\$ 3,727</u>	<u>\$ 228</u>	<u>\$ 130</u>	<u>\$ 4,085</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN CONTRIBUTED CAPITAL
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Fleet Management</u>	<u>Telephone</u>	<u>Total</u>
CONTRIBUTED CAPITAL, JUNE 30, 1988	\$ <u>3,102</u>	\$ _____	\$ <u>3,102</u>
CONTRIBUTIONS:			
Contributions from Special Revenue Fund		195	195
Transfer of fixed assets from General Fixed Assets Account Group at estimated market value on date of transfer	<u>199</u>	<u>1,134</u>	<u>1,333</u>
Total contributions added	<u>199</u>	<u>1,329</u>	<u>1,528</u>
CONTRIBUTED CAPITAL, JUNE 30, 1989	\$ <u><u>3,301</u></u>	\$ <u><u>1,329</u></u>	\$ <u><u>4,630</u></u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Insurance</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Total</u>
SOURCES OF WORKING CAPITAL:				
Operations:				
Net income (loss)	\$ (327)	\$ (205)	\$ 130	\$ (402)
Add (deduct) items not affecting working capital:				
Depreciation	1	799	167	967
(Gain) on disposal of fixed assets		(69)		(69)
Working capital provided by (used for) operations	(326)	525	297	496
Contributions from other funds		199	1,329	1,528
Proceeds from sale of equipment		75		75
Net sources of working capital	(326)	799	1,626	2,099
USES OF WORKING CAPITAL:				
Aquisition of fixed assets	6	1,096	1,277	2,379
Increase (decrease) in working capital	<u>\$ (332)</u>	<u>\$ (297)</u>	<u>\$ 349</u>	<u>\$ (280)</u>
CHANGES IN COMPONENTS WHICH INCREASED (DECREASED) WORKING CAPITAL:				
Cash and investments	\$ (78)	\$ (299)	\$ 356	\$ (21)
Accounts receivable		(5)	46	41
Inventories		11		11
Prepaid insurance	(4)			(4)
Accounts payable	(249)	3	(46)	(292)
Compensated absences	(1)	(7)	(7)	(15)
Increase (decrease) in working capital	<u>\$ (332)</u>	<u>\$ (297)</u>	<u>\$ 349</u>	<u>\$ (280)</u>

MULTNOMAH COUNTY, OREGON
INSURANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 482	\$ 10	\$ (472)
Interest	360	411	51
Other:			
Service reimbursements	7,959	7,419	(540)
Premiums		418	418
Experience ratings & miscellaneous		300	300
Total revenues	<u>8,801</u>	<u>8,558</u>	<u>(243)</u>
OTHER FINANCING SOURCES:			
Transfer from other funds:			
General Fund	332	332	
Road Fund	80	80	
Total other financing sources	<u>412</u>	<u>412</u>	
BEGINNING FUND BALANCE	4,173	4,057	(116)
Total	<u>\$ 13,386</u>	<u>13,027</u>	<u>(359)</u>
EXPENDITURES:			
General Services:			
Personal services	\$ 171	23	148
Materials and services	9,124	9,268	(144)
Capital outlay	37	14	23
Contingency	4,054		4,054
Total expenditures	<u>\$ 13,386</u>	<u>9,305</u>	<u>4,081</u>
ENDING FUND BALANCE		<u>\$ 3,722</u>	<u>\$ 3,722</u>

MULTNOMAH COUNTY, OREGON
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 22	\$ 38	\$ 16
Other:			
Service reimbursements	2,854	2,619	(235)
Miscellaneous		3	3
Proceeds from sale of fixed assets	35	75	40
Total revenues	<u>2,911</u>	<u>2,735</u>	<u>(176)</u>
BEGINNING FUND BALANCE			
Total	<u>\$ 4,414</u>	<u>4,148</u>	<u>(266)</u>
EXPENDITURES:			
Environmental Services:			
Personal services	\$ 1,016	978	38
Materials and services	884	871	13
Capital outlay	1,169	918	251
Contingency	406		406
Total expenditures	<u>3,475</u>	<u>2,767</u>	<u>708</u>
OTHER FINANCING USE:			
Transfer to General Fund	300	300	
Total	<u>\$ 3,775</u>	<u>3,067</u>	<u>708</u>
ENDING FUND BALANCE	<u>\$ 4,414</u>	<u>\$ 1,081</u>	<u>\$ 442</u>

MULTNOMAH COUNTY, OREGON
TELEPHONE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 268	\$ 280	\$ 12
Other:			
Service reimbursements	1,026	1,116	90
Total revenues	<u>1,294</u>	<u>1,396</u>	<u>102</u>
OTHER FINANCING SOURCES:			
Transfer from General Fund	25		(25)
BEGINNING FUND BALANCE			
Total	<u>\$ 1,319</u>	<u>197</u>	<u>197</u>
EXPENDITURES:			
General Services:			
Personal services	\$ 188	185	3
Materials and services	977	921	56
Capital outlay	154	138	16
Total expenditures	<u>\$ 1,319</u>	<u>1,244</u>	<u>75</u>
ENDING FUND BALANCE		<u>\$ 349</u>	<u>\$ 349</u>

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FIDUCIARY (AGENCY) FUNDS

These agency funds account for resources received and held by the County in a fiduciary capacity. Disbursements are made in accordance with the agreement or applicable legislative enactment for each particular fund. The modified accrual basis of accounting is used to record transactions. The agency funds are as follows:

- 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.
- Sewer System Development Fund - accounts for the repayment of a surcharge on building activities collected for the East County cities. These surcharges are to be refunded to property owners.
- Deferred Compensation Fund - accounts for voluntary withholdings from employee's wages on which income taxes are deferred until the time of withdrawal.
- Public Guardian Fund - accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.

MULTNOMAH COUNTY, OREGON
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
June 30, 1989
 (amounts expressed in thousands)

	Sundry Taxing Bodies	Clearing	Department & Offices Agency	Sewer System Development	Deferred Compensation	Public Guardian	Total
ASSETS:							
Cash and investments	\$ 5,222	\$ 7,907	\$ 2,533	\$ 30	\$ 13,622	\$ 568	\$ 29,882
Receivables:							
Property taxes	63,089						63,089
Accounts			12				12
Total assets	<u>\$ 68,311</u>	<u>\$ 7,907</u>	<u>\$ 2,545</u>	<u>\$ 30</u>	<u>\$ 13,622</u>	<u>\$ 568</u>	<u>\$ 92,983</u>
LIABILITIES:							
Payrolls payable	\$	\$ 3,447	\$	\$	\$	\$	\$ 3,447
Accounts payable		4,460	419				4,879
Due to General Fund			4				4
Amounts held in trust	68,311		2,122	30		568	71,031
Deferred compensation					13,622		13,622
Total liabilities	<u>\$ 68,311</u>	<u>\$ 7,907</u>	<u>\$ 2,545</u>	<u>\$ 30</u>	<u>\$ 13,622</u>	<u>\$ 568</u>	<u>\$ 92,983</u>

MULTNOMAH COUNTY, OREGON
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Balance June 30, 1988	Additions	Deletions	Balance June 30, 1989
SUNDRY TAXING BODIES FUND:				
Assets:				
Cash and investments	\$ 4,695	\$ 509,080	\$ 508,553	\$ 5,222
Property taxes receivable	58,930	532,368	528,209	63,089
Total assets	<u>\$ 63,625</u>	<u>\$ 1,041,448</u>	<u>\$ 1,036,762</u>	<u>\$ 68,311</u>
Liabilities:				
Amounts held in trust	<u>\$ 63,625</u>	<u>\$ 1,041,448</u>	<u>\$ 1,036,762</u>	<u>\$ 68,311</u>
CLEARING FUND:				
Assets:				
Cash and investments	<u>\$ 5,320</u>	<u>\$ 676,128</u>	<u>\$ 673,541</u>	<u>\$ 7,907</u>
Liabilities:				
Payrolls payable	\$ 3,017	\$ 157,708	\$ 157,278	\$ 3,447
Accounts payable	2,303	518,420	516,263	4,460
Total liabilities	<u>\$ 5,320</u>	<u>\$ 676,128</u>	<u>\$ 673,541</u>	<u>\$ 7,907</u>
DEPARTMENT AND OFFICES AGENCY FUND:				
Assets:				
Cash and investments	\$ 1,687	\$ 586,405	\$ 585,559	\$ 2,533
Accounts receivable	12			12
Total assets	<u>\$ 1,699</u>	<u>\$ 586,405</u>	<u>\$ 585,559</u>	<u>\$ 2,545</u>
Liabilities:				
Accounts payable	\$ 378	\$ 2,591	\$ 2,550	\$ 419
Due to General Fund	4			4
Amounts held in trust	1,317	583,814	583,009	2,122
Total liabilities	<u>\$ 1,699</u>	<u>\$ 586,405</u>	<u>\$ 585,559</u>	<u>\$ 2,545</u>
SEWER SYSTEM DEVELOPMENT FUND:				
Assets:				
Cash and investments	<u>\$ 33</u>	<u>\$</u>	<u>\$ 3</u>	<u>\$ 30</u>
Liabilities:				
Amounts held in trust	<u>\$ 33</u>	<u>\$</u>	<u>\$ 3</u>	<u>\$ 30</u>
DEFERRED COMPENSATION FUND:				
Assets:				
Cash and investments	<u>\$ 11,432</u>	<u>\$ 3,397</u>	<u>\$ 1,207</u>	<u>\$ 13,622</u>
Liabilities:				
Deferred compensation	<u>\$ 11,432</u>	<u>\$ 3,397</u>	<u>\$ 1,207</u>	<u>\$ 13,622</u>
PUBLIC GUARDIAN FUND:				
Assets:				
Cash and investments	\$ 726	\$ 1,065	\$ 1,223	\$ 568
Accounts receivable	4		4	
Total assets	<u>\$ 730</u>	<u>\$ 1,065</u>	<u>\$ 1,227</u>	<u>\$ 568</u>
Liabilities:				
Amounts held in trust	<u>\$ 730</u>	<u>\$ 1,065</u>	<u>\$ 1,227</u>	<u>\$ 568</u>
TOTAL - ALL FIDUCIARY FUNDS:				
Assets:				
Cash and investments	\$ 23,893	\$ 1,776,075	\$ 1,770,086	\$ 29,882
Property taxes receivable	58,930	532,368	528,209	63,089
Accounts receivable	16		4	12
Total assets	<u>\$ 82,839</u>	<u>\$ 2,308,443</u>	<u>\$ 2,298,299</u>	<u>\$ 92,983</u>
Liabilities:				
Payrolls payable	\$ 3,017	\$ 157,708	\$ 157,278	\$ 3,447
Accounts payable	2,681	521,011	518,813	4,879
Due to General Fund	4			4
Amounts held in trust	65,705	1,626,327	1,621,001	71,031
Deferred compensation	11,432	3,397	1,207	13,622
Total liabilities	<u>\$ 82,839</u>	<u>\$ 2,308,443</u>	<u>\$ 2,298,299</u>	<u>\$ 92,983</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is a self-balancing group of accounts used to record the fixed assets of the County except for the assets recorded in the enterprise and internal service funds.

MULTNOMAH COUNTY, OREGON
 SCHEDULE OF GENERAL FIXED ASSETS
 June 30, 1989
 (amounts expressed in thousands)

GENERAL FIXED ASSETS:	
Land and land improvements	\$ 4,798
Buildings and improvements	88,900
Park sites	4,891
Bridges	28,934
Equipment	8,623
Total general fixed assets	<u>\$ 136,146</u>
Investments in general fixed assets:	
Balance July 1, 1988	<u>\$ 127,794</u>
Additions provided by:	
General Fund	10,625
Road Fund	130
Federal and State Program Fund	259
Animal Control Fund	9
Willamette River Bridges Fund	169
Total additions	<u>11,192</u>
Deductions:	
Retirements	(1,074)
Transfer to Proprietary Funds (net)	(1,766)
Total deductions	<u>(2,840)</u>
Total investment in general fixed assets	<u>\$ 136,146</u>
Reconciliation:	
Total capital outlay	<u>\$ 14,799</u>
Contributions to Data Processing Fund	(176)
Contributions to Fleet Management Fund	(119)
Repairs and other general maintenance	(1,206)
Roads and bridge maintenance	(2,192)
Operating supplies	(216)
	<u>(3,909)</u>
Additional items capitalized	302
Total general fixed asset additions	<u>\$ 11,192</u>

MULTNOMAH COUNTY, OREGON
 SCHEDULE OF GENERAL FIXED ASSETS
 BY FUNCTION AND ACTIVITY
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	Land and land improvements	Buildings and improvements	Parksites	Bridges	Equipment	Total
FUNCTION AND ACTIVITY:						
General government:						
Legislative	\$ 6	\$ 1,126	\$	\$	\$ 141	\$ 1,273
Administrative	102	4,287			2,070	6,459
Sub-total	<u>108</u>	<u>5,413</u>			<u>2,211</u>	<u>7,732</u>
Health and social services:						
Health	1,269	5,168			841	7,278
Social	87	2,620			337	3,044
Sub-total	<u>1,356</u>	<u>7,788</u>			<u>1,178</u>	<u>10,322</u>
Public safety:						
Law enforcement	1,222	52,697			1,903	55,822
Justice	40	1,156			337	1,533
Sub-total	<u>1,262</u>	<u>53,853</u>			<u>2,240</u>	<u>57,355</u>
Community services:						
Community service development	844	942			113	1,899
Recreation	300	3,894			311	4,505
Park sites			4,891			4,891
Sub-total	<u>1,144</u>	<u>4,836</u>	<u>4,891</u>		<u>424</u>	<u>11,295</u>
Roads and bridges:						
Roads and bridges	383			28,934	2,570	31,887
Bridge shops	39	305				344
Road shops	65	5,121				5,186
Administrative		249				249
Sub-total	<u>487</u>	<u>5,675</u>		<u>28,934</u>	<u>2,570</u>	<u>37,666</u>
External organizations:						
External use	441	11,335				11,776
Total general fixed assets	<u>\$ 4,798</u>	<u>\$ 88,900</u>	<u>\$ 4,891</u>	<u>\$ 28,934</u>	<u>\$ 8,623</u>	<u>\$ 136,146</u>

MULTNOMAH COUNTY, OREGON
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 BY FUNCTION AND ACTIVITY
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	General fixed assets June 30, 1988	Additions and reclasses	Deductions	General fixed assets June 30, 1989
FUNCTION AND ACTIVITY:				
General government:				
Legislative	\$ 821	\$ 473	\$ (21)	\$ 1,273
Administrative	9,036	(2,269)	(308)	6,459
Sub-total	<u>9,857</u>	<u>(1,796)</u>	<u>(329)</u>	<u>7,732</u>
Health and social services:				
Health	3,607	3,838	(167)	7,278
Social	2,963	169	(88)	3,044
Sub-total	<u>6,570</u>	<u>4,007</u>	<u>(255)</u>	<u>10,322</u>
Public safety:				
Law enforcement	49,993	5,889	(60)	55,822
Justice	1,542	210	(219)	1,533
Sub-total	<u>51,535</u>	<u>6,099</u>	<u>(279)</u>	<u>57,355</u>
Community services:				
Community service development	1,804	101	(6)	1,899
Recreation	4,255	250		4,505
Park sites	4,891			4,891
Sub-total	<u>10,950</u>	<u>351</u>	<u>(6)</u>	<u>11,295</u>
Roads and bridges:				
Roads and bridges	31,834	259	(206)	31,887
Bridge shops	111	233		344
Road shops	5,154	32		5,186
Administrative	249			249
Sub-total	<u>37,348</u>	<u>524</u>	<u>(206)</u>	<u>37,666</u>
External organizations:				
External use	11,534	242		11,776
Total general fixed assets	<u>\$ 127,794</u>	<u>\$ 9,427</u>	<u>\$ (1,075)</u>	<u>\$ 136,146</u>

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OTHER SCHEDULES

Schedules included are:

- * Schedule of Federal financial assistance
- * Schedule of property tax collections and outstanding balances
- * Schedule of bonds and bond interest coupon transactions
- * Schedule of bonds outstanding
- * Schedule of Certificates of Participation outstanding
- * Schedule of revenues and expenditures - Multnomah County Fair
- * Schedule of receipts and deposits - elected officials

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1988	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1989
U.S. DEPT. OF AGRICULTURE:						
Passed through State Department of Human Resources:						
Food Distribution	10.550	\$ 467	\$ 22	\$ 395	\$ 466	\$ 93
Food Stamps	10.551	14	2	16	14	
National School Lunch Program	10.555	42		39	42	3
Special Supplemental Food Program for Women, Infants, and Children	10.557	796	78	703	796	171
Total Department of Agriculture			<u>102</u>	<u>1,153</u>	<u>1,318</u>	<u>267</u>
U.S. DEPT. OF HEALTH & HUMAN SERVICES:						
Direct Programs:						
Project Grants for Health Services to the Homeless	13.151	674 (1)	9	365	388	32
Community Health Centers	13.224	2,601	114	2,373	2,565	306
Medicare-Supplementary Medical Insurance	13.774	82		59	83	24
Passed through State Department of Human Resources:						
Project Grants & Cooperative Agreements						
for T.B. Control Programs	13.116	37	4	39	37	2
Acquired Immune Deficiency Syndrome (Aids)	13.118	430 (2)	35	294	341	82
Mental Health Plan & Demonstration	13.125	9		9	9	
Alcohol, Drug Abuse Treatment and Rehabilitation Block Grant	13.141	839		839	839	
Mental Health for the Homeless Block Grant	13.150	425		425	425	
Family Planning Services	13.217	332	124	461	359	22
Administration of Developmental Disabilities Basic Support and Advocacy Grants	13.630	140		140	140	
Special Programs for the Aging Title III, Parts A & B Grants for Supportive Services & Senior Centers	13.633	924	73	941	829	(39)
Special Programs for the Aging Title III, Part C Nutrition Services	13.635	1,148	(15)	962	1,008	31
Special Programs for the Aging Title III, Part D	13.641	7		7		(7)
Social Services Block Grant	13.667	502		502	502	
Special Programs for the Aging Title IV Training Research and Discretionary Projects & Programs	13.668	150 (3)	(4)	98	83	(19)
Child Support Enforcement	13.679	1,142	201	765	765	201
Medical Assistance Program	13.714	6,135	296	6,233	6,115	178
State Legalization Impact Assistance	13.786	24		19	19	
Refugee & Entrant Assistance-State Programs	13.787	1,417	183	1,203	1,418	398
Low-Income Home Energy Assistance	13.789	854 (4)	44	238	474	280
Community Services Block Grant	13.792	1,026 (5)	(10)	425	631	196
Preventive Health Services-						
Sexually Transmitted Disease Grant	13.977	2			2	2
Health Programs for Refugees	13.987	42	5	43	42	4
Preventive Health and Health Services Block Grant	13.991	300	16	291	298	23
Alcohol, Drug Abuse & Mental Health Block Grant	13.992	3,634		3,634	3,634	
Maternal and Child Health Services Block Grant	13.994	587	(92)	270	403	41
Passed through National Institute on Drug Abuse:						
Drug Abuse Research Programs	13.279	673 (6)			309	309
Total Department of Health and Human Services			<u>983</u>	<u>20,635</u>	<u>21,718</u>	<u>2,066</u>

continued

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)
(continued)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1988	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1989
U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT:						
Direct Programs:						
Housing Counseling Assistance Program	14.169		6	6		
Community Development Block Grants/ Entitlement Grants	14.218	5,655 (7)	32	1,186	1,273	119
Section 312 Rehabilitation Loans	14.220	21		21	21	
Urban Homesteading	14.222	100 (8)				
Community Development Block Grant/Secretary's Discretionary Fund/Special Projects	14.232	200 (9)	12	12		
Passed through State Executive Department:						
Community Development Block Grants/ Small Cities Program	14.219	400 (10)	85	231	173	27
Rental Housing Rehabilitation	14.230	234	8	41	39	6
Emergency Shelter Grants Program (ESPG)	14.231	39 (11)		9	9	
Passed through State Department of Human Resources:						
Solar Energy and Energy Conservation Bank	14.550	1,794 (12)	113	578	830	365
Total Department of Housing and Urban Development			<u>256</u>	<u>2,084</u>	<u>2,345</u>	<u>517</u>
U.S. DEPT. OF JUSTICE:						
Direct Programs:						
Criminal Justice Block Grants	16.573	51	(16)	18	30	(4)
Passed through Intergovernmental Research Institute						
Criminal Justice Block Grants	16.573	578 (13)	31	404	353	(20)
Passed through State Department of Justice:						
Crime Victim Assistance	16.575	38 (14)	2	25	24	1
State and Local Narcotics Control Assistance (Anti-Drug Abuse Act of 1986)	16.579	655	8	482	550	76
Passed through National Street Law Program-Georgetown University						
Juvenile Justice & Delinquency Prevention Special Emphasis & Technical Assistance	16.541	3		3	3	
Passed through Pre-Trial Services Resources Center:						
Law Enforcement Assistance-Narcotic and Dangerous Drugs Lab Analysis	16.001	400	(9)	390	385	(14)
Total Department of Justice			<u>16</u>	<u>1,322</u>	<u>1,345</u>	<u>39</u>
U.S. DEPT. OF LABOR:						
Passed through Private Industry Council:						
Job Training Partnership Act	17.250	167 (15)	24	107	101	18
Occupational Safety & Health	17.500	24		24	24	
Total Department of Labor			<u>24</u>	<u>131</u>	<u>125</u>	<u>18</u>
U.S. DEPT. OF TRANSPORTATION:						
Passed through Oregon State Marine Board:						
Boating Safety Financial Assistance	20.005	197			197	197
Passed through State Public Utility Commission:						
Motor Carrier Safety Assistance Program:	20.218	87		86	86	
Passed through State Department of Transportation:						
State Highway and Community Safety	20.600	465 (16)	67	184	207	90
Total Department of Transportation			<u>67</u>	<u>270</u>	<u>490</u>	<u>287</u>

continued

MULTNOMAH COUNTY, OREGON
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)
 (continued)

FINANCING DEPARTMENT	FEDERAL CFDA NUMBER	PROGRAM AWARD AMOUNT	RECEIVABLE (ADVANCE) AT JULY 1, 1988	RECEIPTS	EXPENDITURES	RECEIVABLE (ADVANCE) AT JUNE 30, 1989
U.S. ENVIRONMENTAL PROTECTION AGENCY:						
Passed through State Department of Human Resources:						
State Public Water System Supervision	66.432	1	1	1		
Total Environmental Protection Agency			1	1		
U.S. DEPT. OF ENERGY:						
Passed through State Department of Human Resources:						
Weather Assistance for Low-Income Persons	81.042	1,688 (17)	(3)	507	1,028	518
Total Department of Energy			(3)	507	1,028	518
FEDERAL EMERGENCY MANAGEMENT AGENCY:						
Direct Programs:						
Emergency Management Institute Training Assistance	83.400	4		1	4	3
Passed through State Executive Department:						
Emergency Management Assistance	83.503	109 (18)	21	41	59	39
Total Federal Emergency Management Agency			21	42	63	42
U.S. DEPT. OF EDUCATION:						
Passed through State Department of Human Resources:						
Education of Handicapped Children						
in State Operated or Supported Schools	84.009	151		151	151	
Rehabilitation Services-Service Projects	84.128	18		18	18	
Handicapped-Preschool Grants	84.173	113		41	104	63
Drug Free Schools & Communities-State Grants	84.186	60		60	60	
Total U.S. Department of Education				270	333	63
OTHER FEDERAL ASSISTANCE:						
Department of Agriculture:						
U.S. Forest Service-Patrol Contract		25		14	21	7
Department of Interior:						
Payment in Lieu of Tax						
O & C Grant		1,187		1,187	1,187	
Sale/Lease Federal Land		3		3	3	
Passed through State Executive Department:						
Forest Yield Tax		966		966	966	
Department of Justice:						
U.S. Marshall Contract		2,054	339	1,594	2,053	798
U.S. Marshall-Forfeiture		113		113	113	
U.S. Immigration and Naturalization		76	1	59	76	18
Department of Transportation:						
Passed through State Department of Transportation:						
FAU Engineering Contracts		39		39	39	
Hawthorne Bridge Contract		21		21	21	
Emergency Management Assistance:						
Passed through Emergency Local Food & Shelter Board:						
FEMA-Emergency Local Food & Shelter		369		369	369	
Total Other Federal Assistance			340	4,373	4,856	823
Total Federal Assistance			\$ 1,807	\$ 30,788	\$ 33,621	\$ 4,640

continued

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)
(continued)

FOOTNOTES:

- (1) CFDA Number 13.151 - \$391 Award period 01/01/88 - 12/31/88
 \$282 Award period 01/01/89 - 12/31/89
- (2) CFDA Number 13.118 - Prior CFDA Number 13.146
- (3) CFDA Number 13.668 - Award period 01/01/89 - 09/30/89
- (4) CFDA Number 13.789 - \$161 Award period 01/01/88 - 12/31/88
 \$233 Award period 12/01/88 - 11/30/89
 \$251 Award period 01/01/88 - 12/31/88
 \$132 Award period 01/01/88 - 12/31/88
 \$ 77 Award period 01/01/89 - 09/30/89
 Prior CFDA Number 13.818
- (5) CFDA Number 13.792 - \$ 72 Award period 01/01/88 - 08/31/88
 \$368 Award period 01/01/88 - 12/31/88
 \$ 36 Award period 10/01/88 - 09/30/89
 \$188 Award period 07/01/88 - 06/30/89
 \$186 Award period 07/01/88 - 06/30/89
 \$176 Award period 01/01/89 - 06/30/89
 Prior CFDA Number 13.665
- (6) CFDA Number 13.279 - Award period 09/30/88 - 08/31/89
- (7) CFDA Number 14.218 - \$1,846 Award period 10/01/84 - Open
 \$1,836 Award period 10/01/85 - Open
 \$1,544 Award period 10/01/86 - Open
 \$300 Award period 04/01/89 - 04/30/90
 \$ 77 Award period 07/01/88 - 06/30/89
 \$ 52 Award period 07/01/88 - 06/30/89
- (8) CFDA Number 14.222 - Award period 10/01/86 - 09/30/87
- (9) CFDA Number 14.232 - Award period 06/08/88 - Open
- (10) CFDA Number 14.219 - Award period 10/01/87 - Open
- (11) CFDA Number 14.231 - \$ 30 Award period 01/01/88 - 09/15/88
 \$ 9 Award period 05/05/88 - 09/15/88
- (12) CFDA Number 14.550 - \$511 Award period 08/05/87 - 03/31/89
 \$ 28 Award period 04/01/88 - 03/31/89
 \$970 Award period 08/05/87 - 03/31/89
 \$ 15 Award period 04/01/88 - 03/31/89
 \$ 2 Award period 07/01/88 - 06/30/89
 \$269 Award period 01/01/89 - 09/30/89

continued

MULTNOMAH COUNTY, OREGON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)
(continued)

FOOTNOTES (continued)

(13) CFDA Number 16.573 - \$172 Award period 01/01/88 - 06/30/89
 \$380 Award period 03/01/87 - 09/30/89
 \$ 26 Award period 01/01/89 - 03/30/89

(14) CFDA Number 16.575 - \$ 19 Award period 10/01/87 - 09/30/88
 \$ 19 Award period 10/01/88 - 09/30/89

(15) CFDA Number 17.250 - \$ 56 Award period 05/01/88 - 05/31/89
 \$ 65 Award period 06/01/88 - 09/30/88
 \$ 47 Award period 06/01/89 - 09/30/89

(16) CFDA Number 20.600 - \$ 51 Award period 01/01/89 - 09/30/89
 \$ 64 Award period 10/01/88 - 02/28/89
 \$ 87 Award period 01/01/88 - 09/30/89
 \$117 Award period 07/01/88 - 12/31/88
 \$ 15 Award period 01/01/89 - 09/30/89
 \$112 Award period 01/01/89 - 09/30/89
 \$ 20 Award period 10/01/87 - 09/30/88

(17) CFDA Number 81.042 - \$333 Award period 05/01/88 - 03/31/89
 \$ 97 Award period 05/01/88 - 03/31/89
 \$ 85 Award period 05/01/88 - 03/31/89
 \$ 27 Award period 05/01/88 - 03/31/89
 \$105 Award period 06/01/88 - 09/30/88
 \$ 60 Award period 06/01/88 - 09/30/88
 \$ 65 Award period 08/05/87 - 03/31/89
 \$ 34 Award period 08/05/87 - 03/31/89
 \$212 Award period 04/01/88 - 03/31/89
 \$ 1 Award period 04/01/88 - 03/31/89
 \$112 Award period 04/01/88 - 03/31/89
 \$100 Award period 06/01/89 - 09/30/89
 \$ 39 Award period 12/01/88 - 11/30/89
 \$317 Award period 01/01/89 - 09/30/89
 \$100 Award period 09/01/88 - 06/30/89
 \$ 1 Award period 07/01/88 - 06/30/89

(18) CFDA Number 83.503 - \$53 Award period 10/01/87 - 09/30/88
 \$57 Award period 10/01/88 - 09/30/89

MULTNOMAH COUNTY, OREGON
 SCHEDULE OF PROPERTY TAX COLLECTIONS
 AND OUTSTANDING BALANCES
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

Tax Year	Taxes receivable June 30, 1988	Current levy	Add (deduct) corrections and adjustments	(Deduct) discounts allowed	(Deduct) collections	Add interest on delinquent taxes	Taxes receivable June 30, 1989
1988-89	\$	\$ 574,339	\$ 1,987	\$ (12,358)	\$ (525,804)	\$ 459	\$ 38,623
1987-88	35,996		2,036		(20,270)	1,502	19,264
1986-87	18,378		1,109		(10,509)	1,596	10,574
1985-86							
and prior	13,736		3,045		(16,781)	4,719	4,719
	<u>\$ 68,110</u>	<u>\$ 574,339</u>	<u>\$ 8,177</u>	<u>\$ (12,358)</u>	<u>\$ (573,364)</u>	<u>\$ 8,276</u>	<u>\$ 73,180</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 1989:

	Current levy	Prior years' levy	Total
General Fund	\$ 4,578	\$ 4,016	\$ 8,594
Serial Levy Fund	316	166	482
Library Serial Levy Fund	504	350	854
Service Districts	2	2	4
Sundry Taxing Bodies Fund	33,154	29,935	63,089
Sub-total taxes receivable	<u>38,554</u>	<u>34,469</u>	<u>73,023</u>
Special assessments collected through taxes	55	78	133
Personal property	10	7	17
General Fund advances to other taxing bodies	4	3	7
Total receivables	<u>\$ 38,623</u>	<u>\$ 34,557</u>	<u>\$ 73,180</u>

MULTNOMAH COUNTY, OREGON
 SCHEDULE OF BONDS AND BOND INTEREST COUPON TRANSACTIONS
 For fiscal year ended June 30, 1989
 (amounts expressed in thousands)

	Outstanding June 30, 1988		1988-89 Transactions		Outstanding June 30, 1989	
	Matured	Unmatured	Matured	Paid	Matured	Unmatured
GENERAL LONG-TERM OBLIGATION SPECIAL ASSESSMENT IMPROVEMENT BONDS:						
Dated November 1, 1984	\$ 210		\$ 25	\$ 25		\$ 185
Dated October 1, 1982	885		140	140		745
Dated November 1, 1980	770		235	235		535
Dated October 15, 1978	65		65	65		
	<u>\$ 1,930</u>		<u>\$ 465</u>	<u>\$ 465</u>		<u>\$ 1,465</u>
ENTERPRISE GENERAL OBLIGATION BONDS:						
Dated January 1, 1966	\$ 84		\$ 28	\$ 28		\$ 56
GENERAL LONG-TERM OBLIGATION SPECIAL ASSESSMENT IMPROVEMENT BOND INTEREST COUPONS:						
Dated November 1, 1984			\$ 16	\$ 16		
Dated October 1, 1982			62	62		
Dated November 1, 1980			49	49		
Dated October 15, 1978			2	2		
			<u>\$ 129</u>	<u>\$ 129</u>		
ENTERPRISE GENERAL OBLIGATION BOND INTEREST COUPONS:						
Dated January 1, 1966			\$ 3	\$ 3		

MULTNOMAH COUNTY, OREGON
SCHEDULE OF BONDS OUTSTANDING

June 30, 1989

(amounts expressed in thousands)

GENERAL LONG-TERM SPECIAL ASSESSMENT IMPROVEMENT BONDS:

Fiscal Year of maturity	Dated 11/01/84 8.80% to 14.0%		Dated 10/01/82 7.00% to 11.0%		Dated 11/01/80 7.00% to 7.60%	
	Principal	Interest	Principal	Interest	Principal	Interest
1990	\$ 25	\$ 14	\$ 155	\$ 51	\$ 255	\$ 31
1991	25	13	175	39	280	11
1992	30	10	195	25		
1993	30	8	220	9		
1994	35	5				
1995	40	2				
	<u>\$ 185</u>	<u>\$ 52</u>	<u>\$ 745</u>	<u>\$ 124</u>	<u>\$ 535</u>	<u>\$ 42</u>

ENTERPRISE GENERAL OBLIGATION BONDS:

Fiscal Year of maturity	Dated 01/01/66 8.25% to 4.75%	
	Principal	Interest
1990	\$ 28	\$ 2
1991	28	1
	<u>\$ 56</u>	<u>\$ 3</u>

MULTNOMAH COUNTY, OREGON
 SCHEDULE OF CERTIFICATES OF PARTICIPATION OUTSTANDING
 (CAPITALIZED LEASES)
 June 30, 1989
 (amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 07/01/88 5.25% to 7.60%		Dated 06/01/88 5.00% to 6.25%		Dated 09/01/87 4.25% to 5.25%	
	Principal	Interest	Principal	Interest	Principal	Interest
1990	\$ 235	\$ 160	\$ 1,030	\$ 262	\$ 179	\$ 24
1991	250	147	1,085	207	190	15
1992	260	133	1,150	145	196	5
1993	280	117	1,220	76		
1994	295	99				
1995	310	81				
1996	330	60				
1997	355	37				
1998	375	13				
1999	201	199				
2000	186	214				
2001	172	228				
2002	159	241				
2003	148	252				
2004	136	264				
2005	126	274				
2006	115	285				
2007	105	295				
2008	97	303				
2009	90	310				
	<u>\$ 4,225</u>	<u>\$ 3,712</u>	<u>\$ 4,485</u>	<u>\$ 690</u>	<u>\$ 565</u>	<u>\$ 44</u>

ENTERPRISE CAPITALIZED LEASE OBLIGATION:

Fiscal Year of maturity	Dated 09/01/87 4.25% to 5.25%	
	Principal	Interest
1990	\$ 81	\$ 10
1991	85	6
1992	88	2
	<u>\$ 254</u>	<u>\$ 18</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF REVENUES AND EXPENDITURES - MULTNOMAH COUNTY FAIR
 For the fiscal year ended June 30, 1989
 (amounts expressed in thousands)

REVENUES:

Racing contract revenues	\$ 180
Admissions, concessions and other receipts:	
Admissions	111
Concessions	19
Carnival fees	33
Parking	28
Exhibit space and booth rental	56
Entry fees	1
Other income	5
	253
State of Oregon - racing apportionment:	
Racing Commission apportionment (ORS 462.280)	24
Racing Commission apportionment (ORS 462.280 and 565.280)	25
County Fair Commission apportionment (ORS 565.425)	15
Less allocations to other organizations (ORS 565.290)	(8)
	56
Total Revenues	489

EXPENDITURES:

Personal services	81
Materials and services	340
Total expenditures	421
Excess of revenues over expenditures	\$ 68

MULTNOMAH COUNTY, OREGON
SCHEDULE OF RECEIPTS AND DEPOSITS - ELECTED OFFICIALS
For the fiscal year ended June 30, 1989
(amounts expressed in thousands)

	Receipts deposited with Treasurer
Sheriff's Office	\$ 4,030
Others	
Total	<u>\$ 4,030</u>

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

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STATISTICAL SECTION

This section contains the following tables:

- * General Governmental Expenditures by Function
- * General Governmental Revenues by Source
- * General Governmental Tax Revenues by Source
- * Property Tax Levies and Collections
- * Assessed Value of Taxable Property
- * Consolidated Tax Rates
- * Consolidated Tax Levies
- * Principal Taxpayers
- * Special Assessment Billings and Collections
- * Computation of Direct and Overlapping Debt
- * Computation of Legal Debt Margin
- * Construction and Bank Deposits
- * Insurance in force
- * Population, Per Capita Income and Unemployment
- * Major Employers in Metropolitan Area
- * Miscellaneous Statistical Data
- * Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita (table omitted, County has no General Obligation Bonded Debt)
- * Ratio of Annual General Obligation Bonded Debt Service Expenditures to General Expenditures (table omitted, County has no General Obligation Bonded Debt)

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

Fiscal Year	General government	Health and social services	Public safety and judicial	Community services	Roads and bridges	Capital outlay	Debt service	Total
1980	\$ 19,341	\$ 38,967	\$ 35,925	\$ 8,813	\$ 7,026	\$ 7,526	\$ 78	\$ 117,676
1981	19,224	39,231	39,861	10,637	8,357	9,142	170	126,622
1982	20,652	36,151	43,772	11,277	11,112	9,086	366	132,416
1983	20,539	39,100	44,735 (2)	11,395	11,928	10,218	445	138,360
1984	17,781	36,376	38,943	11,106	11,963	5,100	32,526 (3)	153,795
1985	22,635	37,939	38,331	18,754	13,112	5,095	27,739	163,605
1986	23,672	43,400	39,589	15,754	13,727	6,710	26,855	169,707
1987	25,914	47,378	42,687	17,931	15,337	6,121	16,403	171,771
1988	23,569	59,561	41,500	26,959	18,162	6,755	10,079	186,585
1989	27,535	74,212	49,314	25,128	21,101	14,799	11,859	223,948

- (1) All Governmental Fund Types
- (2) Circuit and District Courts transferred to the State of Oregon
- (3) Includes previously non-budgeted tax anticipation notes

Source: Current and prior years' financial statements.

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

Fiscal Year	Taxes	Intergovernmental	Licenses and permits	Charges for services	Fines and forfeits	Special assessments	Other	Total
1980	\$ 48,407	\$ 47,769	\$ 1,513	\$ 4,215	\$ 2,781	\$ 179	\$ 12,553	\$ 117,417
1981	53,606	48,792	1,616	4,015	2,963	2,357 (2)	12,972	126,321
1982	57,925	43,358	1,467	3,995	3,510	490	13,122	123,867
1983	61,118	45,903	1,354	3,093	1,621 (3)	515	11,913	125,517
1984	64,771	48,228	1,337	3,452	162	526	12,827	131,303
1985	70,582	55,577	988	5,264	4,649 (4)	667	6,785	144,512
1986	75,427	55,457	2,414	6,594	2,824	573	5,295	148,584
1987	82,864	55,261	1,791	6,749	3,198	585	7,614	158,062
1988	99,587	61,089	1,790	6,468	3,482	470	7,708	180,594
1989	108,880	76,023	6,363	7,405	4,686	351	10,490	214,198

- (1) All Governmental Fund Types
(2) Includes bancroft bond sale
(3) Circuit and District Courts transferred to the State of Oregon
(4) A new category, Interest, established for fiscal year 1985

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

Fiscal Year	Property	Transient lodging	Business income	Gasoline	Motor vehicle rental	Other	Total
1980	\$ 39,474	\$ 915	\$ 3,184	\$ 2,527	\$ 1,597	\$ 710	\$ 48,407
1981	44,322	717	3,216	2,277	1,736	1,338	53,606
1982	45,764	725	2,925	5,316 (2)	1,724	1,471 (3)	57,925
1983	48,374	679	3,084	6,622	1,740	619	61,118
1984	51,748	617	2,951	6,672	2,131	652	64,771
1985	56,144	848	3,431	7,002	2,589	568	70,582
1986	59,961	860	4,299	6,975	2,842	490	75,427
1987	63,475	2,678 (2)	5,594	7,119	3,226	772	82,864
1988	74,373	2,415	10,600 (2)	7,103	3,557	1,539 (4)	99,587
1989	79,051	2,695	14,600	7,172	4,011	1,351	108,880

- (1) All Governmental Fund Types
(2) Tax rate increase
(3) State of Oregon assumed collection of telephone excise tax
(4) In previous years in lieu of property taxes were reflected in property taxes

Source: Current and prior years' financial statements.

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

Fiscal Year	Tax levy	Current taxes collected	Collections as a % of levy	Prior years' taxes collected	Total collections	Total collections as a % of levy	Uncollected taxes	Uncollected taxes as a % of levy
1980	\$ 40,424	\$ 35,520	87.87 %	\$ 3,521	\$ 39,041	96.58 %	\$ 5,348	13.23 %
1981	42,904	39,794	92.75	3,780	43,574	101.56 (2)	3,636	8.47
1982	47,544	43,737	91.99	1,545	45,282	95.24	5,050	10.62
1983	50,025	45,343	90.64	2,199	47,542	95.04	6,486	12.97
1984	53,124	48,260	90.84	2,643	50,903	95.82	7,447	14.02
1985	56,996	52,135	91.47	3,073	55,208	96.86	8,007	14.05
1986	60,424	54,527	90.24	4,895	59,422	98.34	8,497	14.06
1987	63,839	58,190	91.15	5,136	63,326	99.20	8,060	12.63
1988	76,598	70,522	92.07	3,851	74,373	97.10	8,988	11.73
1989	80,476	74,063	92.03	4,988	79,051	98.23	9,947	12.36

(1) All Governmental Fund Types

(2) Increase due to change of payment schedule from quarterly to trimester

Source: Current and prior years' financial statements.

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

Fiscal Year	Personal property	Public utility property	Commercial property	Residential property	Total
1980	\$ 745,255	\$ 755,140	\$ 11,368,960 (2)	\$ N/A (2)	\$ 12,869,355
1981	624,825	719,197	12,580,510 (2)	N/A (2)	13,924,532
1982	686,338	811,965	4,597,063	8,791,965	14,887,331
1983	737,936	819,691	4,965,327	9,341,868	15,864,822
1984	797,296	907,355	5,998,814	9,483,425	17,186,890
1985	898,302	1,069,512	6,762,007	9,434,934	18,164,755
1986	1,015,729	1,147,113	7,570,973	8,575,756	18,309,571
1987	1,055,869	1,223,434	7,512,220	8,450,475	18,241,998
1988	1,023,969	1,288,194	7,490,818	8,445,202	18,248,183
1989	1,004,733	1,303,507	7,499,167	8,464,224	18,271,631

(1) Oregon law requires that assessed value approximate true cash value

(2) Information not available, commercial and residential values combined

Source: Multnomah County Division of Assessment and Taxation

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

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1980	\$ 3.13	\$ 4.51	\$ 0.65	\$ 13.60	\$ 0.06	\$ 0.68	\$ 0.29	\$ 22.92
1981	3.07	4.58	0.59	11.63	0.04	0.79	0.27	20.97
1982	3.18	4.76	0.74	13.62	0.03	0.79	0.44	23.56
1983	3.14	4.99	0.62	15.03	0.04	0.79	0.51	25.12
1984	3.08	4.83	0.60	14.55	0.04	0.78	0.50	24.38
1985	3.13	4.86	0.73	14.73	0.02	0.68	0.54	24.69
1986	3.30	5.22	0.75	15.55	0.02	0.57	0.65	26.06
1987	3.49	5.79	0.74	16.56	0.01	0.49	0.86	27.94
1988	4.19	6.37	0.79	17.52	0.01	0.32	0.77	29.97
1989	4.39	6.43	0.76	18.45	0.02	0.37	0.90	31.32

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

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

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1980	\$ 40,424	\$ 58,174	\$ 6,921	\$ 149,108	\$ 723	\$ 8,753	\$ 3,752	\$ 267,855
1981	42,904	63,921	6,127	162,055	565	11,009	3,807	290,388
1982	47,544	70,989	8,029	203,246	485	11,812	6,520	348,625
1983	50,025	78,787	7,113	237,321	646	12,586	8,030	394,508
1984	53,124	83,043	7,030	249,958	668	13,401	8,580	415,804
1985	56,996	88,335	10,365	267,699	309	12,456	9,856	446,016
1986	60,424	95,587	10,637	284,703	281	10,489	11,975	474,096
1987	63,839	105,624	12,983	302,099	252	8,864	15,740	509,401
1988	76,598	116,303	13,983	319,651	270	5,825	14,091	546,721
1989	80,476	117,471	15,804	337,013	269	6,785	16,521	574,339

Source: Multnomah County Tax Supervisory Commission current and prior years annual reports.

MULTNOMAH COUNTY, OREGON
 PRINCIPAL TAXPAYERS
 June 30, 1989
 (amounts expressed in thousands)

<u>Taxpayer account</u>	<u>Type of business</u>	<u>1989 Assessed Valuation</u>	<u>Percentage of total assessed Valuation (1)</u>
Pacific Northwest Bell	Telephone Utility	\$ 432,141	2.37 %
Portland General Electric	Electric Utility	159,522	0.87
Pacific Power and Light	Electric Utility	112,972	0.62
Northwest Natural Gas	Natural Gas Utility	87,437	0.48
U.S. Bancorp	Banking	72,000	0.39
AT and T Communication	Communications	59,140	0.32
Twelve Hundred Building	Real Estate	53,225	0.29
First Interstate Bank	Banking	50,900	0.28
Boeing Company	Airlines	46,587	0.25
Wacker Siltronic Corp.	Silicon Wafers	38,731	0.21
		<u>\$ 1,112,655</u>	<u>6.08 %</u>

(1) The 1989 assessed valuation for Multnomah County is \$18,271,631.

Source: Multnomah County Division of Assessment and Taxation.

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

Fiscal Year	Assessments outstanding July 1	Assessments billed	Assessments collected	Assessments outstanding June 30
1980	\$ 826	\$ 2,051	\$ 262	\$ 2,615
1981	2,615	1,081	397	3,299
1982	3,299	415	479	3,235
1983	3,235	276	515	2,996
1984	2,996	193	496	2,693
1985	2,693	298	606	2,385
1986	2,385		573	1,812
1987	1,812	136	585	1,363
1988	1,363	90	454	999
1989	999		342	657

Source: Current and prior year's financial statements

MULTNOMAH COUNTY, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 1989
(amounts expressed in thousands)

Overlapping District	Percent Overlapping	Overlapping	
		Gross (1) Bonded Debt	Net (2) Direct Debt
Multnomah County	100.00 %	\$	\$
Mt. Scott Water District	1.35	45	45
Palatine Hill Water District	85.60	13	
Clackamas County School District 7	0.62	22	22
City of Lake Oswego	7.54	1,039	462
City of Milwaukie	0.70	11	
Scappoose Rural Fire District	3.31	14	14
Columbia County School District 1J	3.41	13	13
Port of Portland	49.47	60,778	60,778
Port of Portland Only 2	100.00	1,500	1,500
Lusted Water District	100.00	65	65
Pleasant Home Water District	94.22	47	47
Powell Valley Road Water District	100.00	180	180
Rockwood Water District	100.00	658	658
Dunthorpe - Riverdale Service District	100.00	56	56
Metropolitan Service District	54.09	34,621	34,621
Multnomah County School District 1	99.32	114,016	
Multnomah County School District 4	100.00	5,980	5,980
Multnomah County School District 7	100.00	5,920	5,920
Multnomah County School District 19	100.00	570	570
Multnomah County School District 28	93.16	4,611	4,611
Multnomah County School District 39	100.00	700	700
Multnomah County School District 51J	96.20	67	67
Mount Hood Community College	83.22	6,500	6,500
City of Fairview	100.00	230	
City of Portland	99.61	124,377	76,829
City of Troutdale	100.00	2,472	1,947
City of Gresham	100.00	9,351	670
City of Wood Village	100.00	20	20
Unified Sewerage Agency	0.90	198	160
Washington County Rural Fire District 1	1.22	39	39
Washington County School District 48	0.36	101	101
		<u>\$ 374,214</u>	<u>\$ 202,575</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
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 1989
(amounts expressed in thousands)

Multnomah County has no bonded debt as of June 30, 1989.

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

True cash value (1988-89)	\$ 18,271,631
Debt limit	<u>2.00%</u>
	<u>365,433</u>
Less bonded debt at June 30 (1)	
Legal debt margin	<u><u>\$ 365,433</u></u>

(1) Does not include Bancroft Special Assessment Bonded Debt

**MULTNOMAH COUNTY, OREGON
CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

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)	
1980	N/A	\$ 257,136	3,107	\$ 138,378	3,107	\$ 395,514	\$ 5,991,827
1981	N/A	261,494	1,824	103,500	1,824	364,994	9,011,091
1982	N/A	188,660	1,255	68,714	1,255	257,374	7,891,905
1983	2,690	169,650	4,095	110,478	6,785	280,128	7,766,563
1984	2,771	141,713	3,814	89,217	6,585	230,930	6,716,333
1985	2,404	146,474	3,381	79,505	5,785	225,979	6,336,613
1986	2,492	215,927	3,390	94,498	5,882	310,425	5,968,665
1987	2,342	186,435	3,755	113,507	6,097	299,942	6,685,201
1988	2,330	281,379	3,375	122,992	5,705	404,371	15,565,042
1989 (3)	1,774	153,353	2,517	79,347	4,291	232,700	18,963,486

(1) Information maintained on a calendar year basis

(2) June 30, each year

(3) January through June 1989

N/A means, not available for year or not yet available

Sources: State of Oregon Housing Division and State of Oregon Banking Commission

Note: The true cash value of non-taxable property is not available.

The value shown on the Assessed Value of Taxable Property, Page 110, is the only information available.

MULTNOMAH COUNTY, OREGON

INSURANCE IN FORCE

June 30, 1989

<u>Insurance Company</u>	<u>Coverage</u>	<u>Expiration</u>
American Protection Insurance Co. Policy No. 3ZG002031-00	Property Policy Building and Equipment at HPR locations	10/02/91
American National Fire Insurance Co. Poicy No. CPP 008-06-17-02	Buildings and Equipment	10/02/89
Northwest Insurance Co.	Comprehensive Boiler and Machinery	10/02/91
New Hampshire Insurance Co. Poicy No. DM0255683	Hull and Machinery Marine Policy	10/02/89
Safety Mutual Policy No. SP 1329 OR	Excess Workers' Compensation	07/01/90
Hartford Insurance Co. Policy No. PEBZE 67 13	Blanket Faithful Performance Bond	01/01/90
Hartford Insurance Co. Policy No. 5070588	Faithful Performance Bond - Assessor and Finance Director	01/01/90
Hartford Insurance Co. Policy No. HC 5077035	Faithful Performance Bond - Public Guardian	09/01/89

Source: County Insurance Agent

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Per capita income (1)</u>	<u>Unemployment rate (2)</u>
1980	562,640	\$ 11	6.2 %
1981	561,900	12	7.9
1982	564,500	12	10.1
1983	557,500	13	9.8
1984	562,300	14	8.0
1985	561,800	14	7.4
1986	566,200	15	7.1
1987	562,000	16	5.3
1988	570,500	N/A	4.8
1989	590,000	N/A	N/A

(1) Amounts expressed in thousands

(2) Portland Metropolitan Statistical Area at December 31, 1988

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, 1989

Employer	Product or Service	1988 Employment
Tektronix	Electronic instruments	11,125
Fred Meyer, Inc.	Retail variety chain	7,770
Healthlink	Association of five hospitals	4,500
Pacificorp	Electric, mining & telecommunications	4,388
Kaiser Permanente	Hospital and clinics	4,069
James River Corporation	Pulp and paper mills	4,040
First Interstate Bank	Bank	3,920
Providence Hospitals	Association of two hospitals	3,900
U. S. Bancorp	Bank and holding company	3,756
Pacific Northwest Bell	Communications utility	3,200
Portland General Electric	Electric utility	3,167
Intel Corporation	Semiconductor integrated circuits	3,000
Meier and Frank Company	Department stores	2,900
Precision Castparts	Steel Castings	2,876
Good Samaritan Hospital & Medical Center	Hospital	2,676
Safeway Stores	Grocery chain stores	2,400
Freightliner Corporation	Heavy - duty trucks	2,200
K Mart Corporation	Retail store chain	2,083
Boeing of Portland	Aircraft frame structures	1,700
Red Lion Inns	Hotel/motel chain	1,700
Blue Cross & Blue Shield of Oregon	Medical insurance	1,577
Nordstrom	Retail specialty store	1,477
Nike	Sports shoes and apparel	1,366
Payless Drug Stores	Retail drug and variety store chain	1,350
Jantzen, Inc.	Sportswear and swimwear	1,200
Pendleton Woolen Mills	Men's and women's apparel	1,097
General Telephone Company	Telephone utility	1,040
St. Vincent Hospital & Medical Center	Hospital	1,031
Omark Industries, Inc.	Sawchains and power tools	928
Oregonian Publishing Company	Newspaper publishing	920
Northwest Natural Gas	Gas utility	896
Floating Point Systems, Inc.	Computer processing units	800
Federal Government		16,519
State Government		10,616
Portland School District		6,014
City of Portland		4,733
Multnomah County		2,425
Tri - Met		1,600

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

**MULTNOMAH COUNTY, OREGON
MISCELLANEOUS STATISTICAL DATA**

June 30, 1989

GENERAL

Date of incorporation and first charter adopted	1854
Date first charter adopted	1854
Date present charter adopted	1967
Date present charter amended	1986
Form of government	Home Rule Charter
Area - square miles	457
Multnomah County employees:	
Management and exempt	353
Bargaining units	2,072

MILES OF STREETS (UNINCORPORATED AREA)

Paved	510
Unpaved	11

FIRE PROTECTION

Number of stations	44
Number of employees	970

SHERIFF PROTECTION

Number of arrests	1,361
Vehicular patrol units	23
Number of employees (sworn and civilian)	649
Jails:	
Facilities	5
Population	1,078

RECREATION

Parks:	
Number of acres	1,895
Number of facilities	29
Number of playgrounds	7
Number of golf courses	1

EDUCATION

Number of schools:	
Elementary	104
Middle	25
High Schools	18
Colleges	12
Employees:	
Principals and vice principals	211
Administrative and support	3,788
Teachers	4,919
Number of students (estimated)	78,241
Average daily attendance (estimated)	76,748

SEWAGE DISPOSAL

Number of accounts	570
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STREET LIGHTING

Number of Lights	5,046
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ELECTIONS

Number of registered voters	340,274
Number of votes cast in last general election	271,023
Percentage of registered voters voting in last general election	79.6%

AUDIT COMMENTS AND DISCLOSURES

MULTNOMAH COUNTY, OREGON

AUDIT COMMENTS AND DISCLOSURES

REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-10-000 through 162-10-330, the Minimum Standards for Audits of Oregon Municipal Corporations prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures are set forth following.

I. ACCOUNTING RECORDS:

We found the records of the County to be generally well maintained and adequate for audit purposes.

II. INTERNAL ACCOUNTING CONTROL:

We have made a study and evaluation of the system of internal accounting control of Multnomah County, Oregon, in effect at June 30, 1989. Our study and evaluation was conducted in accordance with standards established by the American Institute of Certified Public Accountants.

The management of Multnomah County, Oregon, is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

In our opinion, the system of internal accounting control of Multnomah County, Oregon, in effect at June 30, 1989, taken as a whole, was sufficient to meet the objectives stated above insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in relation to the general purpose financial statements.

Our comments resulting from this study and evaluation are included in a separate report issued to County management.

III. COMPLIANCE WITH LEGAL REQUIREMENTS:

A. Budgeting and tax levies

Except as mentioned following, the County appears to have complied with the statutory provisions relating to budgeting and adoption of tax levies for the fiscal 1990 and 1989 years.

The following overexpenditures in the indicated budgetary line items were made for the year ended June 30, 1989:

General Fund - Materials and services	\$ 54,178
Special Revenue Funds:	
Federal/State Program Fund - Capital outlay	\$ 54,310
Animal Control Fund:	
Personal services	\$ 31,614
Materials and services	\$ 32,550
Cable Television Fund - Personal services	\$ 1,681
Convention Center Fund - Materials and services	\$ 91,433
Debt Service Funds:	
Debt Retirement - Materials and services	\$ 21,063
Internal Service Funds:	
Insurance Fund - Materials and services	\$142,906

B. Programs funded from outside sources and related financial reporting requirements

In connection with our examination of the financial statements, we reviewed and tested the County's procedures and records relating to programs funded by other governmental agencies, including financial reporting requirements thereof. Based on our testing, we are, in general, satisfied as to the propriety of accounting for programs funded from outside sources and the reporting thereof. Our comments resulting from our review and testing procedures are summarized in separate reports on the examination of financial statements and compliance with laws and regulations in accordance with OMB Circular A-128 and the Single Audit Act of 1984.

C. Indebtedness

Our review disclosed no conditions which we considered to be matters of noncompliance with the statutory and charter requirements relating to debt.

D. Adequacy of collateral securing depository balances

ORS Chapter 295 provides that each depositor, throughout the period of its possession of public fund deposits, shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by federal insurers.

We reviewed the records of the County for compliance with the requirements of ORS Chapter 295 regarding collateral securing depository balances. We found the County not to be in compliance with those requirements at various times during the year.

E. Investments

We have reviewed the County's compliance with ORS 294.035 regarding the investment of surplus public funds. Our review disclosed no conditions which we considered to be matters of noncompliance.

F. Public contracts and purchasing

We have reviewed the County's compliance with ORS 279 regarding public contracts and purchasing. Our review disclosed no conditions which we considered to be matters of noncompliance.

G. Insurance and fidelity bonds coverage

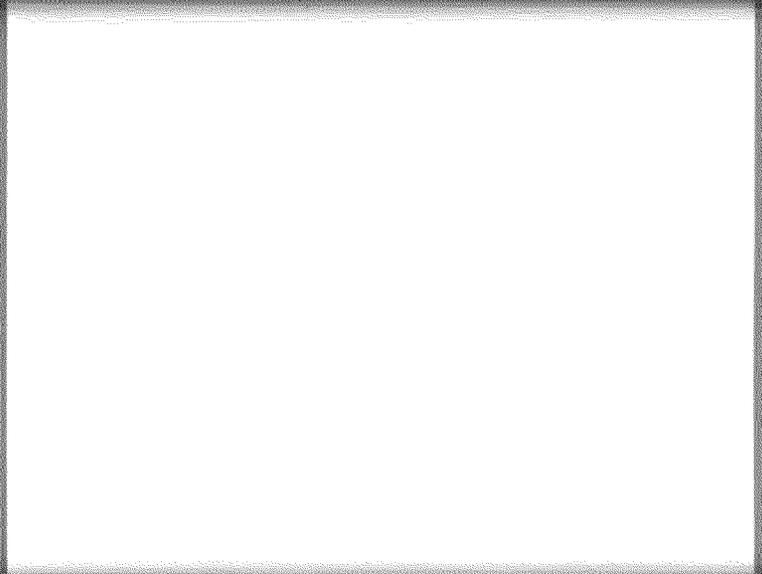
We obtained a listing of the County's insurance and fidelity bond coverage at June 30, 1989 as shown in the "Other Schedules" section of the Comprehensive Annual Financial Report, and ascertained that such policies appeared to be in force. Since we are not experts in insurance matters, we are not able to comment on the adequacy of the insurance policies covering County-owned property at June 30, 1989.

H. Cost accounting system

Our review of the County's cost accounting system disclosed no items we consider to be in substantial noncompliance with the model Cost Accounting Guidelines developed by the State of Oregon Executive Department.

RECYCLED PAPERS





Price Waterhouse





MULTNOMAH COUNTY OREGON
RECOMMENDATIONS TO MANAGEMENT
Related to the year ended
June 30, 1989

Price Waterhouse



November 3, 1989

To the Board of Commissioners of
Multnomah County, Oregon
Portland, Oregon

We have audited the general purpose financial statements of Multnomah County, Oregon for the year ended June 30, 1989, and have issued our report thereon dated November 3, 1989.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of Multnomah County, Oregon, for the year ended June 30, 1989, we considered its internal control structure 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 structure.

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



structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified significant internal control structure policies and procedures in the following categories:

Accounting Controls:

- Revenues
- Accounts payable and cash disbursements
- Payroll
- General ledger

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation, as well as other matters, that are reported in the attached recommendations.

November 3, 1989
Multnomah County, Oregon
Page 3



This report is intended for the information of the Board of Commissioners and the management of Multnomah County, Oregon, and their federal cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

We would be pleased to discuss our observations and recommendations, should you have any questions. We would also be pleased to discuss what assistance we could provide in implementing any of our recommendations.

Eric Waterhouse

MULTNOMAH COUNTY, OREGON

MANAGEMENT RECOMMENDATIONS
RELATED TO THE AUDIT FOR THE
YEAR ENDED JUNE 30, 1989

RECOMMENDATION NO. 1:

Periodically update personnel files with cost of living adjustments to wage rates.

Periodic cost of living adjustments are made in the payroll computer system but are not noted in individual's personnel files. Consequently personnel files do not contain up-to-date information regarding an employee's wage rate.

We recommend that in order to maintain a complete record of the wage and salary actions conducted by the County, at least a formal notice of cost of living and other wage adjustments be placed in each individual employee's file soon after such actions occur.

Response:

We believe the individual employee's cost of living wage rate adjustments maintained in the computer files are sufficient and it is not necessary to keep a hard copy on file. Merit increases are currently placed in the individual's file.

RECOMMENDATION NO. 2:

Authorizations for direct deposit of wages should be kept in the personnel files.

Direct deposits are tracked by payroll computer system. We noted several instances where no written authorization for direct deposit of employees' wages in financial institutions were included in the employee personnel files. The County's policy is to maintain such documentation. Failure to maintain such documentation may lead to misunderstanding about the terms of direct deposit and a breach of the County's fiduciary duty to its employees.

We recommend that written authorization be kept on file for all employee payroll choices.

Response:

Payroll has implemented a new filing system which includes a separate file for each employee. Direct deposit information together with all deduction information is included in each file.

RECOMMENDATION NO. 3:

The County should implement more stringent controls over the documentation and approval of wage increases.

The current policy for authorization of wage increases requires approval by the employee's supervisor and the personnel department. The wage rate used by the payroll computer system is not changed until the change is authorized by the personnel department. During our payroll testing we noted significant lags between authorization by the supervisor and final authorization by the personnel department; in some cases delays were as much as four months. During the lag time, the employee's supervisor was allowed to override the old wage rate by writing the new wage rate on the employee's timecard. These overrides were apparently coded onto the employee's timecard by the departmental timekeeper after the supervisor had signed the card. This ability to override the County's policy of approval for wage increases could lead to employees being paid wages different from what management authorizes. It is generally inappropriate to pay employees an unapproved wage rate.

We recommend that the County adhere to its current policies and improve the controls over the payment of wage increases by implementing the following: 1) decrease the amount of time which lapses between authorization by the supervisor and by the personnel department by requiring personnel department action within a reasonable period of time; 2) eliminate supervisors' ability to override wage rates included in the payroll computer system; 3) make retroactive payment of wage increases after full approval; and 4) have time cards fully coded by timekeepers before they are signed by the supervisor.

Response:

Employee Services agrees to adhere to the recommendations of the auditors. A closer working relationship is existing between Payroll and Employee Services to ensure that adherence to acceptable practices is maintained.

RECOMMENDATION NO. 4:

Temporary employees should be removed from the payroll register in a timely manner.

During our testing of employees listed in the payroll register we noted at least one temporary employee who had not worked for the County in at least two years. Department timekeepers receive timecards for every employee in the register and are responsible for having temporary employees who are no longer working for the County removed from the payroll register. Removal of temporary employees from time records reduces the possibility of payment of individuals who did not work for the County.

We recommend that all temporary employees' records should be purged from the active employee list on a timely basis.

Response:

This recommendation was made a policy in fiscal year 1988 but was never monitored. The payroll supervisor will monitor the reports and each calendar year-end records for these employees will be purged from the active employee list.

RECOMMENDATION NO. 5:

The County should use rates based on experience with claims to charge departments for workers' compensation premiums.

Currently, every department is charged the same rate for workers' compensation. Departments which are inherently less risky, such as Finance, pay the same premiums as departments with greater inherent and actual frequency and severity of claims, such as the Sheriff's office. The current system creates an inequitable allocation of workers' compensation expenditures and does not create an appropriate incentive for high risk departments to develop policies and programs to limit the County's exposure to injuries and the related costs. If high risk departments are charged high premiums they should be given an incentive whereby they can reduce premiums in the future after showing progress toward reducing compensable incidents. Conversely, low rated departments with poor claims history should experience raising workers' compensation rates.

The County should establish a system to more accurately reflect costs in workers' compensation insurance premiums charged to departments. In establishing appropriate premiums, the County should examine its own experience and use claims histories from other jurisdictions. We believe that the extra work needed to administer such a system will likely pay big dividends to the County as efforts are focused on the high risk areas.

Response:

The County has contracted with Alexis Risk Management Services to perform an actuarial study on the workers' compensation and liability programs. As part of the actuarial review, Alexis will be assisting Finance and Risk Management in establishing departmental rates for these programs. This study should be completed by the end of March 1990.

RECOMMENDATION NO. 6:

The County should aggressively budget the revenues and related expenditures in the Convention Center Fund to the maximum possible receipt of excise taxes.

During the fiscal year, the County overspent its budget for pass-through payments to the Metropolitan Service District. This overexpenditure resulted from revenues from excise taxes exceeding budgeted amounts and, in accordance with the contractual arrangement with Metro to turn over all tax revenues within 30 days, expenditures were forced to exceed budget. This overexpenditure was a violation of Oregon Local Budget Law.

In order to avoid similar violations in the future, we recommend that the budget should be established assuming the highest possible receipt of excise taxes. The budget for the Convention Center fund is not critical to evaluating the success of management as are budgets are in many operating areas of the County.

Response:

The County will budget hotel/motel tax at a higher dollar amount and will notify Metro that we are budgeting their revenue high so as not to violate Oregon Local Budget Law.

RECOMMENDATION NO. 7:

The County should classify all expenditures related to capital projects as capital outlay.

Currently, expenditures related to projects which result in capital assets which are not required to be capitalized in accordance with generally accepted accounting principles, such as roadways and bike paths, are classified as materials and services expenditures in the County's budget and accounting records. Certain architectural and engineering services related to major additions to property and to capital repairs which are provided by the Road Fund to other funds, such as the Willamette Bridges Fund, are classified as service reimbursements. We believe that it is clear from reading literature that describes generally accepted accounting principles that expenditures of the nature described above should be categorized as capital expenditures. We believe

that it is important to communicate the actual nature of projects undertaken by the County through the budget and the subsequent accounting for actual expenditures. Consistent categorization of expenditures is an important feature of such communication.

We recommend that all expenditures related to capital projects, even those that are not required to be capitalized as fixed assets, should be classified as capital outlay expenditures.

Response:

We agree with this recommendation. However the County is not staffed or has computer software sufficient to keep track of these expenditures at the current time. We anticipate that the cost accounting system utilized by the Department of Environmental Services will be upgraded in the next few years and we will ensure this record keeping feature is included in any new system installed.

RECOMMENDATION NO. 8:

Insurance reserves should be reflected on the balance sheet as a liability.

The fund balance in the Insurance Fund is currently designated as the insurance reserve. It is common practice in insurance companies to estimate the actual amounts of "reserves" needed to assure the proper matching of risk with the premiums charged. In insurance enterprises, "reserves" refer to liabilities for estimated losses and are not a designation of equity. Liabilities are recorded by recording an expense in the year in which the estimated liability arises. The County has commissioned studies of the County's risk management department activities that have recommended certain "reserves". It is unclear to our staff from reading the consultant's reports if such "reserves" are to be considered liabilities or prudent cushions. The treatment of "reserves" for other than governmental insurance enterprises is well established, but the treatment of insurance "reserves" in governmental settings is not yet well established. The establishment of liabilities for true insurance "reserves" will be required if the preliminary conclusions of a project by the Governmental Accounting Standards Board are implemented.

We believe that the most appropriate course of action for the County during this period of standards uncertainty would be to follow the non-governmental model and the GASB preliminary conclusions. This would require the County to expense amounts sufficient to establish a liability for true insurance "reserves" sufficient to meet the County's actuaries' estimates of liability. Any other amounts that the actuaries feel would be prudent to hold in case of major catastrophe should be formally budgeted as a designated fund balance.

Response:

We agree with the recommendation and any current reserves will be expensed in fiscal year 1989-90 and shown as a liability on the balance sheet of the Insurance Fund.

RECOMMENDATION NO. 9:

The cash transfers between the Road Fund and the Assessment District Operating Fund should be classified as interfund loans or alternative financing arrangements should be made.

Cash transfers from the Road Fund to the Assessment District Operating Fund appear to finance the operations of the fund prior to the sale of bonds. These transfers represent an interfund loan. Generally accepted accounting principles require that interfund loans be recorded on the balance sheets of the funds involved. Oregon Local Budget Law appears to indicate that such loans be budgeted. By not placing the loans on the balance sheet, the economic substance of transactions is obscured from the readers of the financial statements. These loans appear not to be material to the special revenue fund type, and are not properly reflected in the County's financial statements.

These loans should not be recorded on the Assessment District Operating Fund's Statement of Revenues and Expenditures but should be included in the Fund's balance sheet as an interfund loan payable. For the County's budgetary statements they should be recorded as budgeted. The County should also be aware that State law requires the repayment of interfund loans within one year, with certain minor exceptions. This provision of law is apparently intended to prevent the diversion of dedicated fund monies, such as the state gasoline tax receipts that are a major source of Road Fund financing, to nondedicated activities. Alternatively, the County could sell improvement warrants to finance assessment district projects that benefit only a limited amount of property in the assessment districts, or could make the necessary loans to operate the fund prior to bond sales from the General Fund. Of course, such loans should result in interest to the lender.

Response:

The balance of any outstanding interfund loans will be presented on the balance sheet of the respective fund and fund group in the 1990 financial statements. Interfund loans and repayments will continue to be treated as transfers for budgetary purposes. Any difference between financial statement and budgetary presentation will be disclosed in the notes to the financial statements.

RECOMMENDATION NO. 10:

Transfers of cash from a fund legally entitled to receive monies to a fund budgeted to expend it should be classified as operating transfers.

Transfers of cash from the General and Operating Serial Levy Funds to the Capital Lease Retirement Fund for payment of Certificates of Participation were classified as materials and services expenditures and service reimbursement revenues. Generally accepted accounting principles describe transactions of this type as operating transfers. The County's financial statements have been adjusted to properly account for such activity.

Because the transactions described above entail no service being performed and they are solely for debt retirement, we recommend that they be budgeted and accounted for according to generally accepted accounting principles and reported in the financial statement section entitled "Other financing sources and uses."

Response:

We agree with this recommendation and, in the future, any material cash transfers will be budgeted according to generally accepted accounting principles.

RECOMMENDATION NO. 11:

All transfers which represent the movement of part or all of a fund balance should be classified as residual equity transfers.

The County has been inappropriately budgeting and accounting for certain activity of start-up and split-off funds. We noted when funds were started or split-off from existing funds that the resources moved into the new funds were budgeted and accounted for as operating transfers or were shown as beginning fund balance. Generally accepted accounting principles require that start-up and significant contributions of equity needed to start or terminate a fund be considered an equity transfer. Equity transfers are displayed between beginning and ending fund equity in governmental funds' operating statements. To our knowledge, Oregon Local Budget Law and related regulations do not address such situations, so it appears that generally accepted accounting principles should apply to budgeting.

Although such equity transfers initiated in the 1988-89 fiscal year have been appropriately reclassified in the combined and combining GAAP basis financial statements, we recommend that the County budget and account for equity transfers in accordance with generally accepted accounting principles.

Response:

We do not anticipate any new funds with residual fund equity transfers in the near future.

We will budget any future residual equity transfers according to generally accepted accounting principles.

RECOMMENDATION NO. 12:

The County should evaluate the effectiveness of its implementation of the comprehensive plan for risk management.

We assisted the County in the preparation of a comprehensive plan for risk management within the County dated May 1988. The plan has not been totally implemented. Additionally, the workers compensation costs have continued to increase. We believe that the strategies included in the plan are sound, and should be carried out.

We recommend the formation of a management committee to evaluate the County's risk management plan implementation to date and to plan for full implementation of the risk management plan.

Response:

The County has made significant progress in implementing the Risk Management Program established by the County Budget for the 1988-89 fiscal year. For instance, Loss Control Committees are operational in five County departments; Risk Management Administrative Procedures have been developed and County supervisors trained; data processing capabilities have been added to improve claims tracking and analysis; and, the Risk Management Advisory Committee has been created and become operational.

Unfortunately, staff vacancies since the inception of the program have hampered our ability to fully implement the program. Staff turnover in the Risk Manager and Loss Control Specialist positions resulted in a 45 percent vacancy rate in the first year of the program's operation, which has slowed our progress. The work plan for the 1989-90 fiscal year is being implemented and a new Risk Manager has been hired.

The 1988 Risk Management Report recommended "a comprehensive evaluation of risk management for the two years ending June 30, 1991." We plan to conduct such an evaluation at that time.

RECOMMENDATION NO. 13:

Consider the policy of housing State prisoners in the County Correctional Facility.

We noted that in cases where State prisoners are being transported between State institutions, the County Correctional Facility is often used as overnight housing for such prisoners. We are not aware that the State provides the County with full compensation or appropriate trades of bed space for such services. Neither are we aware that such services are required by law or regulation. The cost of housing a prisoner overnight has been calculated by the Sheriff's staff as exceeding \$96. If the County has no legal obligation to house state prisoners, and is not getting appropriate compensation, the County should consider its policy of housing such prisoners. Additionally, because the Correctional Facility has been consistent overcrowded, housing State prisoners on a temporary basis has generally resulted in the release of local prisoners.

We believe that the County should review the policy of housing state prisoners on an overnight basis. We would urge the County to find an alternative, if one is available, for housing State prisoners in County jails, and/or to seek appropriate compensation for housing state prisoners.

Response:

The Corrections Branch participates in a cooperative shuttle system designed to move County prisoners around the State. This system was designed to consolidate trips by various counties and has been very effective.

Multnomah County contributes the bus and driver while other countries contribute lunches, extra bus guards, etc. This arrangement eliminates the need for the exchange of money.

About 15% of our bus loads include out-of-state fugitives for the State. The State reimburses us for those prisoners at their standard rate of \$35.00 for lodging and \$.22 per mile.

RECOMMENDATION NO. 14:

The County's CDBG program should be closely monitored to ensure funds are not lost due to timing delays.

During the Single Audit work performed on the Community Development Block Grant (CDBG) program, we noted that program progress has been slow in using funds committed in prior years. In some cases programs have not been started. If the County does not proceed to complete, or start, such programs, a portion of the grant monies could be lost. If the County considers the programs useful for the citizens, we believe that it is important to retain all funding for CDBG programs.

We recommend that County management closely monitor the CDBG program to ensure that funds for important programs are not lost due to delays in commencing or continuing such programs.

Response:

We noted a delay in progress of some public works projects undertaken as joint projects between consortium cities and the County. This had resulted primarily from projects being funded from different city and County budget years. For example, the 1986 Gresham Neighborhood Waterlines and Hydrants project was funded with 1986 CDBG funds, but it was not until 1987 that City of Gresham matching funds were available.

Because HUD allows grant monies to be carried forward into the next program year, County Community Development renewed the expired contract for this specific project and proceeded to oversee completion.

In addition, various federally mandated labor and equal employment opportunity requirements must be submitted by subgrantees on such projects. If receipt of this paperwork is not timely, final processing of payment vouchers cannot be completed; hence, drawdown rates appear to be slow when, in fact, projects may already have been completed but just awaiting processing of payments.

HUD is always reluctant to recapture grantee funding and, therefore, it is unlikely that the County would lose funds allocated to eligible activities. However we, too, are concerned about timely performance. Please be assured that since the 1989 audit was conducted, the outstanding public works projects under review at that time have been completed and final payments processed.

RECOMMENDATION NO. 15:

The County should develop an inventory system for lamps and poles.

We noted that several of the additions to the inventory of lamps and poles in the service districts were corrections of errors made in prior years. For example, additions in the current year represented assets which had been inappropriately retired in the prior year or assets which had been purchased in the prior year but omitted from the fixed asset records. Although such errors did not materially affect the results of operations of the service districts, if allowed to continue these errors could, result in a future material misstatement of service district fixed asset balances.

We recommend that a system be developed that will keep accurate track of the County's service district fixed assets together with additions and deletions thereto.

Response:

The prior year errors referred to by the auditors were detected and corrected through implementation of a street light fixed asset system during 1989. We are continuing to refine our procedures to assure that street lighting records are accurate. This includes development of a system for our engineer that utilizes input from both owned and leased street lights throughout the year. This should simplify accounting for the many transactions that occur, such as removals through annexation, additions from development and utility initiated conversations, which are not controlled by the District.

RECOMMENDATION NO. 16:

The County's Department of Human Resources should ensure that they are in compliance with all State contract provisions for the low income weatherization assistance program.

Based on our interpretation of contracts and regulations made as part of the County's Single Audit required by federal regulations, we noted that during fiscal year 1989 the County was not in compliance with certain provisions of its State contract for the Weatherization Program. Specifically, the County failed to appropriately monitor subgrantee performance. As a result of this noncompliance, the County could be required to pay back disallowed costs and funding could be discontinued.

We recommend that the Department of Human Services obtain a complete understanding of the provisions of their contracts and provide a system to ensure that all provisions of contracts and regulations are fulfilled.

Response:

In FY 88-89, the Department of Human Services had insufficient staff to manage the Low Income Weatherization Assistance Program. Management of this program was contracted by the DHS Directors' office to an external fiscal intermediary. As a result of problems experienced in ensuring that the County would be in compliance with its State contract, and following consulting with the State, the County restructured the Weatherizaion Program to assume direct responsibility for its operation. Subsequently, the Community Action Program office was established in the DHS Aging Services Division (ASD) as of July 1, 1989. The Department is confident that the resulting system will enable ASD to ensure that all provisions of contracts and regulators are met.

RECOMMENDATION NO. 17:

All insurance premiums should be budgeted and accounted for as expenditures/expenses and revenues.

We noted that certain monies provided to the Insurance Fund were budgeted and accounted for as operating transfers. We were assured by County management that such monies were necessary to meet the County's goals for maintaining a healthy insurance program. If such funding is appropriate to maintain the insurance program, it should be considered to be insurance premiums, and budgeted and accounted for as such. The federal government has instituted indirect cost allocation plan review programs in which they explore any build-up of fund balance, nonliability reserves or transfers in to insurance funds to determine if the federal programs have been overcharged. The County should clearly indicate that all funding of the Insurance Fund is premium income. Additionally, by not developing significant fund balances in the Insurance Fund the County will likely be able to continue insurance charges to federal programs through its cost allocation plan.

Response:

As stated in comment #5, we are establishing premium rates for liability insurance in the Insurance Fund. Once these rates are established, the operations of the Insurance Fund will be funded by premiums and not operating transfers.

RECOMMENDATION NO. 18:

The County should consider upgrading its accounting staff.

Throughout our audit of the County, we have noted that there appears to be a shortage of appropriately trained and experienced professionals and management in the general accounting area. We believe that the County's system of internal control and the efficiency of the ability of the Finance Division to respond to the analysis and information needs of County management and the public would be significantly enhanced by the employment of one or more additional professional accountants. The appropriate position appears to be at the Accounting Manager level. We believe the appropriate individual should be a degreed and experienced professional accountant that could deal with a broad range of accounting and system issues.

We urge the County to seriously consider hiring one or more professional accountants in the Finance Division.

Response:

A full time position has been transferred to Finance from Planning and Budget. This position will provide additional professional support to the Finance Division.

RECOMMENDATION NO. 19:

The County should use current market values to assign costs to Service District fixed asset additions.

Additions of lamps and poles provided to certain service districts by Portland General Electric (PGE) are currently recorded using costs updated by cost of living estimates from a base that is up to ten years old. Due to changes in technology, resource availability and other factors, these costs could be inaccurate. Using these costs to value fixed asset additions could result in distortion of the cost of the County's service district assets.

Although we believe that any possible misstatement in the 1989 financial statements is not material to such statements, we recommend that management of the service districts obtain and use a current listing of market values of lamps and poles at least annually. The updated list should be used to value poles and lamp additions each year.

Response:

We have initiated procedures to help estimate the market value of donated assets, which include lights, poles and installation costs, through contacting land developers and our servicing utility. If we are unable to identify market value, we will obtain engineering estimates where practical.

COMMENT FROM THE MANAGEMENT RECOMMENDATIONS RELATED TO THE AUDIT FOR THE YEAR ENDED JUNE 30, 1988 THAT APPEARS TO STILL BE APPLICABLE.

The following comment included in our prior year letter to management appears to still merit consideration by County management. The recommendation is listed by title only. Please refer to the prior year management letter for details.

The County should not fund federal prisoners' housing and should bill the U.S. Marshal more expeditiously.