



MULTNOMAH COUNTY OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2002



MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002



Prepared by:
Finance Division
David A. Boyer, Finance Director
501 SE Hawthorne Blvd, 4th Floor
PO Box 14700
Portland, Oregon 97293-0700

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



DIANE LINN
Chair



MARIA ROJO DE STEFFEY
Commissioner



SERENA CRUZ
Commissioner



LISA NAITO
Commissioner



LONNIE ROBERTS
Commissioner



SUZANNE FLYNN
Auditor



DAN NOELLE
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2002
Table of Contents

INTRODUCTORY SECTION

Page

Letter of Transmittal	1
GFOA Certificate of Achievement	5
Organizational Charts	6
List of Elected and Appointed Officers	9

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	10
MANAGEMENT'S DISCUSSION AND ANALYSIS	11
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets	22
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet – Governmental Funds	25
Reconciliation of the Balance Sheet to the Statement of Net Assets	26
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – General Fund	29
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Federal and State Program Fund	30
Statement of Net Assets – Proprietary Funds	31
Statement of Revenues, Expenses, and Changes in	
Fund Net Assets – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Assets – Fiduciary Funds	34
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	35
Notes to Basic Financial Statements	36
Required Supplementary Information	62
SUPPLEMENTARY INFORMATION:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental Funds	64
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	67
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual:	
Strategic Investment Program Fund	69
Road Fund	70
Emergency Communications Fund	71
Assessment and Taxation Fund	72

MULTNOMAH COUNTY, OREGON
Table of Contents (continued)

FINANCIAL SECTION (continued)	<u>Page</u>
Bicycle Path Construction Fund.....	73
County School Fund.....	74
General Reserve Fund.....	75
Land Corner Preservation Fund.....	76
Tax Title Land Sales Fund.....	77
Animal Control Fund.....	78
Willamette River Bridges Fund.....	79
Recreation Fund.....	80
Library Fund.....	81
Justice Services Special Operations Fund.....	82
Inmate Welfare Fund.....	83
Special Excise Tax Fund.....	84
Public Safety Levy Fund.....	85
Nonmajor Debt Service Funds:	
Combining Balance Sheet.....	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	87
Schedules of Revenues, Expenditures and Changes in	
Fund Balances - Budget and Actual:	
Capital Lease Retirement Fund.....	88
General Obligation Bond Fund.....	89
PERS Pension Bond Fund.....	90
Revenue Bond Fund.....	91
Nonmajor Capital Projects Funds:	
Combining Balance Sheet.....	92
Combining Statement of Revenues, Expenditures, and	
Changes in Fund Balances.....	94
Schedules of Revenues, Expenditures and Changes in	
Fund Balances - Budget and Actual:	
Revenue Bond Project Fund.....	96
SB 1145 Fund.....	97
Equipment Acquisition Fund.....	98
Building Project Fund.....	99
Library Construction / 1996 Bonds Fund.....	100
Capital Improvement Fund.....	101
Capital Acquisition Fund.....	102
Deferred Maintenance Fund.....	103
Asset Preservation Fund.....	104
Justice Bond Capital Project Fund.....	105
Enterprise Funds:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balances - Budget and Actual:	
Dunthorpe-Riverdale Service District No. 1 Fund.....	106
Reconciliation of Budgetary Revenues and Expenditures to Proprietary	
Revenues and Expenses – Dunthorpe-Riverdale Service District No. 1 Fund.....	107
Schedule of Revenues, Expenditures and Changes in	
Fund Balances - Budget and Actual:	
Mid County Service District No. 14 Fund.....	108
Reconciliation of Budgetary Revenues and Expenditures to Proprietary	
Revenues and Expenses – Mid County Service District No. 14 Fund.....	109

MULTNOMAH COUNTY, OREGON
Table of Contents (continued)

FINANCIAL SECTION (continued)	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Behavioral Health Managed Care Fund	110
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Behavioral Health Managed Care Fund	111
Internal Service Funds:	
Combining Statement of Net Assets	112
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	113
Combining Statement of Cash Flows	114
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Risk Management Fund	115
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Risk Management Fund	116
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Fleet Management Fund	117
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Fleet Management Fund	118
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Telephone Fund	119
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Telephone Fund	120
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Data Processing Fund	121
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Data Processing Fund	122
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Mail/Distribution Fund	123
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Mail / Distribution Fund	124
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Facilities Management Fund	125
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Facilities Management Fund	126
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source	127
Schedule by Function and Activity	128
Schedule of Changes by Function and Activity	129
OTHER SCHEDULES:	
Schedule of Property Tax Collections and Outstanding Balances	130
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions	131
Schedule of Revenue Bonds Outstanding	132
Schedule of General Obligation Bonds Outstanding	133
Schedule of Loans Outstanding	135

MULTNOMAH COUNTY, OREGON
Table of Contents (continued)

FINANCIAL SECTION (continued)		<u>Page</u>
Schedule of Full Faith and Credit Bonds Outstanding		137
Schedule of Capitalized Lease Purchases Outstanding.....		138
Schedule of Receipts and Deposits - Elected Officials.....		139

STATISTICAL INFORMATION SECTION

General Governmental Expenditures by Function - Last Ten Fiscal Years	140
General Governmental Revenues by Source - Last Ten Fiscal Years	141
General Governmental Tax Revenues by Source - Last Ten Fiscal Years	142
Property Tax Levies and Collections - Last Ten Fiscal Years.....	143
Real Market Value of Taxable Property - Last Ten Fiscal Years.....	144
Consolidated Tax Rates - Last Ten Fiscal Years	145
Consolidated Tax Levies - Last Ten Fiscal Years	146
Principal Taxpayers	147
Special Assessment Billings and Collections - Last Ten Fiscal Years	148
Computation of Legal Debt Margin.....	149
Construction, Property Value, and Bank Deposits - Last Ten Fiscal Years	150
Ratio of Net General Obligation Bonded Debt to Real Market Value and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years	151
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Fiscal Years.....	152
Computation of Direct and Overlapping Debt.....	153
Insurance in Force.....	154
Population, Per Capita Income and Unemployment - Last Ten Fiscal Years.....	155
Major Employers in Metropolitan Area.....	156
Miscellaneous Statistical Data	157

**REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
REQUIRED BY STATUTES**

Report of Independent Certified Public Accountants on the County's Compliance and Certain Items Based on an Audit of Basic Financial Statements Performed In Accordance with Federal and Oregon Audit Standards	158
Report of Independent Certified Public Accountants on the County's Compliance and Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with Government Audit Standards	160

INTRODUCTORY SECTION



MULTNOMAH COUNTY OREGON

COUNTY COMMISSIONERS	DEPARTMENT OF BUSINESS & COMMUNITY SERVICES FINANCE PROGRAM AREA
DIANE LINN, CHAIR MARIA ROJO DESTEFFEY, DISTRICT #1 SERENA CRUZ, DISTRICT #2 LISA NAITO, DISTRICT #3 LONNIE ROBERTS, DISTRICT #4	MULTNOMAH BUILDING 501 SE HAWTHORNE BLVD PO BOX 14700 PORTLAND, OR 97293-0700 PHONE (503) 988-3312 FAX (503) 988-3292 TDD (503) 988-5170

December 17, 2002

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

INTRODUCTION

We are pleased to submit the Comprehensive Annual Financial Report of Multnomah County, Oregon, for the fiscal year ended June 30, 2002, together with the opinion thereon of our independent certified public accountants, Grant Thornton LLP. This report, required by State law, Oregon Revised Statutes 297.425, is prepared by the Finance Program Area. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act of 1984, OMB Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act of 1984 has been issued under separate cover.

With these statements the County is implementing the requirements of Governmental Standards Board (GASB) Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. This statement establishes new financial reporting requirements. The format and purpose of these changes are addressed in Management's Discussion and Analysis.

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 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, 2002, and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America (GAAP). The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements

will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

PROFILE OF MULTNOMAH COUNTY, OREGON

Multnomah County, incorporated in 1854, is located in northwestern Oregon at the confluence of the Columbia and Willamette rivers, approximately 110 river miles and 80 highway miles from the Pacific Ocean. The County covers 465 square miles, and serves a population of 662,400 citizens. The cities of Portland and Gresham are the largest incorporated cities in the County.

Multnomah County is governed according to its Home Rule Charter, which became effective January 1967. The County's charter adopted in 1967 has had several subsequent amendments. The County is governed by a Board of County Commissioners consisting of four non-partisan members elected from designated districts within the County and the Chair of the Board, elected at large. The Board of County Commissioners conducts all legislative business of the County.

Multnomah County provides a full range of services, including public safety protection; corrections and probation; construction and maintenance of roads, highways, bridges and other infrastructure; health and social services; library and community enhancement; and internal business support. Certain sanitary and lighting services are provided as legally separate Service District Authorities, which function, in essence, as departments of the County and therefore have been included as integral parts of the County's financial statements. Additional information on these legally separate entities can be found in note 1 of the notes to the financial statements.

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

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the federal state program fund – this comparison is provided on pages 29-30 as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 63.

FACTORS AFFECTING FINANCIAL CONDITION

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

The Portland-Vancouver, OR-WA PMSA's (Primary Metropolitan Statistical Area) economy declined during fiscal year 2002. The area's unemployment rate was 7.5% at June 30, 2002, compared to a rate of 5.8% at June 30, 2001. The Portland-Vancouver Consumer Price Index (CPI) (1982-84 = 100) was 183.5 at June 30, 2002, and represents a 2.2% increase from June 30, 2001.

Financial outlook: The financial outlook for the County's General Fund over the next five years is expected to decline. The regional economy is not expected to grow and a recovery before 2003 is questionable. The State of Oregon's recent forecast also suggests a continued downturn of business activity.

The region's sluggish economy is impacting the County's revenue stream. Property taxes are expected to grow at between 2% to 3%. Business Income Tax is expected to remain constant with little or no growth and Motor Vehicle Rental Tax is also expected to remain flat. Overall revenue growth is forecast between 3% to 3.5% over the next few years. Even if inflation remains at its current low levels, the level of revenue growth will not be sufficient to provide funding at current service levels. To address this shortfall the County will be making budgetary cuts of approximately \$20,000 for fiscal year 2003 to maintain priority programs and adequate reserves.

Financial planning. The County Chair has created a Cabinet that consists of the Board Chair's Chief Operating Officer, Department Directors, District Attorney, Sheriff, Chief Financial Officer, Chief Budget Officer, Chief Personnel Officer, Chief Information Officer, Facilities Director and Union Presidents. The Cabinet has begun to have planning sessions to develop short-term and long-term goals and to address the financial stability of the County. The County's Financial and Budget Officers also meets with City of Portland Financial and Budget Officers to confer on financial issues that either overlap or impact each entity. The Library local option tax levy will be up for renewal and operating funds for the new Wapato jail and secure alcohol and drug treatment center will need to come from a local option levy.

Cash management policies and practices. To obtain maximum return on investments, the County pools most funds for investment purposes with the State Treasurer's investment pool. Other cash temporarily idle during the year was invested in US Treasury notes, repurchase agreements, municipal bonds, bankers' acceptances, commercial paper, and certificates of deposits. Investment transactions are governed by a written Investment Policy, which regulates the County's investment objectives, diversification, limitations and reporting requirements, and which is reviewed and adopted annually by the Board of County Commissioners. The County also utilizes an independent Investment Advisory Board to review the County's investment plan and investment performance.

The maturities of the investments range from one day to three years with an average maturity of six to nine months. The average yield on investments was 3.65%. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the County intends to hold to maturity.

Risk management. The County has established an internal service fund to account for risk management activities and to protect the human, physical, and financial assets of the County. As part of the County's plan for risk management, resources are accumulated in the Risk Management fund to meet potential losses. In addition, various control techniques, including loss prevention training and consultation, have been implemented to minimize losses. The County is partially self-insured for employee health benefits, unemployment, workers' compensation, property, tort and general liability claims. Third party coverage is currently maintained for individual workers' compensation claims in excess of \$500, and for other claims in excess of \$250. Additional information on the County's risk management activity can be found in note 4.A of the notes to the financial statements, beginning on page 57.

Pension and other post-employment benefits. Substantially all County employees are participants in the State of Oregon Public Employees' Retirement System (PERS). Every other year, an independent actuary engaged by PERS calculates the amount of the annual contribution rate that member employers must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. Benefits for retirees, beneficiaries and terminated employees not yet receiving benefits are not presented, because PERS pools the risk related to these employees among all member employers and fully funds benefit obligations at time of separation from service. Accordingly, information presented in this report relates only to current employees, and shows that the retirement obligations are not fully funded.

Multnomah County also provides postretirement health and dental benefits for retirees and their dependents. At the end of the current fiscal year, there were 428 retired employees receiving these benefits, which are financed by contribution rates charged to departments. These rates are based on an actuarial valuation that is performed every two to three years. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the County's pension and post-employment benefits can be found in note 4.D of the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2001. This was the eighteenth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the employees in the Finance Program Area who maintained the records and assisted in the preparation of this report. Special thanks are extended to the General Ledger Staff who were instrumental in preparing this report. Appreciation is also extended to the Chair of the Board, Board of County Commissioners, Department Managers, Budget & Service Improvement and other County personnel for their assistance and support in planning and conducting the financial operations of the County in a prudent manner.

Respectfully Submitted,



David A. Boyer
Finance Director



Mindy Harris
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Multnomah County,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

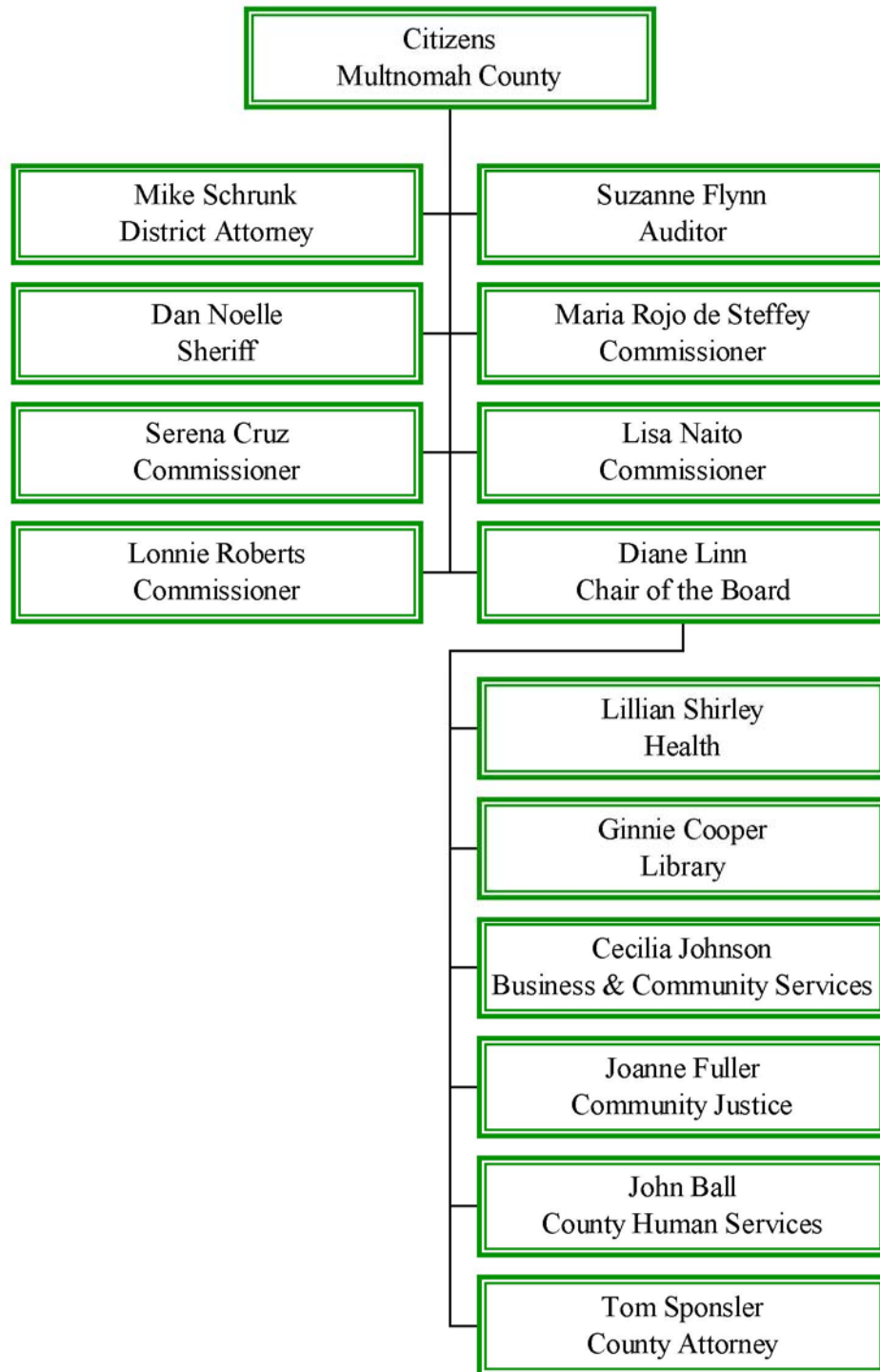
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Imelda Cruz
President

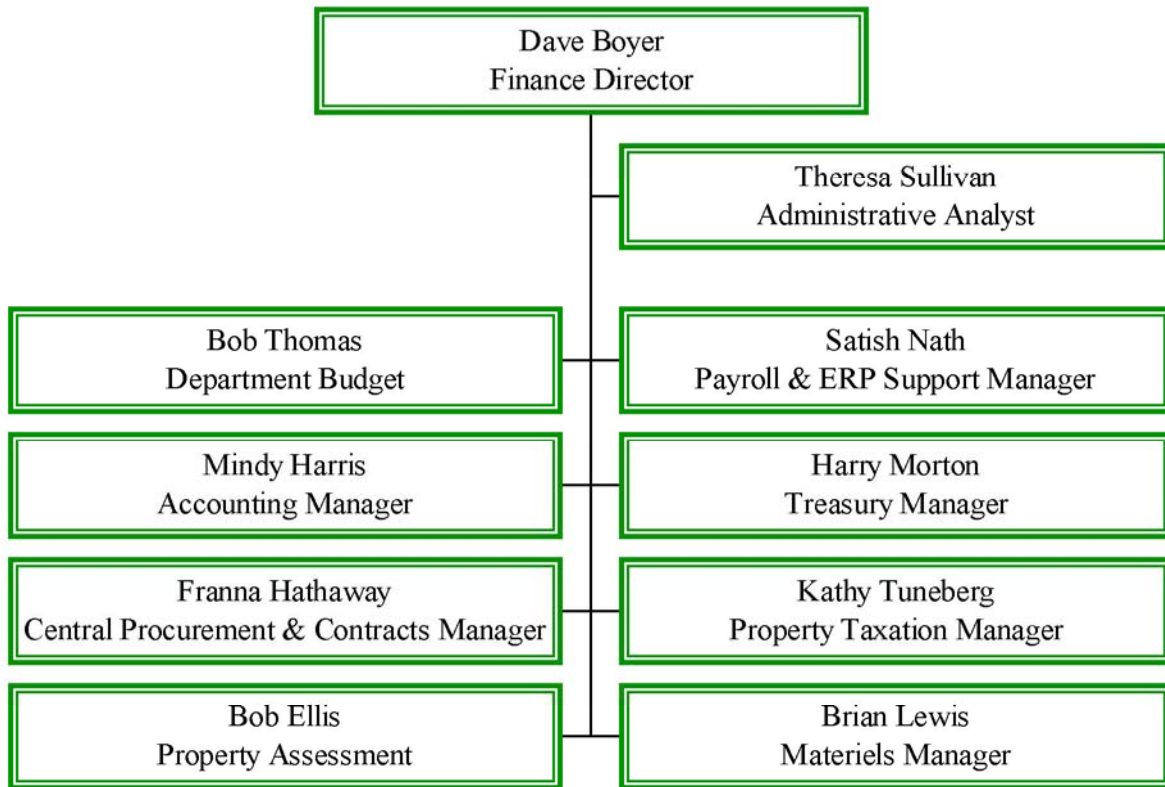
Jeffrey L. Esser
Executive Director

Multnomah County, Oregon

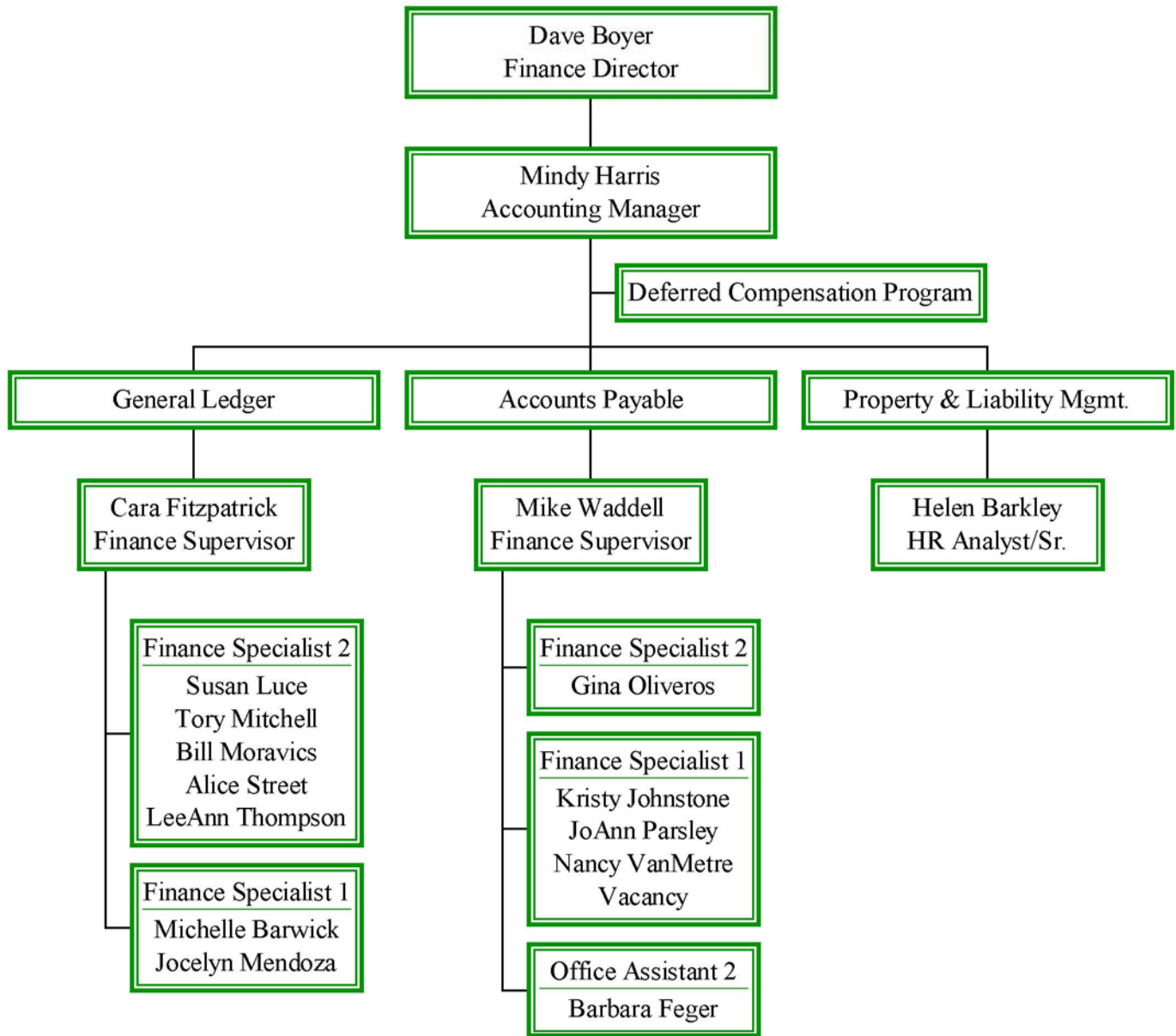


Multnomah County, Oregon

Finance Program Area



Multnomah County, Oregon
Finance Program Area
Accounting Operations



MULTNOMAH COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 2002

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
<u>Board of County Commissioners</u>		
Chair of Board	Diane Linn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2002
District No. 1	Maria Rojo de Steffey 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
District No. 2	Serena Cruz 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2002
District No. 3	Lisa Naito 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
District No. 4	Lonnie Roberts 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
<u>Other Elected Officers</u>		
County Auditor	Suzanne Flynn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2002
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/2004
County Sheriff	Dan Noelle 501 SE Hawthorne, 3 rd Floor Portland, OR 97214	12/31/2002
<u>Other Appointed Officers</u>		
Department of Business & Community Services Director	Cecilia Johnson	Not elected
Finance Director	David A. Boyer	Not elected
Accounting Manager	Mindy Harris	Not elected
County Attorney	Thomas Sponsler	Not elected

FINANCIAL SECTION

Report of Independent Certified Public Accountants

The Board of County Commissioners
Multnomah County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon, as of and for the year ended June 30, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Multnomah County, Oregon's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

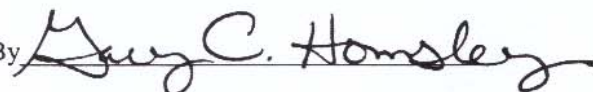
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and Federal and State Program Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 11 through 21 and the schedules of funding progress on page 62 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Multnomah County, Oregon's basic financial statements. The introductory section and supplementary information section as listed in the table of contents, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GRANT THORNTON LLP

Portland, Oregon
December 6, 2002

By 

Suite 800
111 S.W. Columbia
Portland, OR 97201-5864
T 503.222.3562
F 503.295.0148
W www.grantthornton.com



MULTNOMAH COUNTY OREGON

**COUNTY
COMMISSIONERS**

**DEPARTMENT OF BUSINESS & COMMUNITY SERVICES
FINANCE PROGRAM AREA**

DIANE LINN, CHAIR
MARIA ROJO DESTEFFEY, DISTRICT #1
SERENA CRUZ, DISTRICT #2
LISA NAITO, DISTRICT #3
LONNIE ROBERTS, DISTRICT #4

MULTNOMAH BUILDING
501 SE HAWTHORNE BLVD
PO BOX 14700
PORTLAND, OR 97293-0700
PHONE (503) 988-3312
FAX (503) 988-3292 TDD (503) 988-5170

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Multnomah County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2002. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- Multnomah County's assets exceeded its liabilities at June 30, 2002, by \$413,561 (*net assets*). Of this amount, \$60,776 is restricted for capital improvement projects and \$14,197 is restricted for future years' debt service.
- The County's total net assets decreased by \$24,058. Approximately 75% of this decrease is attributable to declines in Business Income and tourism taxes, and federal and state revenues.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$109,334, a decrease of \$49,720 in comparison with the prior year. Of this amount, \$33,707 or 32% is available for spending at the County's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$9,144, or 6% of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the

change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

The government-wide financial statements can be found on pages 22-24 of this report.

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

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

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

The County maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Federal State Program Fund, and the Justice Bond Capital Project Fund, all of which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements and respective reconciliations can be found on pages 25-28 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 31-33 of this report.

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

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found beginning on page 63 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$413,561 at the close of the most recent fiscal year.

At June 30, 2002, the County had \$474,538 invested in capital assets, net of related debt. Directly related to the amount invested in capital assets, net of debt, is the unrestricted operating deficit of \$135,950. The deficit is due to changes in accounting requirements mandated by Governmental Accounting Standards Board Statement No. 34 (GASB 34), implemented this year. GASB 34 required that the County record all outstanding debt in the current year in the Statement of Net Assets, when in fact the proceeds and expenses of the debt had been recognized in prior years.

During fiscal year ending June 30, 2000, the County issued Pension Obligation Bonds (PERS Bond) in the amount of \$184,548 to fund the County's unfunded accrued actuarial liability (UAAL). The total outstanding

debt at June 30, 2002 was \$425,113. Of this amount, \$184,018, or 43%, reflects the outstanding debt for the PERS Bond. All remaining debt is related to capital assets. Had the PERS debt been included in the calculation of capital assets net of related debt, the County's unrestricted net assets would have been a positive balance of \$44,942. The recording of the County's long-term debt, including the PERS Bonds, has had a negative impact on the County's unrestricted net assets. The deficit in the County's unrestricted net assets will continue in future years, providing the County's capital assets do not substantially decrease and the long-term debt continues to be a liability for the County on the Statement of Net Assets.

The ratio of the County's capital assets, net of related debt, as compared to total net assets is 116%. This ratio reduces to 70% when including the PERS Bonds of \$184,018 in the debt portion related to capital assets.

By far the largest portion of the County's net assets is the investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Multnomah County's Net Assets June 30, 2002

	Governmental Activities	Business- Type Activities	Total
Current and other assets	\$ 242,674	\$ 8,009	\$ 250,683
Capital assets	708,754	2,405	711,159
Total assets	951,428	10,414	961,842
Long-term liabilities outstanding	425,113	-	425,113
Other liabilities	118,295	4,873	123,168
Total liabilities	543,408	4,873	548,281
Net assets:			
Invested in capital assets, net of related debt	472,133	2,405	474,538
Restricted	74,973	-	74,973
Unrestricted	(139,086)	3,136	(135,950)
Total net assets	\$ 408,020	\$ 5,541	\$ 413,561

An additional portion of the County's net assets (18 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$(135,950)) does not include the debt of \$184,018 related to the PERS Bonds; to include the debt related to the PERS Bonds results in unrestricted net assets of \$44,942 and provides a more realistic depiction of the County's ability to meet its ongoing obligations to citizens and creditors.

The County realizes the unrestricted net asset deficit provides for a negative outlook. However, considering the County's long-term obligations in the Statement of Net Assets, the County recognizes the necessity to be able to meet current financial obligations and has no reason to believe that liabilities will not be met in future periods.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was no change in restricted net assets reported in connection with the County's business-type activities.

The government's net assets decreased by \$24,064 during the current fiscal year. This decrease is primarily due to decreases in tax revenues and intergovernmental funding for governmental activities and related programs and services.

Governmental activities. Governmental activities decreased the County's net assets by \$22,332, thereby accounting for 93% of the total decline in the net assets of the County. Key elements of this decrease are as follows:

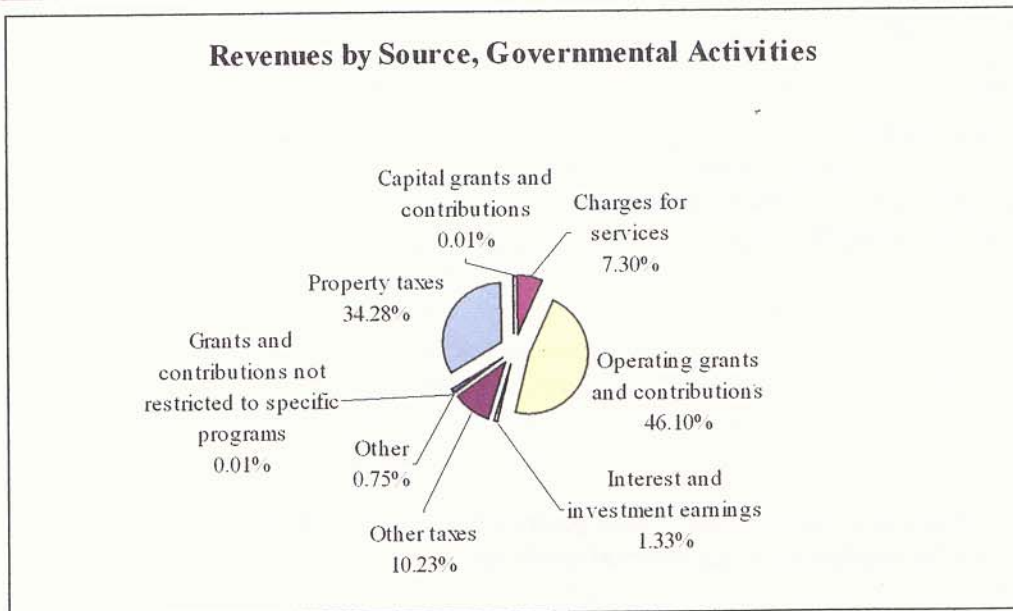
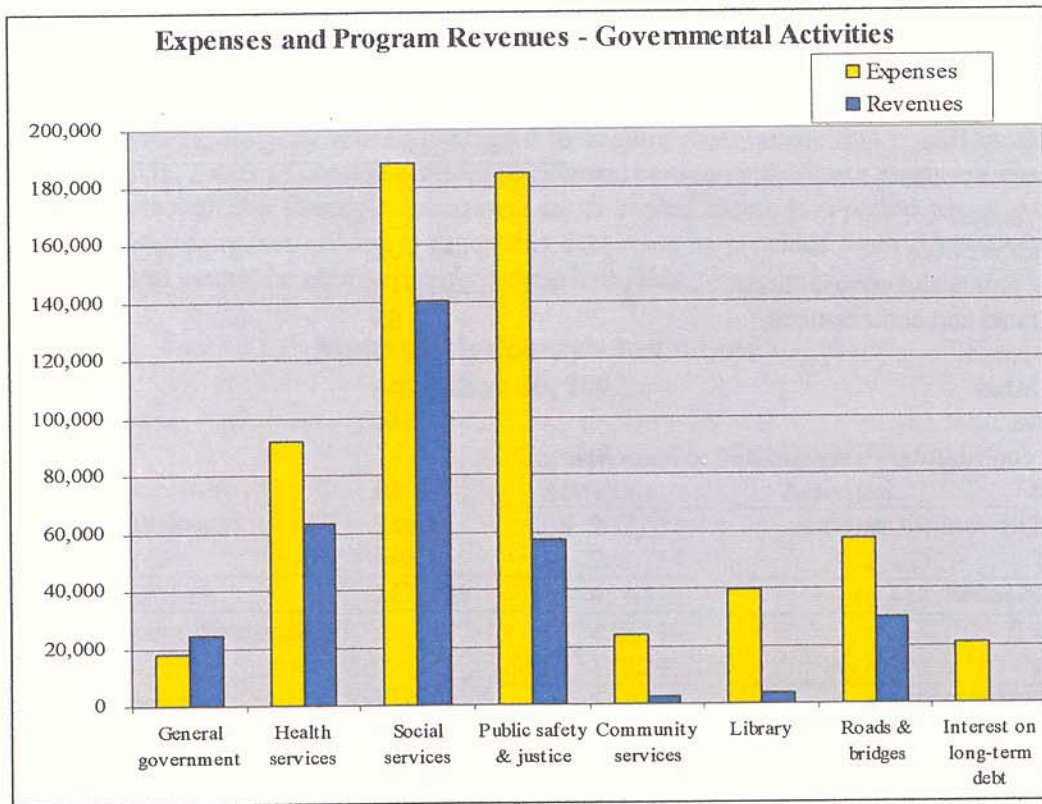
Multnomah County's Changes in Net Assets

	Governmental activities	Business-type activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 43,902	\$ 33,265	\$ 77,167
Operating grants and contributions	277,418	337	277,755
Capital grants and contributions	86	-	86
General revenues:			
Property taxes	206,244	-	206,244
Other taxes	61,544	-	61,544
Grants and contributions not restricted to specific programs	60	-	60
Interest and investment earnings	7,982	339	8,321
Other	4,496	(65)	4,431
Total revenues	<u>601,732</u>	<u>33,876</u>	<u>635,608</u>
Expenses:			
General government	17,673	-	17,673
Health services	92,109	-	92,109
Social services	188,043	-	188,043
Public safety and justice	184,213	-	184,213
Community services	23,877	-	23,877
Library services	39,529	-	39,529
Roads and bridges	57,478	-	57,478
Interest on long-term debt	21,139	-	21,139
Dunthorpe-Riverdale Service District Number 1	-	306	306
Mid County Service District Number 14	-	348	348
Behavioral Health Managed Care	-	34,951	34,951
Total expenses	<u>624,061</u>	<u>35,605</u>	<u>659,666</u>
Decrease in net assets before transfers	<u>(22,329)</u>	<u>(1,729)</u>	<u>(24,058)</u>
Transfers	(3)	3	-
Decrease in net assets	<u>(22,332)</u>	<u>(1,726)</u>	<u>(24,058)</u>
Net assets – 6/30/01	<u>430,352</u>	<u>7,267</u>	<u>437,619</u>
Net assets – 6/30/02	<u>\$ 408,020</u>	<u>\$ 5,541</u>	<u>\$ 413,561</u>

- Operating grants and contributions consist primarily of federal and state revenues. Due to the lagging economy in the region and at the national level, intergovernmental revenues declined from the prior year by \$31,489, or 10%.
- Due to market conditions and lower cash balances, interest earnings were down by \$6,439, or 47%, from the prior year, contributing to the County's decrease in net assets.

- Due to market conditions and lower cash balances, interest earnings were down by \$6,439, or 47%, from the prior year, contributing to the County's decrease in net assets.
- The County reduced expenditures and implemented a number of cost-cutting strategies in several program areas, resulting in savings of \$23,840, which is a reduction of approximately 4% from the previous year.

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

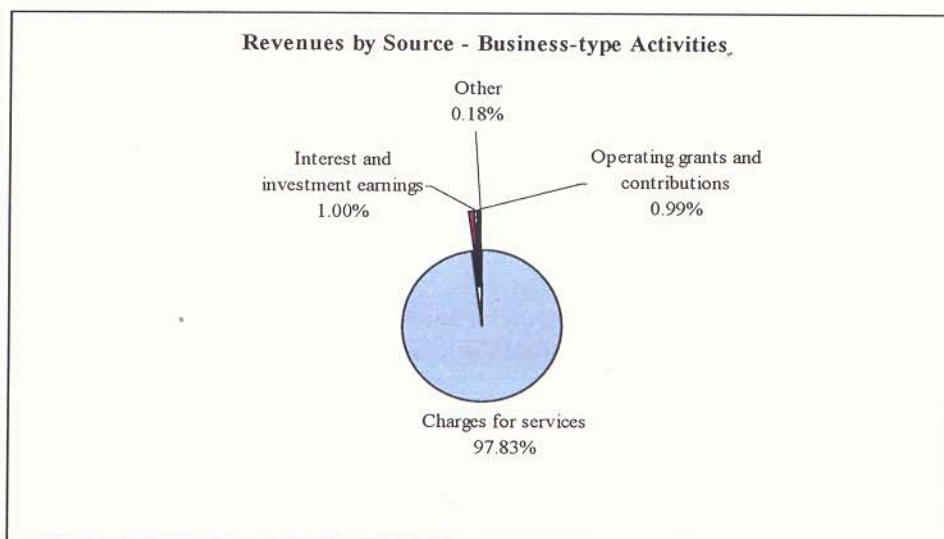
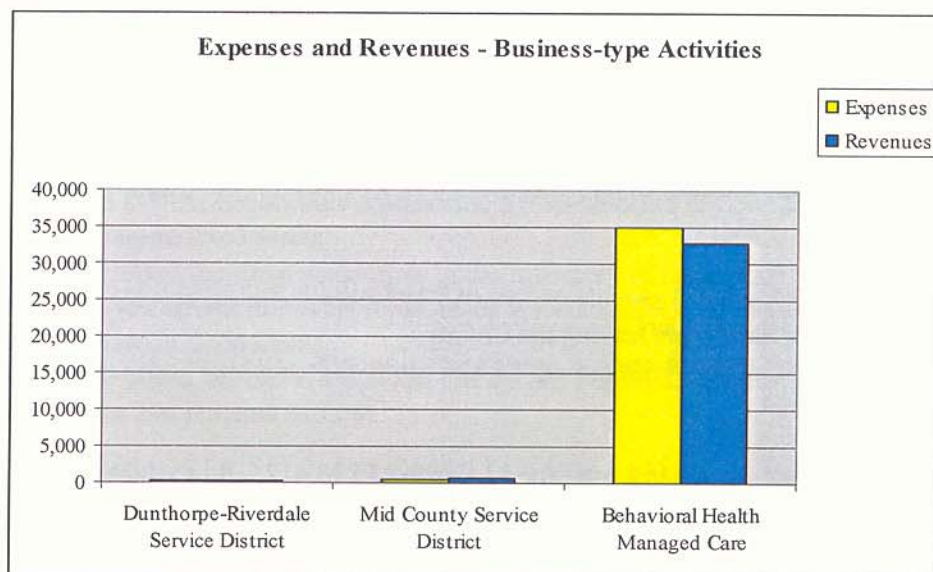


For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Additionally, where expenses decreased from prior years, this can be directly attributed to the decrease in revenues in the governmental activities.

Business-type activities. Business-type activities decreased the County's net assets by \$1,726, accounting for 7.20% of the total decline in the government's net assets. The primary reasons for this decrease are:

- An increase of 41% from the prior year in administrative expenses in all three enterprise funds. Included in administrative costs are payroll expenses and consulting costs associated with a redesign in the mental health service model in the Behavioral Health Managed Care Fund.
- Interest revenue in each of the enterprise funds declined 42% from the prior year, as a result of poor market conditions.
- A loss of \$71 on disposal of capital assets was recorded in the Mid County Service District.

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



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$109,334, a decrease of \$49,720 in comparison with the prior year. Approximately 31% of this total amount (\$33,707) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$1,315), 2) to pay debt service (\$13,526), or 3) to pay for ongoing capital projects (\$60,786).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund equaled the total fund balance, in the amount of \$9,144, indicating a high degree of liquidity of the General Fund.

The fund balance of the County's General Fund decreased by \$6,615 during the current fiscal year. Key factors in this reduction are:

- A decrease in Business Income Tax collections of \$3,442 from the previous year, due to poor economic conditions and to major employers leaving the County.
- A decrease in interest income resulted of \$3,126 from the previous year, due to poor economic conditions in the region.

The Justice Bond Capital Project Fund has a total fund balance of \$30,418, all of which is reserved for capital projects. The fund balance decreased from the prior year by \$22,448, due to the beginning of construction of the new Wapato Jail facility.

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

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

- Dunthorpe-Riverdale Service District Fund, \$454;
- Mid County Service District Fund, \$842; and
- Behavioral Health Managed Care Fund, \$1,840.

The total change in net assets for all funds was \$1,726. Other factors concerning the finances of these three funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were primarily due to the mid-year budget reduction. In order to answer the problems that arose as a result of major revenue shortfalls, the County implemented various cost saving measures resulting in a total savings of approximately \$14,000. The budget shortfall was addressed by reducing appropriations in the following areas:

- A transfer from the General Fund to the County School fund of \$1,575 was eliminated;
- The budgeted transfer from the General Fund to the Asset Preservation fund, in the amount of \$2,286, was eliminated;
- Vacant positions were not filled and other personnel reductions were implemented, resulting in savings of \$2,395;
- Various health and social service programs were reduced or eliminated, which resulted in savings of \$8,075.

Capital Projects and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities as of June 30, 2002, amounts to \$711,159 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads and bridges, sewer and street lighting systems, and motor vehicles. The total increase in the County's investment in capital assets for the current fiscal year was 82%, which represents an 83% increase for governmental activities and an 8% increase for business-type activities.

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

- The County added the roads and related land to the inventory of fixed assets, to answer the fixed asset requirements of GASB 34. This represented a total addition of \$807,682, and accounts for 86% of the overall increase in fixed assets.
- The County added the library materials to the inventory of fixed assets, again to answer the fixed asset requirements of GASB 34. This represented a total addition of \$61,093, and accounts for 6% of the overall increase in fixed assets.
- Construction began on the Wapato Jail site in NE Portland. Construction in progress at the close of the fiscal year had reached \$15,081.

Multnomah County's Capital Assets (net of depreciation)

	Governmental activities	Business-type activities	Total
Land	\$ 14,219	\$ -	\$ 14,219
Buildings and systems	254,847	-	254,847
Improvements other than buildings	302	2,400	2,702
Machinery and equipment	24,988	5	24,993
Infrastructure	384,049	-	384,049
Construction in progress	16,866	-	16,866
Roads and Bridges	13,483	-	13,483
Total	<u>\$ 708,754</u>	<u>\$ 2,405</u>	<u>\$ 711,159</u>

Additional information on the County's capital assets can be found in note 3.C on pages 47-49 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$425,113. Of this amount, \$96,535 comprises debt backed by the general obligation bonds; \$272,833 represents debt backed by the full faith and credit bonds; \$797 comprises long term lease obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (e.g., revenue bonds, capitalized leases).

Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

Multnomah County's Outstanding Debt
General Obligation, Revenue and Full Faith and Credit Bonds
Capital leases, and Loans

	Governmental activities	Business-type activities	Total
General Obligation Bonds	\$ 96,535	\$ -	\$ 96,535
Revenue Bonds	8,335	-	8,335
Full Faith and Credit Bonds	272,833	-	272,833
Capital Leases	46,613	-	46,613
Loans	797	-	797
Total	<u>\$ 425,113</u>	<u>\$ -</u>	<u>\$ 425,113</u>

The County's total debt decreased by \$21,387, or 5% during the current fiscal year. This change was due to debt payments made during the year. The County issued no new debt during the year.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for general obligation debt is \$1,224,426, which is significantly in excess of the County's outstanding general obligation debt.

State statutes also limit the amount of full faith and credit obligations to one percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for full faith and credit obligations is \$612,213, which is in excess of the County's outstanding full faith and credit debt.

Additional information on the County's long-term debt can be found in note 3.E on pages 50-57 of this report.

Key Economic Factors and Budget Information for the Future

- The unemployment rate for the Portland-metropolitan area at the close of the fiscal year was 7.5%. At the time of preparation of this report, the unemployment rate had dropped to 7.0%. The rate is not expected to significantly improve before the end of the next fiscal year.
- It is anticipated that the costs of providing medical insurance coverage to employees will continue to rise, by approximately 10% in the next fiscal year.
- State General Fund revenues are expected to decrease by more than \$1,800,000 statewide. The County receives approximately one-third of its' funding from state and federal revenues, and it is unknown at this time how much these intergovernmental revenues will decrease.
- Due to economic conditions the County's Business Income Tax is estimated to decline by approximately \$2,000.
- Members of the Oregon Public Employees' Retirement System are expected to be faced with increases in retirement contributions as early as July 1, 2003. The increases will likely increase the overall personnel expenses between 3.5% to 5%.

All of these factors were considered in preparing the County's budget for fiscal year 2002-2003.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$9,144. This amount is reserved and will not be available for program resources in fiscal year 2002-2003.

Requests for Information

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

Multnomah County Finance
PO Box 14700
Portland, OR 97293-0700

BASIC FINANCIAL STATEMENTS

MULTNOMAH COUNTY, OREGON
Statement of Net Assets
June 30, 2002
(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments	\$ 146,881	\$ 6,836	\$ 153,717
Receivables (net of allowance for uncollectibles):			
Taxes	17,813	-	17,813
Accounts	53,594	113	53,707
Loans	1,206	-	1,206
Interest	2,015	-	2,015
Special assessments	11	29	40
Contracts	15,232	-	15,232
Due from other funds	960	-	960
Inventories	2,844	-	2,844
Prepaid items	2,118	1,031	3,149
Capital assets:			
Land and construction in progress	31,085	-	31,085
Other capital assets (net of accumulated depreciation)	677,669	2,405	680,074
Total assets	<u>951,428</u>	<u>10,414</u>	<u>961,842</u>
LIABILITIES			
Accounts payable	70,463	4,670	75,133
Accrued salaries and benefits	6,364	116	6,480
Due to other funds	960	-	960
Deferred revenue	24,347	-	24,347
Noncurrent liabilities:			
Due within one year:			
Compensated absences	7,791	14	7,805
Bonds payable	11,055	-	11,055
Capital leases payable	5,112	-	5,112
Loans payable	79	-	79
Due in more than one year:			
Compensated absences	8,370	73	8,443
Bonds payable	366,648	-	366,648
Capital leases payable	41,501	-	41,501
Loans payable	718	-	718
Total liabilities	<u>543,408</u>	<u>4,873</u>	<u>548,281</u>
NET ASSETS			
Invested in capital assets, net of related debt	472,133	2,405	474,538
Restricted for:			
Capital projects	60,776	-	60,776
Debt service	14,197	-	14,197
Unrestricted	(139,086)	3,136	(135,950)
Total net assets	<u>\$ 408,020</u>	<u>\$ 5,541</u>	<u>\$ 413,561</u>

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

MULTNOMAH COUNTY, OREGON

Statement of Activities

For the Year Ended June 30, 2002

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 17,673	\$ 12,712	\$ 11,932	\$ -
Health services	92,109	13,762	49,429	-
Social services	188,043	543	139,848	-
Public safety and justice	184,213	14,224	43,026	86
Community services	23,877	6	2,524	-
Library	39,529	1,745	1,757	-
Roads and bridges	57,478	910	28,902	-
Interest on long-term debt	21,139	-	-	-
Total governmental activities	<u>624,061</u>	<u>43,902</u>	<u>277,418</u>	<u>86</u>
Business-type activities:				
Dunthorpe-Riverdale service				
District Number 1	306	249	2	-
Mid County service				
District Number 14	348	235	335	-
Behavioral health managed care	34,951	32,781	-	-
Total business-type activities	<u>35,605</u>	<u>33,265</u>	<u>337</u>	<u>-</u>
Total primary government	<u>\$ 659,666</u>	<u>\$ 77,167</u>	<u>\$ 277,755</u>	<u>\$ 86</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Business income taxes

Selective excise and use taxes

Payments in lieu of taxes

Grants and contributions not restricted to specific programs

Interest and investment earnings

Miscellaneous

Loss on sale of capital assets

Transfers

Total general revenues, special items, and transfers

Change in net assets

Net assets - beginning

Net assets - ending

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

**Net (Expenses) Revenues and
Changes in Net Assets**

Governmental Activities	Business-type Activities	Total
\$ 6,971	\$ -	\$ 6,971
(28,918)	-	(28,918)
(47,652)	-	(47,652)
(126,877)	-	(126,877)
(21,347)	-	(21,347)
(36,027)	-	(36,027)
(27,666)	-	(27,666)
(21,139)	-	(21,139)
<u>(302,655)</u>	<u>-</u>	<u>(302,655)</u>
-	(55)	(55)
-	222	222
-	(2,170)	(2,170)
-	(2,003)	(2,003)
<u>\$ (302,655)</u>	<u>\$ (2,003)</u>	<u>\$ (304,658)</u>
\$ 195,130	\$ -	\$ 195,130
11,114	-	11,114
26,935	-	26,935
32,799	-	32,799
1,810	-	1,810
60	-	60
7,982	339	8,321
4,496	6	4,502
-	(71)	(71)
(3)	3	-
<u>280,323</u>	<u>277</u>	<u>280,600</u>
(22,332)	(1,726)	(24,058)
<u>430,352</u>	<u>7,267</u>	<u>437,619</u>
<u>\$ 408,020</u>	<u>\$ 5,541</u>	<u>\$ 413,561</u>

MULTNOMAH COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2002
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Justice Bond Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 7,832	\$ 1,383	\$ 32,447	\$ 74,182	\$ 115,844
Receivables:					
Taxes	13,866	-	-	3,947	17,813
Accounts	4,693	41,634	6	6,462	52,795
Loans	-	1,206	-	-	1,206
Interest	2,015	-	-	-	2,015
Special assessments	11	-	-	-	11
Contracts	2,304	-	-	12,928	15,232
Inventories	715	139	-	1,153	2,007
Prepays and deposits	183	1,412	-	277	1,872
Total assets	<u>\$ 31,619</u>	<u>\$ 45,774</u>	<u>\$ 32,453</u>	<u>\$ 98,949</u>	<u>\$ 208,795</u>
LIABILITIES					
Accounts payable	8,787	35,120	2,031	11,254	57,192
Payroll payable	1,986	2,308	4	1,532	5,830
Due to other funds	-	-	-	960	960
Deferred revenue	11,702	8,346	-	15,431	35,479
Total liabilities	<u>22,475</u>	<u>45,774</u>	<u>2,035</u>	<u>29,177</u>	<u>99,461</u>
FUND BALANCES					
Reserved for capital projects	-	-	30,418	30,368	60,786
Reserved for debt service	-	-	-	13,526	13,526
Reserved for inventories	-	-	-	1,098	1,098
Reserved for prepaid items	-	-	-	217	217
Unreserved, reported in:					
General fund	9,144	-	-	24,563	33,707
Total fund balances	<u>9,144</u>	<u>-</u>	<u>30,418</u>	<u>69,772</u>	<u>109,334</u>
Total liabilities and fund balances	<u>\$ 31,619</u>	<u>\$ 45,774</u>	<u>\$ 32,453</u>	<u>\$ 98,949</u>	<u>\$ 208,795</u>

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

MULTNOMAH COUNTY, OREGON
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
As of June 30, 2002
(amounts expressed in thousands)

Fund Balances - Governmental Funds	\$	109,334
------------------------------------	----	---------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	1,322,143		
Less accumulated depreciation	(618,924)		703,219

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable	(377,569)		
Capital leases payable	(45,686)		
Loans payable	(797)		(424,052)

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(14,470)
---	----------

Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.	11,132
--	--------

Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds that are reported with governmental activities.	22,857
---	--------

Net Assets of Governmental Activities	\$	408,020
---------------------------------------	----	---------

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

MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Justice Bond Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 213,153	\$ -	\$ -	\$ 54,488	\$ 267,641
Intergovernmental	18,454	225,954	-	45,669	290,077
Licenses and permits	4,183	1,214	-	2,737	8,134
Charges for services	8,697	3,609	37	6,243	18,586
Interest	1,603	12	1,912	3,445	6,972
Other	23,490	4,844	-	30,081	58,415
Total revenues	<u>269,580</u>	<u>235,633</u>	<u>1,949</u>	<u>142,663</u>	<u>649,825</u>
EXPENDITURES					
Current:					
General government	34,714	-	-	18,420	53,134
Health services	15,504	74,736	-	5,607	95,847
Social services	2,331	183,949	-	-	186,280
Public safety and justice	107,136	31,884	10,694	40,408	190,122
Community services	-	2,548	-	19,004	21,552
Library services	-	-	-	42,706	42,706
Roads and bridges	-	-	-	36,829	36,829
Capital outlay	148	211	13,703	17,760	31,822
Debt service:					
Principal	-	-	-	18,711	18,711
Interest	692	-	-	20,358	21,050
Total expenditures	<u>160,525</u>	<u>293,328</u>	<u>24,397</u>	<u>219,803</u>	<u>698,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>109,055</u>	<u>(57,695)</u>	<u>(22,448)</u>	<u>(77,140)</u>	<u>(48,228)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	975	60,772	-	66,935	128,682
Transfers out	(116,645)	(3,077)	-	(10,452)	(130,174)
Total other financing sources (uses)	<u>(115,670)</u>	<u>57,695</u>	<u>-</u>	<u>56,483</u>	<u>(1,492)</u>
Net change in fund balances	<u>(6,615)</u>	<u>-</u>	<u>(22,448)</u>	<u>(20,657)</u>	<u>(49,720)</u>
Fund balances - beginning	15,759	-	52,866	90,429	159,054
Fund balances - ending	<u>\$ 9,144</u>	<u>\$ -</u>	<u>\$ 30,418</u>	<u>\$ 69,772</u>	<u>\$ 109,334</u>

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

MULTNOMAH COUNTY, OREGON
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2002
(amounts expressed in thousands)

Net change in fund balances - Governmental Funds	\$	(49,720)
--	----	----------

Amounts reported for governmental activities in the statement of net assets are different because:

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

Expenditures for capital assets	45,790	
Less current year depreciation	(30,375)	15,415

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

Change in deferred revenues		147
-----------------------------	--	-----

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments

Principal payments (including capital leases)		18,711
---	--	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Long-term compensated absences		(10,440)
--------------------------------	--	----------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds is reported with governmental activities.

3,555

Change in Net Assets of Governmental Activities	\$	(22,332)
---	----	----------

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

MAJOR GOVERNMENTAL FUNDS

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

- **General Fund** – accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, and health and social services. The modified accrual basis of accounting is used to record revenues and expenditures.
- **Federal and State Special Revenue Fund** – accounts for the majority of revenues and expenditures related to Federal and State financial assistance programs.
- **Justice Bond Capital Project Fund** – accounts for projects to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities and pay for data processing linkages in the Corrections system. See page 105 for budget and actual comparison.

MULTNOMAH COUNTY, OREGON
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes				
Property:				
Current	\$ 167,262	\$ 169,083	\$ 168,287	\$ (796)
Prior	4,383	4,332	4,494	162
Penalties and interest	1,339	1,345	1,893	548
Payments in lieu of taxes	85	85	569	484
Transient lodging	3	3	1	(2)
Business income	37,177	30,240	26,935	(3,305)
Motor vehicle rental	13,590	12,260	10,974	(1,286)
Intergovernmental:				
Federal	10,080	7,567	7,400	(167)
State	10,671	10,766	8,989	(1,777)
Local	2,686	2,742	2,065	(677)
Licenses and permits	3,524	3,524	4,183	659
Charges for services	6,837	7,137	8,697	1,560
Interest	4,425	4,425	1,603	(2,822)
Other:				
Miscellaneous	1,575	5,958	4,883	(1,075)
Service reimbursements	15,967	19,279	18,607	(672)
Total revenues	<u>279,604</u>	<u>278,746</u>	<u>269,580</u>	<u>(9,166)</u>
EXPENDITURES				
Current:				
General government	43,177	38,967	34,714	4,253
Health services	17,090	16,929	15,504	1,425
Social services	2,349	2,474	2,331	143
Public safety and justice	110,621	108,404	107,136	1,268
Capital outlay	147	116	148	(32)
Debt service:				
Interest	900	900	692	208
Total expenditures	<u>174,284</u>	<u>167,790</u>	<u>160,525</u>	<u>7,265</u>
Excess of revenues over expenditures	<u>105,320</u>	<u>110,956</u>	<u>109,055</u>	<u>(1,901)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,432	1,265	975	(290)
Operating transfers out	(122,247)	(128,463)	(116,645)	11,818
Total other financing sources (uses)	<u>(120,815)</u>	<u>(127,198)</u>	<u>(115,670)</u>	<u>11,528</u>
Net change in fund balances	(15,495)	(16,242)	(6,615)	9,627
Fund balances - beginning	19,995	20,742	15,759	(4,983)
Fund balances - ending	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 9,144</u>	<u>\$ 4,644</u>

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

MULTNOMAH COUNTY, OREGON
Federal and State Program Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 249,766	\$ 252,643	\$ 225,954	\$ (26,689)
Licenses and permits	1,677	1,686	1,214	(472)
Charges for services	3,707	4,020	3,609	(411)
Interest	13	13	12	(1)
Other:				
Miscellaneous	856	3,941	4,307	366
Service reimbursements	1,041	1,050	537	(513)
Total revenues	<u>257,060</u>	<u>263,353</u>	<u>235,633</u>	<u>(27,720)</u>
EXPENDITURES				
Community and family services	167,717	170,003	149,721	20,282
Aging and disability services	33,902	36,461	34,228	2,233
Juvenile and adult community justice services	28,822	30,107	26,435	3,672
Health services	79,880	79,018	74,875	4,143
District attorney	4,695	5,631	5,123	508
Sheriff	56	325	378	(53)
Environmental services	637	637	478	159
Support services	-	299	152	147
Nondepartmental	4,153	4,544	1,938	2,606
Total expenditures	<u>319,862</u>	<u>327,025</u>	<u>293,328</u>	<u>33,697</u>
Deficiency of revenues				
under expenditures	<u>(62,802)</u>	<u>(63,672)</u>	<u>(57,695)</u>	<u>5,977</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	5	5	-	(5)
Transfers in	62,797	66,736	60,772	(5,964)
Transfers out	-	(3,069)	(3,077)	(8)
Total other financing sources (uses)	<u>62,802</u>	<u>63,672</u>	<u>57,695</u>	<u>(5,977)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

PROPRIETARY FUNDS

The County utilizes nine Proprietary Funds made up of three Enterprise Funds and six Internal Service Funds. Internal Service Funds' statements are noted at pages 112-126.

Enterprise Funds:

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

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

MULTNOMAH COUNTY, OREGON
Statement of Net Assets
Proprietary Funds
June 30, 2002
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe-Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 535	\$ 849	\$ 5,452	\$ 6,836	\$ 31,037
Receivables (net of allowances for uncollectibles):					
Accounts	1	-	112	113	799
Special assessments	15	14	-	29	-
Inventories	-	-	-	-	837
Due from other funds	-	-	-	-	960
Prepaid items	-	-	1,031	1,031	246
Total current assets	551	863	6,595	8,009	33,879
Noncurrent assets:					
Fixed assets (net of accumulated depreciation)	1,028	1,371	6	2,405	5,535
Total assets	1,579	2,234	6,601	10,414	39,414
LIABILITIES					
Current liabilities:					
Accounts payable	97	21	4,552	4,670	13,271
Payroll payable	-	-	116	116	534
Compensated absences	-	-	14	14	686
Capitalized leases - current	-	-	-	-	927
Bonds payable - current	-	-	-	-	134
Total current liabilities	97	21	4,682	4,800	15,552
Noncurrent liabilities:					
Compensated absences	-	-	73	73	1,005
Total liabilities	97	21	4,755	4,873	16,557
NET ASSETS					
Invested in capital assets, net of related debt	1,028	1,371	6	2,405	4,473
Unrestricted	454	842	1,840	3,136	18,384
Total net assets	\$ 1,482	\$ 2,213	\$ 1,846	\$ 5,541	\$ 22,857

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
OPERATING REVENUES					
Charges for sales and services	\$ 249	\$ 235	\$ 32,781	\$ 33,265	\$ 111,347
Insurance premiums	-	-	-	-	1,327
Experience ratings and other	-	-	6	6	916
Total operating revenues	<u>249</u>	<u>235</u>	<u>32,787</u>	<u>33,271</u>	<u>113,590</u>
OPERATING EXPENSES					
Cost of sales and services	245	238	32,551	33,034	103,332
Administration	22	20	2,386	2,428	4,515
Depreciation	39	90	14	143	4,165
Total operating expenses	<u>306</u>	<u>348</u>	<u>34,951</u>	<u>35,605</u>	<u>112,012</u>
Operating income (loss)	<u>(57)</u>	<u>(113)</u>	<u>(2,164)</u>	<u>(2,334)</u>	<u>1,578</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	25	33	281	339	1,012
Interest expense	-	-	-	-	(88)
Loss on disposal of fixed assets	-	(71)	-	(71)	(636)
Total nonoperating revenues (expenses)	<u>25</u>	<u>(38)</u>	<u>281</u>	<u>268</u>	<u>288</u>
Income (loss) before contributions and transfers	(32)	(151)	(1,883)	(2,066)	1,866
Capital contributions	2	335	-	337	200
Transfers in	-	-	3	3	1,730
Transfers out	-	-	-	-	(241)
Change in net assets	<u>(30)</u>	<u>184</u>	<u>(1,880)</u>	<u>(1,726)</u>	<u>3,555</u>
Total net assets - beginning	<u>1,512</u>	<u>2,029</u>	<u>3,726</u>	<u>7,267</u>	<u>19,302</u>
Total net assets - ending	<u><u>\$ 1,482</u></u>	<u><u>\$ 2,213</u></u>	<u><u>\$ 1,846</u></u>	<u><u>\$ 5,541</u></u>	<u><u>\$ 22,857</u></u>

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

MULTNOMAH COUNTY, OREGON

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2002

(amounts expressed in thousands)

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 249	\$ 232	\$ 33,164	\$ 33,645	\$ 114,173
Payments to suppliers	(730)	(246)	(30,279)	(31,255)	(63,735)
Payments to employees	(13)	(11)	(3,142)	(3,166)	(25,498)
Internal activity - payments to other funds	-	-	(531)	(531)	(16,300)
Net cash provided by (used in) operating activities	(494)	(25)	(788)	(1,307)	8,640
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	3	3	1,730
Transfers to other funds	-	-	-	-	(241)
Net cash provided by noncapital and related financing activities	-	-	3	3	1,489
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(49)	-	-	(49)	(2,305)
Principal paid on capital debt	-	-	-	-	(1,462)
Interest paid on capital debt	-	-	-	-	(88)
Capital contributions	2	-	-	2	-
Net cash used in capital and related financing activities	(47)	-	-	(47)	(3,855)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	25	33	281	339	1,012
Net cash provided by investing activities	25	33	281	339	1,012
Net increase (decrease) in cash and cash equivalents	(516)	8	(504)	(1,012)	7,286
Balances at beginning of the year	1,051	841	5,956	7,848	23,751
Balances at end of the year	\$ 535	\$ 849	\$ 5,452	\$ 6,836	\$ 31,037
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (57)	\$ (113)	\$ (2,164)	\$ (2,334)	\$ 1,578
Adjustments to reconcile operating income to net cash provided by operating activities:					
Cash flows reported in other categories:					
Depreciation	39	90	14	143	4,165
Changes in assets and liabilities:					
Receivables, net	(2)	(3)	-	(5)	587
Inventories	-	-	-	-	30
Due from other funds	-	-	-	-	(960)
Prepaid items	-	-	(1,031)	(1,031)	104
Accounts payable	(474)	1	2,319	1,846	2,507
Compensated absences	-	-	5	5	558
Due to other funds	-	-	-	-	(120)
Payroll payable	-	-	69	69	191
Total adjustments	(437)	88	1,376	1,027	7,062
Net cash provided by (used in) operating activities	\$ (494)	\$ (25)	\$ (788)	\$ (1,307)	\$ 8,640
Noncash financing activities:					
Contributions of capital assets	-	335	-	335	200

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

FIDUCIARY FUNDS

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

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

MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2002
(amounts expressed in thousands)

	<u>Agency Funds</u>	<u>Library Retirement Pension Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 13,315	\$ -	\$ 13,315
Taxes receivable	40,125	-	40,125
Investments, at fair value:			
General investment account	-	11,391	11,391
Principal Financial Group stock	-	2,399	2,399
Total investments	-	13,790	13,790
Total assets	<u>53,440</u>	<u>13,790</u>	<u>67,230</u>
LIABILITIES			
Accounts payable	1,393	-	1,393
Due to other governmental units	39,227	-	39,227
Amounts held in trust	12,820	-	12,820
Total liabilities	<u>53,440</u>	<u>-</u>	<u>53,440</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 13,790</u>	<u>\$ 13,790</u>

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

MULTNOMAH COUNTY, OREGON
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Library Retirement Pension Trust Fund
ADDITIONS	
Contributions - employer	\$ 128
Investment earnings:	
Interest	740
Net increase in the fair value of investments	2,399
Total investment earnings	3,139
Total additions	3,267
DEDUCTIONS	
Benefits	694
Administrative expenses	24
Total deductions	718
Change in net assets	2,549
Total net assets - beginning	11,241
Total net assets - ending	\$ 13,790

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

Multnomah County (County) is a municipal corporation governed by an elected Board of Commissioners, comprised of a Board Chair and four commissioners. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations.

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

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

B. Government-wide and fund financial statements

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

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

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

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

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

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

The County reports the following major governmental funds:

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

The *Justice Bond Capital Project Fund* accounts for revenues and expenditures related to construction projects which upgrade or expand existing jail facilities, construct new jail facilities, and pay for data processing linkages in the corrections system.

Additionally, the County reports the following fund types:

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

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

Capital projects funds account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of County owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.

Proprietary funds account for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis, and internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Fiduciary funds account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and lighting districts, of the Behavioral Health fund, and of the County's internal service funds are charges to customers for sales and services. The sewer district also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, municipal bonds, banker's acceptances,

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the County, as well as for its component units, are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The fair value of the County's position in the LGIP at June 30, 2002 was 100.1% of the value of the County's shares.

2. *Receivables and payables*

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

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

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th, the second one-third on February 15th, and the remaining one-third on May 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.

3. *Inventories and prepaid items*

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

4. *Restricted amounts*

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

5. *Capital assets*

Capital assets, which includes property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not in thousands) and an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year was \$21,050. Of this amount, \$12,658 was included as part of the cost of capital assets under construction in connection with current construction projects.

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

6. *Compensated absences*

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay and compensatory time is accrued when incurred in the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements at June 30.

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over that life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *Fund equity*

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Note 2. Stewardship, compliance, and accountability

A. Budgetary information

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

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

The appropriated budget is prepared by fund and department. The County's department managers may make transfers of appropriations within a department and fund. Transfers of appropriations between departments or funds require the approval of the Board. The legal level of budgetary control, (i.e., the level at which expenditures may not legally exceed appropriations) is the fund and department level. The Board approved several supplemental budgetary appropriations throughout the year, none of which were material.

B. Excess of expenditures over appropriations

For the year ended June 30, 2002, expenditures exceeded appropriations in the Sheriff's Office by \$53. The appropriation was budgeted in the General fund, but should have been appropriated in the Federal State Program fund. Accurate categorization of expenses resulted in the excess of expenditures over appropriations. Expenditures also exceeded appropriations in the Emergency Communications fund, in the Sheriff's Office, by \$10, and in the Animal Control fund, in Environmental Services, by \$1. All overexpenditures were funded by available fund balances, except in the case of the Emergency Communications fund, which had a deficit fund balance of \$1. The Emergency Communications fund is a pass-through fund, where all revenues are transferred to other entities. In fiscal year 2003, pass-through amounts will be reduced to offset and correct the negative fund balance.

Note 3. Detailed notes on all funds

A. Deposits and investments

Multnomah County pools virtually all funds for investment purposes. All appropriate funds are allocated interest based on the average daily cash balance of

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

the fund and the average monthly yield of the County's investment portfolio. Each fund type's portion of this pool is displayed on the Combined Balance Sheet as "Cash and investments."

At year-end, the carrying amount of the County's deposits was \$8,005 and the bank balance was \$7,954. The bank balance was covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers in the name of the County as the County's agent. The balance of \$51 represents petty cash accounts that were uninsured and uncollateralized. State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the State Banking Commission can require banks to provide more than 25% of the balances of municipal corporations' deposits as collateral. The County cannot, however, determine which, if any, institutions have been required to meet a collateral requirement larger than 25%. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds.

Oregon Revised Statutes, Chapter 294, authorizes the County to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool, and various interest-bearing bonds of Oregon municipalities.

The County's investment policy requires that the market value plus accrued interest of the securities collateralizing repurchase agreements exceeds the face amount of the repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund Board, providing the County with a margin against a decline in the market value of the securities. Daily marking-to-market also protects the County against declines in market value. The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year.

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

The County is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The investments are booked at fair value and are the same as the value of the pool shares. The LGIP investments are governed by a written investment policy that is reviewed annually by the Oregon Short-Term Fund

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Board. The Oregon Short-Term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon.

Investments are categorized into these three categories of credit risk:

- 1) Insured or registered, or securities held by the County or its agent in the County's name.
- 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

At year end, the County's investment balances were as follows:

	Category			Reported Amount / Fair Value
	1	2	3	
US Government Agencies	\$ 99,129	\$ 277	\$ -	\$ 99,406
Repurchase Agreements	1,400	-	-	1,400
Bankers' Acceptances	10,980	-	-	10,980
Corporate Debt / Commercial Paper	39,802	-	-	39,802
Pension Trust Investments:				
General Investment Account	-	-	11,391	11,391
Principal Financial Group Stock			2,399	2,399
Total	<u>\$151,311</u>	<u>\$277</u>	<u>\$13,790</u>	\$165,378
Investments not subject to categorization:				
Local Government Investment Pool				7,439
Cash Deposits and Certificates of Deposit				<u>8,005</u>
Total Cash and Investments				<u>\$180,822</u>

Due to higher cash flows at certain times during the year, the government's investment in overnight repurchase agreements for which the underlying securities were held by the dealer increased significantly. As a result, the amounts that were in category 3 at those times were substantially higher than at year-end.

B. Receivables

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

MULTNOMAH COUNTY
Accounts Receivable

	General	Federal State Program	Justice Bond Project	Dunthorpe Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Internal Service Funds	Nonmajor and Other Funds	Total
Receivables:									
Taxes	\$13,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,947	\$17,813
Accounts	4,693	41,634	6	1	-	112	799	6,462	53,707
Loans	-	1,206	-	-	-	-	-	-	1,206
Interest	2,015	-	-	-	-	-	-	-	2,015
Special assessments	11	-	-	16	15	-	-	-	42
Contracts	2,304	-	-	-	-	-	-	12,928	15,232
Gross receivables	22,889	42,840	6	17	15	112	799	23,337	90,015
Less: allowance for uncollectibles	-	-	-	(1)	(1)	-	-	-	(2)
Net total receivables	<u>\$22,889</u>	<u>\$42,840</u>	<u>\$ 6</u>	<u>\$16</u>	<u>\$14</u>	<u>\$112</u>	<u>\$799</u>	<u>\$23,337</u>	<u>\$90,013</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

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

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

	<u>Unavailable</u>
Delinquent property taxes receivable (general fund)	\$ 9,376
Delinquent property taxes receivable (other governmental funds)	1,757
Grant draw downs prior to meeting all eligibility requirements	7,129
Contracts receivable	15,232
Contract revenue received in advance	413
Loans receivable	1,206
Tax title land sales inventory	355
Special assessments receivable	<u>11</u>
Total deferred revenue for governmental funds	<u><u>\$35,479</u></u>

C. Capital assets

Capital asset activity for the year ended June 30, 2002 was as follows:

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,090	\$ 129	\$ -	\$ 14,219
Work in progress	1,626	15,942	(702)	16,866
Total capital assets, not being depreciated	15,716	16,071	(702)	31,085
Capital assets, being depreciated:				
Buildings	308,714	22,075	-	330,789
Improvements other than buildings	433	-	-	433
Machinery and equipment	112,256	9,515	(5,455)	116,316
Bridges	68,780	555	-	69,335
Infrastructure	806,902	780	-	807,682
Total capital assets being depreciated	1,297,085	32,925	(5,455)	1,324,555
Less accumulated depreciation for:				
Buildings	(68,269)	(7,673)	-	(75,942)
Improvements other than buildings	(120)	(11)	-	(131)
Machinery and equipment	(89,695)	(6,451)	4,818	(91,328)
Bridges	(55,629)	(223)	-	(55,852)
Infrastructure	(403,451)	(20,182)	-	(423,633)
Total accumulated depreciation	(617,164)	(34,540)	4,818	(646,886)
Total capital assets being depreciated, net	679,921	(1,615)	(637)	677,669
Governmental activities capital assets, net	\$ 695,637	\$14,456	\$ (1,339)	\$ 708,754
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 3,843	\$ 385	\$ (142)	\$ 4,086
Machinery and equipment	50	-	-	50
Total capital assets being depreciated	3,893	385	(142)	4,136
Less accumulated depreciation for:				
Improvements other than buildings	(1,628)	(129)	71	(1,686)
Machinery and equipment	(31)	(14)	-	(45)
Total accumulated depreciation	(1,659)	(143)	71	(1,731)
Total capital assets being depreciated, net	2,234	242	(71)	2,405
Business-type activities capital assets, net	\$2,234	\$242	\$ (71)	\$2,405

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

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

Governmental activities:	
General government	\$ 5,466
Health services	662
Social services	1,509
Public safety & justice	2,864
Community services	32
Library	3,327
Roads and bridges	20,680
Total depreciation expense – governmental activities	<u>\$34,540</u>
Business-type activities:	
Sewer	\$ 39
Lighting	90
Behavioral Health Managed Care	14
Total depreciation expense – business-type activities	<u>\$143</u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2002 is as follows:

Due to / from other funds:

<u>Receivable Fund</u> <u>(Internal Service fund)</u>	<u>Payable Funds</u> <u>(Governmental funds)</u>	<u>Amount</u>
Risk Management	Emergency Communications	\$ 50,000
Risk Management	Special Excise Tax	135,000
Risk Management	Assessment and Taxation	<u>775,000</u>
Total transfers in		<u>\$960,000</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Interfund Transfers:

	Transfers In:					Total
	General Fund	Federal State Program Fund	Nonmajor Governmental Funds	Enterprise Type Funds	Internal Service Funds	
Transfers Out:						
General fund	\$ -	\$60,772	\$54,679	\$3	\$1,191	\$116,645
Federal State						
Program fund	-	-	3,077	-	-	3,077
Nonmajor						
governmental funds	975	-	8,938	-	539	10,452
Internal service funds	-	-	241	-	-	241
Total transfers out	\$975	\$60,772	\$66,935	\$3	\$1,730	\$130,415

E. Long-term debt

General Obligation Bonds

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

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.70-6.00%	\$34,355
Governmental activities - refunding	3.90-5.65%	<u>62,180</u>
		<u>\$96,535</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 4,925	\$ 4,263
2004	5,165	4,033
2005	5,420	3,787
2006	5,685	3,525
2007	5,960	3,256
2008-2012	34,300	11,909
2013-2017	<u>35,080</u>	<u>3,954</u>
Total	<u>\$96,535</u>	<u>\$34,727</u>

Revenue Bonds

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00-5.20%	\$ 8,335

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 445	\$ 377
2004	465	357
2005	490	337
2006	515	314
2007	540	291
2008-2012	3,090	1,066
2013-2016	<u>2,790</u>	<u>269</u>
Total	<u>\$8,335</u>	<u>\$3,011</u>

Full Faith and Credit Bonds

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds to fund the County's unfunded accrued actuarial liability (UAAL). The County estimates that by funding the actuarial liability, the County will receive a present value savings of about \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. The total interest cost is 7.67%. Payment of principal and interest, except for a term bond, will be guaranteed by MBIA. The term bonds are rated Aa2 by Moody's Investor Service, Inc.

On April 1, 2000, the County issued \$61,215 in full faith and credit bonds to finance the costs of acquiring and installing the integrated enterprise computer system, acquire land, acquire facilities and construct other County facilities and structures. Full faith and credit bonds are direct obligations and pledge the full faith and credit of the County.

On April 1, 1999, the County issued \$36,125 in Certificates of Participation at a net interest cost of 4.71% to finance the costs of acquiring land and facilities. Certificates of Participation are direct obligations and pledge the full faith and credit of the County.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00-7.74%	\$272,833

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 5,685	\$ 12,695
2004	6,560	12,400
2005	7,535	12,051
2006	8,345	11,648
2007	9,520	11,168
2008-2012	63,390	45,957
2013-2017	62,670	65,650
2018-2022	72,160	70,405
2023-2027	23,881	141,864
2028-2030	13,087	109,797
Total	<u>\$272,833</u>	<u>\$493,635</u>

Capital Leases

The County has entered into various lease/purchase agreements to acquire property and equipment. The County also has capital lease obligations recorded in the Data Processing Fund, an Internal Service Fund. These lease agreements qualify as capital leases for accounting purposes and have been capitalized in accordance with generally accepted accounting principles.

Assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Buildings	\$63,638
Less: Accumulated depreciation	<u>(14,202)</u>
Total	<u>\$49,436</u>

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.75-7.25%	\$35,098
Governmental activities – refunding	2.75-7.50%	<u>11,515</u>
Total		<u>\$46,613</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$ 5,112	\$ 2,241
2004	3,535	2,027
2005	3,714	1,841
2006	3,914	1,645
2007	4,111	1,433
2008-2012	20,091	3,885
2013-2017	5,700	459
2018	<u>436</u>	<u>11</u>
Total	<u>\$46,613</u>	<u>\$13,542</u>

Loans Payable

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	5.65-7.20%	\$797

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 79	\$ 51
2004	85	44
2005	92	38
2006	95	35
2007	87	27
2008-2012	319	57
2013-2016	<u>40</u>	<u>3</u>
Total	<u>\$797</u>	<u>\$255</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2002 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
General Obligation Bonds	\$106,260	\$ -	\$ 9,725	\$96,535	\$ 4,925
Revenue Bonds	8,500	-	165	8,335	445
Full Faith and Credit Bonds	277,713	-	4,880	272,833	5,685
Capital Leases	51,942	-	5,329	46,613	5,112
Loans Payable	870	-	73	797	79
Compensated Absences	<u>11,620</u>	<u>4,541</u>	<u>-</u>	<u>16,161</u>	<u>7,791</u>
Governmental activity long-term liabilities:	<u>\$456,905</u>	<u>\$ 4,541</u>	<u>\$20,172</u>	<u>\$441,274</u>	<u>\$24,037</u>
<u>Business-Type Activities</u>					
Compensated Absences	<u>\$ 82</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 14</u>

Defeased General Obligation Bonds

In prior years, the County defeased certain general obligation bond issues by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service on the old bonds. Accordingly, the trust account assets and related liability for the defeased bonds are not included in the County's financial statements. At June 30, 2002, the amount of these bonds outstanding totaled \$62,180.

Defeased Certificates of Participation

In prior years, the County defeased certain certificates of participation issues by placing the proceeds of the new certificates in irrevocable trusts to provide for all future debt service on the old certificates. Accordingly, the trust account assets and related liability for the defeased certificates are not included in the County's financial statements. At June 30, 2002, the amount of these certificates outstanding totaled \$24,865.

Conduit Financing

On November 1, 1997, the County issued \$31,600 in Educational Facilities Revenue Bonds which have not been recorded in the County's financial statements. The proceeds of these bonds were assigned to the University of Portland (the University) to finance capital improvements to the University, pay issue costs and advance refund \$17,750 of the Series 1994 issue. On April 1, 2000, the County issued an additional \$17,160 in Conduit Educational Revenue Bonds for the

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

University to finance the construction of a student housing facility, parking garage and street lighting. These bonds are not recorded on the books of the County but are assigned to the University. The responsibilities of the County in this bond transaction were limited to adopting the resolution authorizing the issuance of the bonds, executing the bonds and the bond documents to which it is a party, issuing and delivering the Bonds, assigning certain of its rights to the Trustee as provided in the indenture, and directing the Trustee as to the application of monies received from the University to pay the bonds in accordance with the indenture. The County has no obligation to take any other action relating to the bonds. Since the County does not own any of the assets constructed or assume any liabilities associated with repayment, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2002, \$42,995 of Educational Facilities Revenue Bonds were outstanding.

On December 3, 1998, the County created the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). On March 1, 1999, the Authority issued \$26,000 in Hospital Revenue Bonds (Terwilliger Plaza), which have not been recorded as a liability for generally accepted accounting principles purposes. The proceeds of these bonds were used by health care facilities to finance various capital projects and refund outstanding bonds. The Hospital Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the health care facility. Terwilliger Plaza has pledged the gross revenues of the health care facility making up Terwilliger Plaza to secure payment of the bonds. The bonds shall not be payable from a charge upon any funds, assets, nor shall the County be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County. Upon completion of the project, the assets constructed or purchased are owned by Terwilliger Plaza. Since the County does not own any of the assets or assume any of the liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County's financial statements. As of June 30, 2002, \$25,200 of these bonds were outstanding.

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

financial statements. As of June 30, 2002, \$9,390 of the Higher Education Variable Rate Demand Revenue Bonds were outstanding.

Note 4. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County established risk management programs for liability and workers' compensation, whereby premiums are calculated on payroll expenses in all funds and are paid into the risk management fund. The funds are available to pay claims, claim reserves, and reduce administrative costs of the program. These interfund premiums are used to offset the amount of claims expenditure reported in the risk management fund. As of June 30, 2002, interfund premiums exceeded reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual workers' compensation claims in excess of \$500. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal year ended 6/30/02	Fiscal year ended 6/30/01
Unpaid claims, beginning of fiscal year	\$ 8,712	\$ 7,854
Incurred claims (including IBNRs)	15,775	18,716
Claim payments	(15,224)	(17,858)
Unpaid claims, end of fiscal year	<u>\$ 9,263</u>	<u>\$ 8,712</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

B. Subsequent events

On July 1, 2002, the County issued \$20,000 in Tax and Revenue Anticipation Notes to meet current cash flow needs of the County, prior to the receipt of property tax revenues in November. The interest rate on the notes is 2.50% and the yield is 1.58%. The notes mature on June 30, 2003.

On October 7, 2002, a summary judgment was issued in favor of the County and other local governments. The lawsuit was brought by the County and other local governments against the Oregon Public Employees' Retirement System (PERS), and alleged that PERS had set employer contribution rates at an improperly high level as a result of the pension board's failure to follow various statutory directives of the state legislature. Negotiations for implementation of the court order began in late October and are expected to continue until 2003. The outcome of the negotiations and their effect on the County's employer contribution rate are unknown at this time.

C. Contingent liabilities

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

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

D. Other postemployment benefits

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

At June 30, 2002, there were 457 retirees that were receiving the postemployment health care benefit. The County finances the plan by creating a reserve account that

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

meets the actuarially determined amount of benefits that will be payable in the future. For the year ended June 30, 2002, the County paid \$1,027 for these benefits, which was net of \$1,328 of retiree contributions.

E. Employee retirement systems and pension plans

Pension plans

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

Oregon Public Employees Retirement System (PERS)

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

PERS
PO Box 23700
Tigard, OR 97281-3700

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

Funding policy. The contribution requirements of the County are established and may be amended by the State. The County is required by collective bargaining agreements to contribute the required 6.0% of annual covered salary. The County is also required to contribute at an actuarially determined rate; the current rate is 7.94% of annual covered payroll.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

Based upon reports of substantial losses within the PERS system, the County believes it is likely that its future contribution rate will increase above the current level of 7.94%. It is also likely the unfunded actuarial surplus will decrease from the last reported balance in 1999. An actuarial report subsequent to 1999 is not yet available and as such the amount of the changes noted above is not known.

Annual pension cost. For 2002, the County's annual pension cost of \$30,344 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 1999 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0 percent investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 3.5 percent per year, and (c) projected wage growth, excluding seniority / merit raises, of 4.25 percent per year. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 1999, was 28 years.

Three-Year Trend Information for PERS

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/00	\$32,339	100%	\$ -
6/30/01	31,607	100%	-
6/30/02	30,344	100%	-

A Schedule of Funding Progress for PERS is shown on page 62 of this report.

Multnomah County Library Retirement Plan

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2002
(amounts expressed in thousands)

All former Association employees who were 21 years of age and had completed two years of service were eligible to participate in the Plan. Retirement benefits are based on salary and length of service, are calculated using a formula, and are payable in a lump sum or monthly using several payment options. The Plan also provides death benefits.

At June 30, 2002, there were 278 plan members. Current employees have an annual covered payroll of \$5,255. The total payroll and covered payroll are the same because the Plan is frozen. There are 121 participants currently receiving benefits. The assets of the Plan consist of unallocated insurance contracts and therefore are appropriately valued at contract value. Employer contributions to the Plan, participant benefits, and participant refunds are recognized using the accrual basis of accounting. The costs of administering the Plan are deducted from the earnings. The annual required contribution, or annual pension cost, of the County was \$0, due to the plan being fully funded.

A Schedule of Funding Progress for the Plan is shown on page 62 of this report.

Deferred Compensation Plan

Plan description. The County offers employees a deferred compensation plan (the Plan), a defined benefit plan administered by the County. The Plan is created in accordance with Internal Revenue Code Section 457. The Plan is available to all represented and non-represented County employees, and permits them to defer a portion of their salary until future years. Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. No Plan assets have been used for purposes other than the payment of benefits.

At June 30, 2002, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$81,642. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2002
(amounts expressed in thousands)

Public Employees Retirement System
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/95	\$201,614	\$330,154	\$128,540	61%	\$142,614	90%
12/31/97	291,095	449,588	158,492	65%	155,915	102%
12/31/99	935,746	859,337	(76,409)	109%	191,152	(40)%

The actuarial valuation dated December 31, 1999, is the most recent information available.

Multnomah County Library Retirement Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/00	\$ 10,998	\$ 11,321	\$ 324	97.1%	\$ 5,056	6.4%
1/1/01	11,197	11,240	43	99.6%	5,008	0.9%
1/1/02	13,273	11,552	(1,721)	115.0%	5,255	-33.0%

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

- Revenue Bond Project Fund
- SB 1145 Fund
- Equipment Acquisition Fund
- Building Project Fund
- Library Construction / 1996 Bonds Fund
- Capital Improvement Fund
- Capital Acquisition Fund
- Deferred Maintenance Fund
- Asset Preservation Fund

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 28,955	\$ 13,412	\$ 31,815	\$ 74,182
Receivables:				
Taxes	3,138	809	-	3,947
Accounts	6,447	-	15	6,462
Contracts	362	10,547	2,019	12,928
Inventories	1,153	-	-	1,153
Prepaid items	217	-	60	277
Total assets and other debits	<u>\$ 40,272</u>	<u>\$ 24,768</u>	<u>\$ 33,909</u>	<u>\$ 98,949</u>
LIABILITIES				
Accounts payable	\$ 10,122	\$ 24	\$ 1,108	\$ 11,254
Payrolls payable	1,531	-	1	1,532
Due to other funds	960	-	-	960
Deferred revenue	1,781	11,218	2,432	15,431
Total liabilities	<u>14,394</u>	<u>11,242</u>	<u>3,541</u>	<u>29,177</u>
FUND BALANCES				
Fund balances:				
Reserved for capital projects	-	-	30,368	30,368
Reserved for debt service	-	13,526	-	13,526
Reserved for inventories	1,098	-	-	1,098
Reserved for prepaid items	217	-	-	217
Unreserved, undesignated	24,563	-	-	24,563
Total fund balances	<u>25,878</u>	<u>13,526</u>	<u>30,368</u>	<u>69,772</u>
Total liabilities and fund balances	<u>\$ 40,272</u>	<u>\$ 24,768</u>	<u>\$ 33,909</u>	<u>\$ 98,949</u>

MULTNOMAH COUNTY, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 43,255	\$ 11,233	\$ -	\$ 54,488
Intergovernmental	45,551	-	118	45,669
Licenses and permits	2,737	-	-	2,737
Charges for services	5,552	420	271	6,243
Interest	957	573	1,915	3,445
Other	5,789	20,835	3,457	30,081
Total revenues	<u>103,841</u>	<u>33,061</u>	<u>5,761</u>	<u>142,663</u>
EXPENDITURES				
Current:				
General government	12,931	102	5,387	18,420
Health services	5,607	-	-	5,607
Public safety and justice	40,408	-	-	40,408
Community services	16,101	-	2,903	19,004
Library services	41,714	-	992	42,706
Roads and bridges	36,829	-	-	36,829
Capital outlay	1,717	-	16,043	17,760
Debt service:				
Principal	-	18,711	-	18,711
Interest	-	20,358	-	20,358
Total expenditures	<u>155,307</u>	<u>39,171</u>	<u>25,325</u>	<u>219,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,466)</u>	<u>(6,110)</u>	<u>(19,564)</u>	<u>(77,140)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	61,630	1,509	3,796	66,935
Transfers out	(6,359)	-	(4,093)	(10,452)
Total other financing sources (uses)	<u>55,271</u>	<u>1,509</u>	<u>(297)</u>	<u>56,483</u>
Net change in fund balances	3,805	(4,601)	(19,861)	(20,657)
Fund balances - beginning	22,073	18,127	50,229	90,429
Fund balances - ending	<u>\$ 25,878</u>	<u>\$ 13,526</u>	<u>\$ 30,368</u>	<u>\$ 69,772</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

- **Strategic Investment Program Fund** - accounts primarily for monies received from corporations receiving property tax abatements and paying fees for specific purposes as a part of the reduced tax agreement to be used for community service.
- **Road Fund** - accounts for revenues primarily from State motor vehicle fees and County gasoline taxes. Expenditures consist of construction, repair, maintenance, and operation of County highways and roads.
- **Emergency Communications Fund** - accounts for monies received from the State which are designated for an emergency communication network in conjunction with the City of Portland.
- **Assessment and Taxation Fund** - accounts for revenues and expenditures for property assessment and tax collection.
- **Bicycle Path Construction Fund** - accounts for revenue and expenditures for bicycle paths.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **General Reserve Fund** – accounts for a reserve maintained separate from the General Fund at approximately 5% of the total budgeted revenues of the General Fund, to be used only for extreme emergencies related to disaster relief or public life and safety issues.
- **Land Corner Preservation Fund** - accounts for the collection of fees on all recordings of real property transactions and surveying activity. The fund makes expenditures to maintain public land corners.
- **Tax Title Land Sales Fund** - accounts for the receipt and sale of real property foreclosed upon by the County because of unpaid property taxes. Proceeds are subsequently distributed to all taxing districts.
- **Animal Control Fund** - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- **Willamette River Bridges Fund** - accounts for motor vehicle fees and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- **Recreation Fund** - accounts for the collection and disbursement of park revenues from various funding sources on a pass through basis.
- **Library Fund** - accounts for the public library operations.
- **Justice Services Special Operations Fund** - accounts for revenues and expenditures dedicated to justice services in the community corrections department, district attorney's office, and sheriff's office.
- **Inmate Welfare Fund** - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- **Special Excise Tax Fund** - accounts for a transient lodging tax collected from all hotels and motels in the County to be used for convention center expenditures.
- **Public Safety Levy Fund** - accounts for operation of the Inverness Jail and related corrections programs.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	County School	General Reserve
ASSETS							
Cash and investments	\$ 1,860	\$ 7,992	\$ 1	\$ 2	\$ 337	\$ 14	\$ 9,137
Receivables:							
Taxes	-	-	-	1	-	-	-
Accounts	-	4,016	48	1,076	-	-	-
Contracts	-	-	-	-	-	-	-
Inventories	-	798	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 1,860</u>	<u>\$ 12,806</u>	<u>\$ 49</u>	<u>\$ 1,079</u>	<u>\$ 337</u>	<u>\$ 14</u>	<u>\$ 9,137</u>
LIABILITIES							
Liabilities:							
Accounts payable	\$ 5	\$ 5,911	\$ -	\$ 171	\$ -	\$ -	\$ -
Payroll payable	-	167	-	133	-	-	-
Due to other funds	-	-	50	775	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>5</u>	<u>6,078</u>	<u>50</u>	<u>1,079</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Reserved for inventories	-	798	-	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-	-
Unreserved, undesignated	<u>1,855</u>	<u>5,930</u>	<u>(1)</u>	<u>-</u>	<u>337</u>	<u>14</u>	<u>9,137</u>
Total fund balances	<u>1,855</u>	<u>6,728</u>	<u>(1)</u>	<u>-</u>	<u>337</u>	<u>14</u>	<u>9,137</u>
Total liabilities and fund balances	<u>\$ 1,860</u>	<u>\$ 12,806</u>	<u>\$ 49</u>	<u>\$ 1,079</u>	<u>\$ 337</u>	<u>\$ 14</u>	<u>\$ 9,137</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Public Safety Levy	Total
\$ 331	\$ 446	\$ -	\$ 3,058	\$ -	\$ 3,055	\$ 980	\$ 32	\$ 5	\$ 1,705	\$28,955
4	-	-	-	-	1,290	-	-	1,843	-	3,138
-	-	2	794	20	110	218	33	97	33	6,447
-	362	-	-	-	-	-	-	-	-	362
-	355	-	-	-	-	-	-	-	-	1,153
-	-	-	-	-	217	-	-	-	-	217
<u>\$ 335</u>	<u>\$ 1,163</u>	<u>\$ 2</u>	<u>\$ 3,852</u>	<u>\$ 20</u>	<u>\$ 4,672</u>	<u>\$ 1,198</u>	<u>\$ 65</u>	<u>\$ 1,945</u>	<u>\$ 1,738</u>	<u>\$40,272</u>
\$ 1	\$ 144	\$ -	\$ 108	\$ 20	\$ 871	\$ 316	\$ 34	\$ 1,435	\$ 1,106	\$10,122
-	2	-	68	-	474	51	4	-	632	1,531
-	-	-	-	-	-	-	-	135	-	960
-	717	-	-	-	1,064	-	-	-	-	1,781
<u>1</u>	<u>863</u>	<u>-</u>	<u>176</u>	<u>20</u>	<u>2,409</u>	<u>367</u>	<u>38</u>	<u>1,570</u>	<u>1,738</u>	<u>14,394</u>
-	300	-	-	-	-	-	-	-	-	1,098
-	-	-	-	-	217	-	-	-	-	217
334	-	2	3,676	-	2,046	831	27	375	-	24,563
334	300	2	3,676	-	2,263	831	27	375	-	25,878
<u>\$ 335</u>	<u>\$ 1,163</u>	<u>\$ 2</u>	<u>\$ 3,852</u>	<u>\$ 20</u>	<u>\$ 4,672</u>	<u>\$ 1,198</u>	<u>\$ 65</u>	<u>\$ 1,945</u>	<u>\$ 1,738</u>	<u>\$40,272</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	County School	General Reserve
REVENUES							
Taxes	\$ -	\$ 8,433	\$ -	\$ -	\$ -	\$ 213	\$ -
Intergovernmental	-	27,578	187	4,131	144	-	-
Licenses and permits	-	49	-	24	-	-	-
Charges for services	-	309	-	392	-	-	-
Interest	-	390	3	-	8	2	50
Other	2,008	848	-	515	-	-	-
Total revenues	<u>2,008</u>	<u>37,607</u>	<u>190</u>	<u>5,062</u>	<u>152</u>	<u>215</u>	<u>50</u>
EXPENDITURES							
Current:							
General government	1,587	-	-	10,647	-	-	-
Health services	-	-	-	-	-	-	-
Public safety and justice	-	-	-	-	-	-	-
Community services	-	-	191	-	-	264	-
Library services	-	-	-	-	-	-	-
Roads and bridges	-	32,040	-	-	-	-	-
Capital outlay	-	836	-	-	76	-	-
Total expenditures	<u>1,587</u>	<u>32,876</u>	<u>191</u>	<u>10,647</u>	<u>76</u>	<u>264</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>421</u>	<u>4,731</u>	<u>(1)</u>	<u>(5,585)</u>	<u>76</u>	<u>(49)</u>	<u>50</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	6,160	54	-	9,087
Transfers out	-	(3,716)	-	(431)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(3,716)</u>	<u>-</u>	<u>5,729</u>	<u>54</u>	<u>-</u>	<u>9,087</u>
Net change in fund balances	421	1,015	(1)	144	130	(49)	9,137
Fund balances - beginning	1,434	5,713	-	(144)	207	63	-
Fund balances - ending	<u>\$ 1,855</u>	<u>\$ 6,728</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 337</u>	<u>\$ 14</u>	<u>\$ 9,137</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Public Safety Levy	Total
\$ -	\$ 363	\$ -	\$ -	\$ 119	\$20,253	\$ -	\$ -	\$ 13,874	\$ -	\$ 43,255
40	-	5	1,285	-	881	775	-	-	10,525	45,551
-	-	890	-	-	167	1,607	-	-	-	2,737
552	132	81	-	-	2,438	233	1,415	-	-	5,552
-	63	-	-	-	290	46	1	28	76	957
-	13	-	156	-	1,052	233	68	-	896	5,789
592	571	976	1,441	119	25,081	2,894	1,484	13,902	11,497	103,841
-	697	-	-	-	-	-	-	-	-	12,931
-	-	-	-	-	-	-	-	-	5,607	5,607
-	-	-	-	-	-	3,473	1,515	-	35,420	40,408
-	-	1	-	129	-	-	-	15,516	-	16,101
-	-	-	-	-	41,714	-	-	-	-	41,714
761	-	-	4,028	-	-	-	-	-	-	36,829
-	1	-	573	-	101	91	-	-	39	1,717
761	698	1	4,601	129	41,815	3,564	1,515	15,516	41,066	155,307
(169)	(127)	975	(3,160)	(10)	(16,734)	(670)	(31)	(1,614)	(29,569)	(51,466)
-	-	-	3,662	10	14,504	52	-	-	28,101	61,630
-	-	(975)	-	-	(344)	-	-	-	(893)	(6,359)
-	-	(975)	3,662	10	14,160	52	-	-	27,208	55,271
(169)	(127)	-	502	-	(2,574)	(618)	(31)	(1,614)	(2,361)	3,805
503	427	2	3,174	-	4,837	1,449	58	1,989	2,361	22,073
\$ 334	\$ 300	\$ 2	\$ 3,676	\$ -	\$ 2,263	\$ 831	\$ 27	\$ 375	\$ -	\$ 25,878

MULTNOMAH COUNTY, OREGON
Strategic Investment Program Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Other:				
Miscellaneous	\$ 1,310	\$ 1,310	\$ 2,008	\$ 698
EXPENDITURES				
Environmental services	2,555	2,555	1,587	968
Excess (deficiency) of revenues over (under) expenditures	(1,245)	(1,245)	421	1,666
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(90)	-	90
Net change in fund balances	(1,245)	(1,335)	421	1,756
Fund balances - beginning	1,245	1,335	1,434	99
Fund balances - ending	\$ -	\$ -	\$ 1,855	\$ 1,855

MULTNOMAH COUNTY, OREGON

Road Fund

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

For the Year Ended June 30, 2002

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Gasoline	\$ 7,278	\$ 7,278	\$ 7,832	\$ 554
Forest reserve yield	1,295	1,295	601	(694)
Intergovernmental	26,453	26,453	27,578	1,125
Licenses and permits	43	43	49	6
Charges for services	310	310	309	(1)
Interest	415	415	390	(25)
Other:				
Miscellaneous	711	1,154	848	(306)
Service reimbursements	53	53	-	(53)
Total revenues	<u>36,558</u>	<u>37,001</u>	<u>37,607</u>	<u>606</u>
EXPENDITURES				
Environmental services	36,829	36,830	32,876	3,954
Nondepartmental	361	803	-	803
Total expenditures	<u>37,190</u>	<u>37,633</u>	<u>32,876</u>	<u>4,757</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(632)</u>	<u>(632)</u>	<u>4,731</u>	<u>5,363</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,716)	(3,716)	(3,716)	-
Net change in fund balances	(4,348)	(4,348)	1,015	5,363
Fund balances - beginning	4,348	4,348	5,713	1,365
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,728</u>	<u>\$ 6,728</u>

MULTNOMAH COUNTY, OREGON
Emergency Communications Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 172	\$ 172	\$ 187	\$ 15
Interest	9	9	3	(6)
Total revenues	181	181	190	9
EXPENDITURES				
Sheriff	181	181	191	(10)
Deficiency of revenues under expenditures	-	-	(1)	(1)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ (1)	\$ (1)

MULTNOMAH COUNTY, OREGON
Assessment and Taxation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 3,465	\$ 3,539	\$ 4,131	\$ 592
Licenses and permits	-	-	24	24
Charges for services	309	309	392	83
Other - miscellaneous	90	521	515	(6)
Total revenues	<u>3,864</u>	<u>4,369</u>	<u>5,062</u>	<u>693</u>
EXPENDITURES				
Support Services	<u>11,072</u>	<u>11,146</u>	<u>10,647</u>	<u>499</u>
Deficiency of revenues under expenditures	<u>(7,208)</u>	<u>(6,777)</u>	<u>(5,585)</u>	<u>1,192</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,208	7,208	6,160	(1,048)
Transfers out	-	(431)	(431)	-
Total other financing sources (uses)	<u>7,208</u>	<u>6,777</u>	<u>5,729</u>	<u>(1,048)</u>
Net change in fund balances	-	-	144	144
Fund balances - beginning	-	-	(144)	(144)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Bicycle Path Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 30	\$ 30	\$ 144	\$ 114
Interest	5	5	8	3
Other:				
Miscellaneous	110	110	-	(110)
Total revenues	145	145	152	7
EXPENDITURES				
Environmental services	292	292	76	216
Nondepartmental	110	110	-	110
Total expenditures	402	402	76	326
Excess (deficiency) of revenues over (under) expenditures	(257)	(257)	76	333
OTHER FINANCING SOURCES (USES)				
Transfers in	54	54	54	-
Net change in fund balances	(203)	(203)	130	333
Fund balances - beginning	203	203	207	4
Fund balances - ending	\$ -	\$ -	\$ 337	\$ 337

MULTNOMAH COUNTY, OREGON
County School Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - forest reserve yield	\$ 175	\$ 262	\$ 213	\$ (49)
Interest	4	4	2	(2)
Total revenues	179	266	215	(51)
EXPENDITURES				
Nondepartmental	1,754	266	264	2
Deficiency of revenues under expenditures	(1,575)	-	(49)	(49)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,575	-	-	-
Net change in fund balances	-	-	(49)	(49)
Fund balances - beginning	-	-	63	63
Fund balances - ending	\$ -	\$ -	\$ 14	\$ 14

MULTNOMAH COUNTY, OREGON
General Reserve Fund
Schedule of Revenues, Expenditures, Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ -	\$ -	\$ 50	\$ 50
EXPENDITURES				
Nondepartmental	-	9,128	-	9,128
Excess (deficiency) of revenues over (under) expenditures	-	(9,128)	50	9,178
OTHER FINANCING SOURCES (USES)				
Transfers in	-	9,128	9,087	(41)
Net change in fund balances	-	-	9,137	9,137
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,137</u>	<u>\$ 9,137</u>

MULTNOMAH COUNTY, OREGON
Land Corner Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Actual	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ 40	\$ 40	\$ -
Charges for services	400	400	552	152
Total revenues	400	440	592	152
EXPENDITURES				
Environmental services	649	764	761	3
Nondepartmental	288	213	-	213
Total expenditures	937	977	761	216
Deficiency of revenues under expenditures	(537)	(537)	(169)	368
Fund balances - beginning	537	537	503	(34)
Fund balances - ending	\$ -	\$ -	\$ 334	\$ 334

MULTNOMAH COUNTY, OREGON
Tax Title Land Sales Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Sales on foreclosures	\$ 850	\$ 850	\$ 363	\$ (487)
Charges for services	-	-	132	132
Interest	40	40	63	23
Miscellaneous	-	13	13	-
Total revenues	890	903	571	(332)
EXPENDITURES				
Environmental Services	1,490	1,490	698	792
Nondepartmental	-	13	-	13
Total expenditures	1,490	1,503	698	805
Deficiency of revenues under expenditures	(600)	(600)	(127)	473
Fund balances - beginning	600	600	427	(173)
Fund balances - ending	\$ -	\$ -	\$ 300	\$ 300

MULTNOMAH COUNTY, OREGON
Animal Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5	\$ 5
Licenses and permits	1,080	1,080	890	(190)
Charges for services	352	352	81	(271)
Total revenues	<u>1,432</u>	<u>1,432</u>	<u>976</u>	<u>(456)</u>
EXPENDITURES				
Environmental services	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Excess of revenues over expenditures	<u>1,432</u>	<u>1,432</u>	<u>975</u>	<u>(457)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,432)</u>	<u>(1,432)</u>	<u>(975)</u>	<u>457</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	2	2
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

MULTNOMAH COUNTY, OREGON
Willamette River Bridges Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 670	\$ 670	\$ 1,285	\$ 615
Other:				
Miscellaneous	10	140	156	16
Total revenues	680	810	1,441	631
EXPENDITURES				
Environmental services	7,291	7,291	4,601	2,690
Nondepartmental	-	130	-	130
Total expenditures	7,291	7,421	4,601	2,820
Deficiency of revenues under expenditures	(6,611)	(6,611)	(3,160)	3,451
OTHER FINANCING SOURCE (USES)				
Transfers in	3,662	3,662	3,662	-
Net change in fund balances	(2,949)	(2,949)	502	3,451
Fund balances - beginning	2,949	2,949	3,174	225
Fund balances - ending	\$ -	\$ -	\$ 3,676	\$ 3,676

MULTNOMAH COUNTY, OREGON
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Gasoline	\$ 140	\$ 140	\$ 119	\$ (21)
EXPENDITURES				
Environmental services	185	185	129	56
Deficiency of revenues under expenditures	(45)	(45)	(10)	35
OTHER FINANCING SOURCES (USES)				
Transfers in	10	10	10	-
Net change in fund balances	(35)	(35)	-	35
Fund balance - beginning	35	35	-	(35)
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON

Library Fund

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

For the Year Ended June 30, 2002

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - property	\$ 19,832	\$ 19,832	\$ 20,253	\$ 421
Sales to the public	325	325	318	(7)
Intergovernmental	477	704	881	177
Licenses and permits	152	152	167	15
Charges for services	1,263	1,263	1,259	(4)
Interest	300	300	290	(10)
Other:				
Miscellaneous	105	1,061	1,022	(39)
Non-governmental grants	1,074	1,074	861	(213)
Service reimbursements	270	270	30	(240)
Total revenues	<u>23,798</u>	<u>24,981</u>	<u>25,081</u>	<u>100</u>
EXPENDITURES				
Nondepartmental	-	612	-	612
Library	<u>44,752</u>	<u>43,784</u>	<u>41,815</u>	<u>1,969</u>
Total expenditures	<u>44,752</u>	<u>44,396</u>	<u>41,815</u>	<u>2,581</u>
Deficiency of revenues				
under expenditures	<u>(20,954)</u>	<u>(19,415)</u>	<u>(16,734)</u>	<u>2,681</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,740	14,545	14,504	(41)
Transfers out	-	(344)	(344)	-
Total other financing sources (uses)	<u>15,740</u>	<u>14,201</u>	<u>14,160</u>	<u>(41)</u>
Net change in fund balances	<u>(5,214)</u>	<u>(5,214)</u>	<u>(2,574)</u>	<u>2,640</u>
Fund balances - beginning	5,214	5,214	4,837	(377)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263</u>	<u>\$ 2,263</u>

MULTNOMAH COUNTY, OREGON
Justice Services Special Operations Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 462	\$ 837	\$ 775	\$ (62)
Licenses and permits	2,409	2,409	1,607	(802)
Charges for services	24	24	233	209
Interest	13	13	46	33
Other:				
Miscellaneous	-	84	101	17
Service reimbursements	90	203	132	(71)
Total revenues	<u>2,998</u>	<u>3,570</u>	<u>2,894</u>	<u>(676)</u>
EXPENDITURES				
Juvenile and adult community justice services	800	800	678	122
District attorney	416	416	350	66
Sheriff	2,508	2,959	2,536	423
Nondepartmental	-	121	-	121
Total expenditures	<u>3,724</u>	<u>4,296</u>	<u>3,564</u>	<u>732</u>
Deficiency of revenues under expenditures	<u>(726)</u>	<u>(726)</u>	<u>(670)</u>	<u>56</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	52	52	52	-
Net change in fund balances	(674)	(674)	(618)	56
Fund balances - beginning	674	674	1,449	775
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 831</u>	<u>\$ 831</u>

MULTNOMAH COUNTY, OREGON
Inmate Welfare Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 1,532	\$ 1,532	\$ 1,415	\$ (117)
Interest	7	7	1	(6)
Other:				
Miscellaneous	53	81	68	(13)
Total revenues	<u>1,592</u>	<u>1,620</u>	<u>1,484</u>	<u>(136)</u>
EXPENDITURES:				
Juvenile and adult community justice services	48	48	16	32
Sheriff	1,499	1,499	1,499	-
Nondepartmental	65	93	-	93
Total expenditures	<u>1,612</u>	<u>1,640</u>	<u>1,515</u>	<u>125</u>
Deficiency of revenues				
under expenditures	(20)	(20)	(31)	(11)
Fund balances - beginning	20	20	58	38
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 27</u>

MULTNOMAH COUNTY, OREGON
Special Excise Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes	\$ 13,691	\$ 13,691	\$ 13,874	\$ 183
Interest	5	5	28	23
Total revenues	<u>13,696</u>	<u>13,696</u>	<u>13,902</u>	<u>206</u>
EXPENDITURES				
Nondepartmental	<u>15,723</u>	<u>15,723</u>	<u>15,516</u>	<u>207</u>
Deficiency of revenues				
under expenditures	(2,027)	(2,027)	(1,614)	413
Fund balances - beginning	<u>2,027</u>	<u>2,027</u>	<u>1,989</u>	<u>(38)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375</u>	<u>\$ 375</u>

MULTNOMAH COUNTY, OREGON
Public Safety Levy Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 9,934	\$ 9,934	\$ 10,525	\$ 591
Interest	300	300	76	(224)
Other:				
Miscellaneous	14	908	896	(12)
Total revenues	<u>10,248</u>	<u>11,142</u>	<u>11,497</u>	<u>355</u>
EXPENDITURES				
Health services	4,911	5,658	5,617	41
Sheriff	32,964	36,584	35,449	1,135
Nondepartmental	3,956	200	-	200
Total expenditures	<u>41,831</u>	<u>42,442</u>	<u>41,066</u>	<u>1,376</u>
Deficiency of revenues				
under expenditures	<u>(31,583)</u>	<u>(31,300)</u>	<u>(29,569)</u>	<u>1,731</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,773	31,383	28,101	(3,282)
Transfers out	-	(893)	(893)	-
Total other financing sources (uses)	<u>30,773</u>	<u>30,490</u>	<u>27,208</u>	<u>(3,282)</u>
Net change in fund balances	<u>(810)</u>	<u>(810)</u>	<u>(2,361)</u>	<u>(1,551)</u>
Fund balances - beginning	810	810	2,361	1,551
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NONMAJOR DEBT SERVICE FUNDS

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

- **Capital Lease Retirement Fund** – accounts for lease-purchase principal and interest payments for buildings and major pieces of equipment acquired by the issuance of certificates of participation or other lease-purchase arrangements. Revenues consist of certificates of participation proceeds, service reimbursements and cash transfers from other County funds.
- **General Obligation Bond Fund** – accounts for payment of principal and interest on general obligation bonds. Revenue is derived from property taxes.
- **PERS Pension Bond Fund** – accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's PERS unfunded liability. Revenues consist of charges to departments and interest.
- **Revenue Bond Fund** – accounts for payment of principal and interest on bonds to be issued to construct the Edgefield Children's Center. The revenues are derived from lease of the facility to the Edgefield Children's Center, Inc. Due to project delay, the bonds were not issued and the lease was not executed.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2002
(amounts expressed in thousands)

	Capital Lease Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
ASSETS					
Cash and investments	\$ 1,919	\$ 9,346	\$ 1,528	\$ 619	\$ 13,412
Receivables:					
Taxes	-	809	-	-	809
Contracts	-	-	-	10,547	10,547
Total assets	<u>\$ 1,919</u>	<u>\$ 10,155</u>	<u>\$ 1,528</u>	<u>\$ 11,166</u>	<u>\$ 24,768</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 24	\$ 24
Deferred revenue	-	671	-	10,547	11,218
Total liabilities	<u>-</u>	<u>671</u>	<u>-</u>	<u>10,571</u>	<u>11,242</u>
FUND BALANCES					
Reserved for debt service	1,919	9,484	1,528	595	13,526
Total liabilities and fund balances	<u>\$ 1,919</u>	<u>\$ 10,155</u>	<u>\$ 1,528</u>	<u>\$ 11,166</u>	<u>\$ 24,768</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Capital Lease Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
REVENUES					
Taxes	\$ -	\$ 11,233	\$ -	\$ -	\$ 11,233
Interest	59	345	133	36	573
Charges for services	-	-	-	420	420
Other	12,534	-	8,301	-	20,835
Total revenues	<u>12,593</u>	<u>11,578</u>	<u>8,434</u>	<u>456</u>	<u>33,061</u>
EXPENDITURES					
Current:					
General government	44	3	50	5	102
Debt service:					
Principal	8,291	9,725	530	165	18,711
Interest	<u>6,987</u>	<u>4,589</u>	<u>8,393</u>	<u>389</u>	<u>20,358</u>
Total expenditures	<u>15,322</u>	<u>14,317</u>	<u>8,973</u>	<u>559</u>	<u>39,171</u>
Deficiency of revenues under expenditures	<u>(2,729)</u>	<u>(2,739)</u>	<u>(539)</u>	<u>(103)</u>	<u>(6,110)</u>
OTHER FINANCING SOURCES					
Transfers in	1,445	-	-	64	1,509
Net change in fund balances	<u>(1,284)</u>	<u>(2,739)</u>	<u>(539)</u>	<u>(39)</u>	<u>(4,601)</u>
Fund balances - beginning	3,203	12,223	2,067	634	18,127
Fund balances - ending	<u>\$ 1,919</u>	<u>\$ 9,484</u>	<u>\$ 1,528</u>	<u>\$ 595</u>	<u>\$ 13,526</u>

MULTNOMAH COUNTY, OREGON
Capital Lease Retirement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 49	\$ 49	\$ 59	\$ 10
Other - service reimbursements	14,157	14,157	12,534	(1,623)
Total revenues	14,206	14,206	12,593	(1,613)
EXPENDITURES				
Nondepartmental	15,339	15,339	15,322	17
Deficiency of revenues				
under expenditures	(1,133)	(1,133)	(2,729)	(1,596)
OTHER FINANCING SOURCES				
Transfers in	1,445	1,445	1,445	-
Net change in fund balances	312	312	(1,284)	(1,596)
Fund balances - beginning	1,850	1,850	3,203	1,353
Fund balances - ending	\$ 2,162	\$ 2,162	\$ 1,919	\$ (243)

MULTNOMAH COUNTY, OREGON
General Obligation Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Property:				
Current year	\$ 14,221	\$ 14,221	\$ 10,764	\$ (3,457)
Prior years'	-	-	381	381
Penalties and interest	-	-	71	71
Sales on foreclosures	-	-	17	17
Interest	580	580	345	(235)
Total revenues	14,801	14,801	11,578	(3,223)
EXPENDITURES				
Nondepartmental	26,333	26,333	14,317	12,016
Deficiency of revenues				
under expenditures	(11,532)	(11,532)	(2,739)	8,793
Fund balances - beginning	11,532	11,532	12,223	691
Fund balances - ending	\$ -	\$ -	\$ 9,484	\$ 9,484

MULTNOMAH COUNTY, OREGON
PERS Pension Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 350	\$ 350	\$ 133	\$ (217)
Other - Service reimbursements	9,819	9,819	8,301	(1,518)
Total revenues	10,169	10,169	8,434	(1,735)
EXPENDITURES				
Nondepartmental	10,348	10,373	8,973	1,400
Deficiency of revenues				
under expenditures	(179)	(204)	(539)	(335)
Fund balance - beginning	1,400	1,425	2,067	642
Fund balances - ending	\$ 1,221	\$ 1,221	\$ 1,528	\$ 307

MULTNOMAH COUNTY, OREGON
Revenue Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 2	\$ 2	\$ 36	\$ 34
Charges for services	549	549	420	(129)
Total revenues	551	551	456	(95)
EXPENDITURES				
Nondepartmental	1,082	1,082	559	523
Deficiency of revenues under expenditures	(531)	(531)	(103)	428
OTHER FINANCING SOURCES				
Transfers in	64	64	64	-
Net change in fund balances	(467)	(467)	(39)	428
Fund balances - beginning	467	467	634	167
Fund balances - ending	\$ -	\$ -	\$ 595	\$ 595

NONMAJOR CAPITAL PROJECTS FUNDS

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

- **Revenue Bond Project Fund** - accounts for the construction of an expanded Edgefield Children's Center. The proceeds will be from the issue of revenue bonds. Due to project delay the bonds were not issued.
- **SB1145 Fund** - accounts for State revenue to build jail beds to house convicted felons with sentences under twelve months.
- **Equipment Acquisition Fund** - accounts for long-term lease purchases of equipment.
- **Building Project Fund** - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- **Library Construction Fund/1996 Bonds** - accounts for the renovation of branch libraries and upgrades to Library computer systems and linkages.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Capital Acquisition Fund** - accounts for purchase of personal computers and capital purchases with economic payoffs of less than five years.
- **Deferred Maintenance Fund** – accounts for expenditures for building deferred maintenance projects. Resources are derived from certificates of participation or other financing projects.
- **Asset Preservation Projects Fund** – accounts for the expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement, etc. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2002
(amounts expressed in thousands)

	Revenue Bond Project	SB 1145	Equipment Acquisition	Building Project
ASSETS				
Cash and investments	\$ 1,407	\$ -	\$ 2	\$ 5,947
Receivables:				
Accounts	-	-	-	-
Contracts	-	-	-	-
Prepaid items	-	-	-	60
Total assets	<u>\$ 1,407</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 6,007</u>
LIABILITIES				
Accounts payable	\$ 20	\$ -	\$ 2	\$ 191
Payroll payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>20</u>	<u>-</u>	<u>2</u>	<u>191</u>
FUND BALANCES				
Reserved for capital projects	<u>1,387</u>	<u>-</u>	<u>-</u>	<u>5,816</u>
Total liabilities and fund balances	<u>\$ 1,407</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 6,007</u>

Library Construction / 1996 Bonds	Capital Improvement	Capital Acquisition	Deferred Maintenance	Asset Preservation	Total
\$ 5,223	\$ 5,767	\$ 2,082	\$ 5,574	\$ 5,813	\$ 31,815
15	-	-	-	-	15
-	1,653	366	-	-	2,019
-	-	-	-	-	60
<u>\$ 5,238</u>	<u>\$ 7,420</u>	<u>\$ 2,448</u>	<u>\$ 5,574</u>	<u>\$ 5,813</u>	<u>\$ 33,909</u>
\$ 330	\$ 102	\$ 339	\$ 47	\$ 77	\$ 1,108
-	-	1	-	-	1
-	2,066	366	-	-	2,432
<u>330</u>	<u>2,168</u>	<u>706</u>	<u>47</u>	<u>77</u>	<u>3,541</u>
4,908	5,252	1,742	5,527	5,736	30,368
<u>\$ 5,238</u>	<u>\$ 7,420</u>	<u>\$ 2,448</u>	<u>\$ 5,574</u>	<u>\$ 5,813</u>	<u>\$ 33,909</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Revenue Bond Project	SB 1145	Equipment Acquisition	Building Project
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest	-	-	-	432
Other:				
Miscellaneous	-	-	-	72
Service reimbursements	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>504</u>
EXPENDITURES				
Current:				
General government	-	-	1,254	-
Community services	9	-	-	2,667
Library services	-	-	-	-
Capital outlay	99	-	-	8,219
Total expenditures	<u>108</u>	<u>-</u>	<u>1,254</u>	<u>10,886</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(108)</u>	<u>-</u>	<u>(1,254)</u>	<u>(10,382)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(108)	-	(1,254)	(10,382)
Fund balances - beginning	1,495	-	1,254	16,198
Fund balances - ending	<u>\$ 1,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,816</u>

Library Construction / 1996 Bonds	Capital Improvement	Capital Acquisition	Deferred Maintenance	Asset Preservation	Total
\$ 15	\$ 103	\$ -	\$ -	\$ -	\$ 118
-	271	-	-	-	271
657	320	78	208	220	1,915
10	62	-	-	-	144
-	-	3,313	-	-	3,313
682	756	3,391	208	220	5,761
-	1,063	3,070	-	-	5,387
-	-	-	35	192	2,903
992	-	-	-	-	992
5,308	1,221	70	257	869	16,043
6,300	2,284	3,140	292	1,061	25,325
(5,618)	(1,528)	251	(84)	(841)	(19,564)
-	241	-	-	3,555	3,796
-	(4,093)	-	-	-	(4,093)
-	(3,852)	-	-	3,555	(297)
(5,618)	(5,380)	251	(84)	2,714	(19,861)
10,526	10,632	1,491	5,611	3,022	50,229
\$ 4,908	\$ 5,252	\$ 1,742	\$ 5,527	\$ 5,736	\$ 30,368

MULTNOMAH COUNTY, OREGON
Revenue Bond Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 50	\$ 50	\$ -	\$ (50)
EXPENDITURES				
Environmental services	2,547	2,547	108	2,439
Deficiency of revenues under expenditures	(2,497)	(2,497)	(108)	2,389
Fund balances - beginning	2,497	2,497	1,495	(1,002)
Fund balances - ending	\$ -	\$ -	\$ 1,387	\$ 1,387

MULTNOMAH COUNTY, OREGON
SB 1145 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental - State	\$ 10,666	\$ 10,666	\$ -	\$ (10,666)
Total revenues	10,666	10,666	-	(10,666)
EXPENDITURES				
Sheriff	10,666	10,666	-	10,666
Excess (deficiency) of revenues				
over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Equipment Acquisition Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
EXPENDITURES				
Nondepartmental	\$ 1,500	\$ 1,500	\$ 1,254	\$ 246
Deficiency of revenues				
under expenditures	(1,500)	(1,500)	(1,254)	246
Fund balances - beginning	1,500	1,500	1,254	(246)
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Building Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 1,000	\$ 1,000	\$ 432	\$ (568)
Other - miscellaneous	-	-	72	72
Total revenues	1,000	1,000	504	(496)
EXPENDITURES				
Environmental services	24,100	24,100	9,794	14,306
Support services	1,200	1,200	1,092	108
Total expenditures	25,300	25,300	10,886	14,414
Deficiency of revenues under expenditures	(24,300)	(24,300)	(10,382)	13,918
Fund balances - beginning	24,300	24,300	16,198	(8,102)
Fund balances - ending	\$ -	\$ -	\$ 5,816	\$ 5,816

MULTNOMAH COUNTY, OREGON
Library Construction / 1996 Bonds Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 15	\$ 15
Interest	650	650	657	7
Other - miscellaneous	-	9	10	1
Total revenues	<u>650</u>	<u>659</u>	<u>682</u>	<u>23</u>
EXPENDITURES				
Environmental services	8,972	2,177	1,527	650
Library	2,996	9,791	4,773	5,018
Non departmental	-	9	-	9
Total expenditures	<u>11,968</u>	<u>11,977</u>	<u>6,300</u>	<u>5,677</u>
Deficiency of revenues under expenditures	(11,318)	(11,318)	(5,618)	5,700
Fund balances - beginning	<u>11,318</u>	<u>11,318</u>	<u>10,526</u>	<u>(792)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,908</u>	<u>\$ 4,908</u>

MULTNOMAH COUNTY, OREGON
Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 103	\$ 103
Charges for services	418	418	271	(147)
Interest	500	500	320	(180)
Other - miscellaneous	-	-	62	62
Total revenues	918	918	756	(162)
EXPENDITURES				
Environmental services	8,766	8,760	2,284	6,476
Deficiency of revenues under expenditures	(7,848)	(7,842)	(1,528)	6,314
OTHER FINANCING SOURCES (USES)				
Transfers in	241	235	241	6
Transfers out	(4,093)	(4,093)	(4,093)	-
Total other financing sources (uses)	(3,852)	(3,858)	(3,852)	6
Net change in fund balances	(11,700)	(11,700)	(5,380)	6,320
Fund balances - beginning	11,700	11,700	10,632	(1,068)
Fund balances - ending	\$ -	\$ -	\$ 5,252	\$ 5,252

MULTNOMAH COUNTY, OREGON
Capital Acquisition Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 5	\$ 5	\$ 78	\$ 73
Other - service reimbursements	3,278	3,278	3,313	35
Total revenues	3,283	3,283	3,391	108
EXPENDITURES				
Nondepartmental	5	5	-	5
Support services	5,313	5,313	3,140	2,173
Total expenditures	5,318	5,318	3,140	2,178
Excess (deficiency) of revenues over (under) expenditures	(2,035)	(2,035)	251	2,286
Fund balances - beginning	2,035	2,035	1,491	(544)
Fund balances - ending	\$ -	\$ -	\$ 1,742	\$ 1,742

MULTNOMAH COUNTY, OREGON
Deferred Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 300	\$ 300	\$ 208	\$ (92)
EXPENDITURES				
Environmental services	5,800	5,800	292	5,508
Deficiency of revenues under expenditures	(5,500)	(5,500)	(84)	5,416
Fund balances - beginning	5,500	5,500	5,611	111
Fund balances - ending	\$ -	\$ -	\$ 5,527	\$ 5,527

MULTNOMAH COUNTY, OREGON
Asset Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 100	\$ 100	\$ 220	\$ 120
EXPENDITURES				
Nondepartmental	772	772	-	772
Environmental services	8,908	8,908	1,061	7,847
Total expenditures	9,680	9,680	1,061	8,619
Deficiency of revenues under expenditures	(9,580)	(9,580)	(841)	8,739
OTHER FINANCING SOURCES				
Transfers in	7,052	7,052	3,555	(3,497)
Net change in fund balances	(2,528)	(2,528)	2,714	5,242
Fund balances - beginning	2,528	2,528	3,022	494
Fund balances - ending	\$ -	\$ -	\$ 5,736	\$ 5,736

MULTNOMAH COUNTY, OREGON
Justice Bond Capital Project Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 2,500	\$ 2,500	\$ 1,912	\$ (588)
Charges for services	-	-	37	37
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>1,949</u>	<u>(551)</u>
EXPENDITURES				
Environmental services	13,372	13,372	8,328	5,044
Sheriff	42,899	42,899	14,780	28,119
Support services	2,419	2,419	1,289	1,130
Total expenditures	<u>58,690</u>	<u>58,690</u>	<u>24,397</u>	<u>34,293</u>
Deficiency of revenues under expenditures	(56,190)	(56,190)	(22,448)	33,742
Fund balances - beginning	<u>56,190</u>	<u>56,190</u>	<u>52,866</u>	<u>(3,324)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,418</u>	<u>\$ 30,418</u>

ENTERPRISE FUNDS

The County's Enterprise Funds are listed below.

- **Dunthorpe-Riverdale Service District No. 1 Fund**
- **Mid County Service District No. 14 Fund**
- **Behavioral Health Managed Care Fund**

MULTNOMAH COUNTY, OREGON
Dunthorpe-Riverdale Service District No. 1 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - sewer	\$ 248	\$ 248	\$ 249	\$ 1
Charges for services	10	10	2	(8)
Interest	15	15	25	10
Total revenues	<u>273</u>	<u>273</u>	<u>276</u>	<u>3</u>
EXPENDITURES				
Environmental services	645	645	317	328
Nondepartmental	40	40	-	40
Total expenditures	<u>685</u>	<u>685</u>	<u>317</u>	<u>368</u>
Deficiency of revenues under expenditures	(412)	(412)	(41)	371
Fund balances - beginning	497	497	482	(15)
Fund balances - ending	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 441</u>	<u>\$ 356</u>

MULTNOMAH COUNTY, OREGON
Dunthorpe-Riverdale Service District No. 1 Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Dunthorpe Riverdale Operating Fund	\$ 276	\$ 317
Capital contributions	(2)	
Depreciation expense		39
Capital outlay		(49)
Uncollectible prior year		(2)
Uncollectible current year		1
Revenues and expenses - page 32	<u>\$ 274</u>	<u>\$ 306</u>

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - street lighting				
Current year	\$ 185	\$ 185	\$ 228	\$ 43
Prior year	-	-	5	5
Interest	46	46	33	(13)
Total revenues	<u>231</u>	<u>231</u>	<u>266</u>	<u>35</u>
EXPENDITURES				
Environmental services	745	745	258	487
Nondepartmental	<u>25</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total expenditures	<u>770</u>	<u>770</u>	<u>258</u>	<u>512</u>
Excess (deficiency) of revenues				
over (under) expenditures	(539)	(539)	8	547
Fund balances - beginning	829	829	822	(7)
Fund balances - ending	<u>\$ 290</u>	<u>\$ 290</u>	<u>\$ 830</u>	<u>\$ 540</u>

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14 Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mid County Operating Fund	\$ 266	\$ 258
Deferred revenue current year	13	
Deferred revenue prior year	(11)	
Depreciation expense		90
Loss on disposal of capital assets		71
Revenues and expenses - page 32	<u>\$ 268</u>	<u>\$ 419</u>

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state and local	\$ 38,030	\$ 33,314	\$ 33,158	\$ (156)
Interest	275	275	281	6
Other:				
Miscellaneous	-	-	6	6
Total revenues	<u>38,305</u>	<u>33,589</u>	<u>33,445</u>	<u>(144)</u>
EXPENDITURES				
Community and family services	39,002	36,119	34,937	1,182
Nondepartmental	<u>3,432</u>	<u>1,599</u>	<u>-</u>	<u>1,599</u>
Total expenditures	<u>42,434</u>	<u>37,718</u>	<u>34,937</u>	<u>2,781</u>
Deficiency of revenues				
under expenditures	<u>(4,129)</u>	<u>(4,129)</u>	<u>(1,492)</u>	<u>2,637</u>
OTHER FINANCING SOURCES				
Transfers in	<u>697</u>	<u>697</u>	<u>3</u>	<u>(694)</u>
Net change in fund balances	<u>(3,432)</u>	<u>(3,432)</u>	<u>(1,489)</u>	<u>1,943</u>
Fund balances - beginning	<u>3,432</u>	<u>3,432</u>	<u>3,329</u>	<u>(103)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,840</u>	<u>\$ 1,840</u>

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Behavioral Health Operating Fund	\$ 33,445	\$ 34,937
Deferred revenue prior year	(377)	
Depreciation expense		14
Revenues and expenses - page 32	<u>\$ 33,068</u>	<u>\$ 34,951</u>

INTERNAL SERVICE FUNDS

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

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

MULTNOMAH COUNTY, OREGON
Internal Service Funds
Combining Statement of Net Assets
June 30, 2002
(amounts expressed in thousands)

Government Activities - Internal Service Funds							
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	Total Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 20,132	\$ 4,409	\$ 2,621	\$ 2,512	\$ 79	\$ 1,284	\$ 31,037
Accounts receivable	-	176	44	73	8	498	799
Inventories	-	526	-	-	52	259	837
Due from other funds	960	-	-	-	-	-	960
Prepaid items	93	-	-	153	-	-	246
Total current assets	<u>21,185</u>	<u>5,111</u>	<u>2,665</u>	<u>2,738</u>	<u>139</u>	<u>2,041</u>	<u>33,879</u>
Noncurrent assets:							
Capital assets (net of accumulated depreciation)	17	2,797	1,565	1,151	-	5	5,535
Total assets	<u>21,202</u>	<u>7,908</u>	<u>4,230</u>	<u>3,889</u>	<u>139</u>	<u>2,046</u>	<u>39,414</u>
LIABILITIES							
Current liabilities:							
Accounts payable	10,286	293	551	799	10	1,332	13,271
Payroll payable	56	47	13	257	8	153	534
Compensated absences	195	115	24	875	20	462	1,691
Capitalized leases - current	-	-	-	927	-	-	927
Bonds payable - current	-	-	-	134	-	-	134
Total current liabilities	<u>10,537</u>	<u>455</u>	<u>588</u>	<u>2,992</u>	<u>38</u>	<u>1,947</u>	<u>16,557</u>
NET ASSETS							
Invested in capital assets, net of related debt	17	2,797	1,565	89	-	5	4,473
Unrestricted	10,648	4,656	2,077	808	101	94	18,384
Total net assets	<u>\$ 10,665</u>	<u>\$ 7,453</u>	<u>\$ 3,642</u>	<u>\$ 897</u>	<u>\$ 101</u>	<u>\$ 99</u>	<u>\$ 22,857</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2002
(amounts expressed in thousands)

Government Activities - Internal Service Funds							
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	Total Internal Service Funds
OPERATING REVENUES							
Charges for sales and services	\$ 43,546	\$ 5,002	\$ 5,101	\$ 20,636	\$ 1,371	\$ 35,691	\$ 111,347
Insurance premiums	1,327	-	-	-	-	-	1,327
Experience ratings and other	1,126	34	(1)	175	-	(418)	916
Total operating revenues	<u>45,999</u>	<u>5,036</u>	<u>5,100</u>	<u>20,811</u>	<u>1,371</u>	<u>35,273</u>	<u>113,590</u>
OPERATING EXPENSES							
Cost of sales and services	42,030	3,867	3,268	19,295	934	33,938	103,332
Administration	484	303	608	882	423	1,815	4,515
Depreciation	28	1,526	1,564	1,044	-	3	4,165
Total operating expenses	<u>42,542</u>	<u>5,696</u>	<u>5,440</u>	<u>21,221</u>	<u>1,357</u>	<u>35,756</u>	<u>112,012</u>
Operating income (loss)	<u>3,457</u>	<u>(660)</u>	<u>(340)</u>	<u>(410)</u>	<u>14</u>	<u>(483)</u>	<u>1,578</u>
NONOPERATING REVENUES (EXPENSES)							
Interest revenue	713	157	79	62	1	-	1,012
Interest expense	-	-	-	(88)	-	-	(88)
Loss on disposal of fixed assets	-	(10)	(1)	(578)	(47)	-	(636)
Total nonoperating revenues (expenses)	<u>713</u>	<u>147</u>	<u>78</u>	<u>(604)</u>	<u>(46)</u>	<u>-</u>	<u>288</u>
Income (loss) before contributions and transfers	4,170	(513)	(262)	(1,014)	(32)	(483)	1,866
Capital contributions	-	82	-	118	-	-	200
Transfers in	-	-	-	925	8	797	1,730
Transfers out	-	-	-	-	-	(241)	(241)
Change in net assets	<u>4,170</u>	<u>(431)</u>	<u>(262)</u>	<u>29</u>	<u>(24)</u>	<u>73</u>	<u>3,555</u>
Total net assets - beginning	6,495	7,884	3,904	868	125	26	19,302
Total net assets - ending	<u>\$ 10,665</u>	<u>\$ 7,453</u>	<u>\$ 3,642</u>	<u>\$ 897</u>	<u>\$ 101</u>	<u>\$ 99</u>	<u>\$ 22,857</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2002
(amounts expressed in thousands)

Government Activities - Internal Service Funds							
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	Total Internal Service Funds
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 46,008	\$ 5,192	\$ 5,086	\$ 20,782	\$ 1,379	\$ 35,726	\$114,173
Payments to suppliers	(38,688)	(1,451)	(2,972)	(3,042)	(871)	(16,711)	(63,735)
Payments to employees	(3,298)	(2,246)	(688)	(12,567)	(426)	(6,273)	(25,498)
Internal activity - payments to other funds	(453)	(318)	(193)	(3,241)	(62)	(12,033)	(16,300)
Other receipts (payments)	-	-	-	-	-	-	-
Net cash provided by operating activities	3,569	1,177	1,233	1,932	20	709	8,640
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	-	925	8	797	1,730
Transfers out	-	-	-	-	-	(241)	(241)
Net cash provided by noncapital and related financing activities	-	-	-	925	8	556	1,489
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases of capital assets	-	(933)	(962)	(410)	-	-	(2,305)
Principal paid on capital debt	-	-	-	(1,462)	-	-	(1,462)
Interest paid on capital debt	-	-	-	(88)	-	-	(88)
Net cash used in capital and related financing activities	-	(933)	(962)	(1,960)	-	-	(3,855)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	713	157	79	62	1	-	1,012
Net cash provided by investing activities	713	157	79	62	1	-	1,012
Net increase in cash and cash equivalents	4,282	401	350	959	29	1,265	7,286
Balances at beginning of the year	15,850	4,008	2,271	1,553	50	19	23,751
Balances at the end of the year	\$ 20,132	\$ 4,409	\$ 2,621	\$ 2,512	\$ 79	\$ 1,284	\$ 31,037
Reconciliation of operation income to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 3,457	\$ (660)	\$ (340)	\$ (410)	\$ 14	\$ (483)	\$ 1,578
Adjustments to reconcile operating income to net cash provided by operating activities:							
Cash flows reported in other categories:							
Depreciation	28	1,526	1,564	1,044	-	3	4,165
Changes in assets and liabilities							
Receivables	9	157	(13)	(29)	9	454	587
Inventories	-	44	-	-	(15)	1	30
Due from other funds	(960)	-	-	-	-	-	(960)
Prepaid items	103	-	-	1	-	-	104
Accounts payable	908	116	23	634	8	818	2,507
Compensated absences	19	(4)	(1)	520	3	21	558
Due to other funds	-	-	-	-	-	(120)	(120)
Payroll payable	5	(2)	-	172	1	15	191
Net cash provided by operating activities	\$ 3,569	\$ 1,177	\$ 1,233	\$ 1,932	\$ 20	\$ 709	\$ 8,640
Noncash financing activities:							
Contributions of capital assets	-	82	-	118	-	-	200

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 1,347	\$ 1,347
Interest	850	850	713	(137)
Other:				
Service reimbursements	39,178	38,887	43,546	4,659
Experience ratings and other	77	77	1,106	1,029
Total revenues	<u>40,105</u>	<u>39,814</u>	<u>46,712</u>	<u>6,898</u>
EXPENDITURES				
Support services	38,985	42,694	40,403	2,291
Nondepartmental	10,175	6,175	2,111	4,064
Total expenditures	<u>49,160</u>	<u>48,869</u>	<u>42,514</u>	<u>6,355</u>
Excess (deficiency) of revenues				
over (under) expenditures	(9,055)	(9,055)	4,198	13,253
Fund balances - beginning	9,055	9,055	6,450	(2,605)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,648</u>	<u>\$ 10,648</u>

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Risk Management Operating Fund	\$ 46,712	\$ 42,514
Depreciation expense		28
Revenues and expenses - page 113	<u>\$ 46,712</u>	<u>\$ 42,542</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental - local	\$ 824	\$ 824	\$ 782	\$ (42)
Charges for services	79	79	74	(5)
Interest	175	175	157	(18)
Other:				
Miscellaneous	45	45	34	(11)
Service reimbursements	4,262	4,255	4,146	(109)
Total revenues	<u>5,385</u>	<u>5,378</u>	<u>5,193</u>	<u>(185)</u>
EXPENDITURES				
Environmental services	7,168	7,161	5,103	2,058
Nondepartmental	<u>2,268</u>	<u>2,268</u>	<u>-</u>	<u>2,268</u>
Total expenditures	<u>9,436</u>	<u>9,429</u>	<u>5,103</u>	<u>4,326</u>
Excess (deficiency) of revenues				
over (under) expenditures	(4,051)	(4,051)	90	4,141
Fund balances - beginning	<u>4,051</u>	<u>4,051</u>	<u>4,566</u>	<u>515</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,656</u>	<u>\$ 4,656</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Fleet Management Operating Fund	\$ 5,193	\$ 5,103
Depreciation expense		1,526
Loss on disposal of capital assets		10
Capital outlay		(933)
Revenues and expenses - page 113	<u>\$ 5,193</u>	<u>\$ 5,706</u>

MULTNOMAH COUNTY, OREGON

Telephone Fund

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

For the Year Ended June 30, 2002

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 457	\$ 457	\$ 427	\$ (30)
Interest	33	33	79	46
Other - service reimbursements	4,273	4,090	4,673	583
Total revenues	4,763	4,580	5,179	599
EXPENDITURES				
Support services	5,651	5,649	4,838	811
Nondepartmental	810	629	-	629
Total expenditures	6,461	6,278	4,838	1,440
Excess (deficiency) of revenues over (under) expenditures	(1,698)	(1,698)	341	2,039
Fund balances - beginning	1,698	1,698	1,736	38
Fund balances - ending	\$ -	\$ -	\$ 2,077	\$ 2,077

MULTNOMAH COUNTY, OREGON
Telephone Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Telephone Operating Fund	\$ 5,179	\$ 4,838
Depreciation expense		1,564
Capital outlay		(962)
Loss on disposal of capital assets		1
Revenues and expenses - page 113	<u>\$ 5,179</u>	<u>\$ 5,441</u>

MULTNOMAH COUNTY, OREGON
Data Processing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 50	\$ 50	\$ 175	\$ 125
Interest	40	40	62	22
Other - service reimbursements	20,534	20,940	20,636	(304)
Total revenues	20,624	21,030	20,873	(157)
EXPENDITURES				
Support services	22,641	23,034	22,137	897
Nondepartmental	7	7	-	7
Total expenditures	22,648	23,041	22,137	904
Deficiency of revenues under expenditures	(2,024)	(2,011)	(1,264)	747
OTHER FINANCING SOURCES				
Transfers in	925	912	925	13
Net change in fund balances	(1,099)	(1,099)	(339)	760
Fund balances - beginning	1,099	1,099	1,147	48
Fund balances - ending	\$ -	\$ -	\$ 808	\$ 808

MULTNOMAH COUNTY, OREGON
Data Processing Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Data Processing Operating Fund	\$ 20,873	\$ 22,137
Depreciation expense		1,044
Debt principal payments		(1,462)
Capital outlay		(410)
Loss on disposal of capital assets		578
Revenues and expenses - page 113	<u>\$ 20,873</u>	<u>\$ 21,887</u>

MULTNOMAH COUNTY, OREGON
Mail/Distribution Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state, and local	\$ 30	\$ 30	\$ 58	\$ 28
Interest	5	5	1	(4)
Other - service reimbursements	1,388	1,401	1,313	(88)
Total revenues	<u>1,423</u>	<u>1,436</u>	<u>1,372</u>	<u>(64)</u>
EXPENDITURES				
Environmental services	1,466	1,487	1,357	130
Nondepartmental	37	37	-	37
Total expenditures	<u>1,503</u>	<u>1,524</u>	<u>1,357</u>	<u>167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80)</u>	<u>(88)</u>	<u>15</u>	<u>103</u>
OTHER FINANCING SOURCES				
Transfers in	-	8	8	-
Net change in fund balances	(80)	(80)	23	103
Fund balances - beginning	80	80	78	(2)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 101</u>

MULTNOMAH COUNTY, OREGON
Mail / Distribution Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mail / Distribution Operating Fund	\$ 1,372	1,357
Loss on disposal of capital assets		47
Revenues and expenses - page 113	<u>\$ 1,372</u>	<u>\$ 1,404</u>

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended June 30, 2002
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				favorable
				(unfavorable)
REVENUES				
Intergovernmental - local	\$ 1,089	\$ 1,089	\$ 874	\$ (215)
Charges for services	918	918	876	(42)
Miscellaneous	103	103	(418)	(521)
Other - service reimbursements	42,044	39,498	33,941	(5,557)
Total revenues	44,154	41,608	35,273	(6,335)
EXPENDITURES				
Environmental services	41,370	38,934	35,753	3,181
Excess (deficiency) of revenues over (under) expenditures	2,784	2,674	(480)	(3,154)
OTHER FINANCING SOURCE (USES)				
Transfers in	692	802	797	(5)
Transfers out	(3,738)	(3,738)	(241)	3,497
Total other financing source (uses)	(3,046)	(2,936)	556	3,492
Net change in fund balances	(262)	(262)	76	338
Fund balances - beginning	262	262	18	(244)
Fund balances - ending	\$ -	\$ -	\$ 94	\$ 94

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2002
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Facilities Management Operating Fund	\$ 35,273	\$ 35,753
Depreciation expense		<u>3</u>
Revenues and expenses - page 113	<u>\$ 35,273</u>	<u>\$ 35,756</u>

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

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

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2002

GOVERNMENTAL FUNDS CAPITAL ASSETS

Land	\$ 14,219
Work in progress	16,866
Buildings	330,789
Improvements other than buildings	433
Machinery and equipment	116,316
Bridges	69,335
Infrastructure	807,682
Total governmental funds capital assets	<u>\$ 1,355,640</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE

Investments in governmental funds capital assets by source at June 30, 2001	\$ 1,312,801
General fund	\$ 22,226
Road fund	822
Bicycle path construction fund	75
Federal and state program fund	(171)
Animal control fund	(17)
Library fund	7,978
Assessment and taxation fund	(43)
Justice services special operations	63
Justice bond project fund	3,621
Revenue bond project fund	112
Building project fund	6,347
Library construction fund/1993	(6)
Library construction fund/1996	3,490
Capital improvement fund	106
Capital acquisition fund	(8)
Asset preservation projects	35
Deferred maintenance projects	24
Risk management fund	(5)
Fleet management fund	861
Telephone fund	(146)
Data processing fund	(2,460)
Mail distribution fund	(65)
Facilities management fund	-
Total governmental funds capital assets	<u>\$ 1,355,640</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
For the fiscal year ended June 30, 2002
(amounts expressed in thousands)

	<u>Land</u>	<u>Work in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Bridges</u>	<u>Infrastructure</u>	<u>Total</u>
FUNCTION AND ACTIVITY								
General government:								
Legislative	\$ 203	\$ -	\$ 6,888	\$ -	\$ -	\$ -	\$ -	\$ 7,091
Administrative	866	-	27,851	-	41,054	-	-	69,771
	<u>1,069</u>	<u>-</u>	<u>34,739</u>	<u>-</u>	<u>41,054</u>	<u>-</u>	<u>-</u>	<u>76,862</u>
Health and social services:								
Health	2,229	-	28,253	-	389	-	-	30,871
Social	3,620	267	63,449	-	1,620	-	-	68,956
	<u>5,849</u>	<u>267</u>	<u>91,702</u>	<u>-</u>	<u>2,009</u>	<u>-</u>	<u>-</u>	<u>99,827</u>
Public safety:								
Law enforcement	1,867	15,081	113,475	37	3,524	-	-	133,984
Justice services	50	-	4,245	-	290	-	-	4,585
	<u>1,917</u>	<u>15,081</u>	<u>117,720</u>	<u>37</u>	<u>3,814</u>	<u>-</u>	<u>-</u>	<u>138,569</u>
Community services:								
Community service development	-	-	1,268	108	6	-	-	1,382
Recreation	203	-	-	-	-	-	-	203
Library	3,078	1,518	52,705	140	68,150	-	-	125,591
	<u>3,281</u>	<u>1,518</u>	<u>53,973</u>	<u>248</u>	<u>68,156</u>	<u>-</u>	<u>-</u>	<u>127,176</u>
Roads and bridges:								
Roads and bridges	512	-	-	-	1,283	69,335	807,682	878,812
Bridge shops	39	-	330	-	-	-	-	369
Road shops	7	-	9,909	58	-	-	-	9,974
Administration	-	-	-	-	-	-	-	-
	<u>558</u>	<u>-</u>	<u>10,239</u>	<u>58</u>	<u>1,283</u>	<u>69,335</u>	<u>807,682</u>	<u>889,155</u>
External organizations:								
External use	1,545	-	22,416	90	-	-	-	24,051
	<u>\$ 14,219</u>	<u>\$ 16,866</u>	<u>\$ 330,789</u>	<u>\$ 433</u>	<u>\$ 116,316</u>	<u>\$ 69,335</u>	<u>\$ 807,682</u>	<u>\$ 1,355,640</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes
For the fiscal year ended June 30, 2002
(amounts expressed in thousands)

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets June 30, 2001	Additions	Deductions & Reclassifications	Governmental Funds Capital Assets June 30, 2002
General government:				
Legislative	\$ 6,891	\$ 69	131	\$ 7,091
Administrative	67,694	3,210	(1,133)	69,771
	<u>74,585</u>	<u>3,279</u>	<u>(1,002)</u>	<u>76,862</u>
Health and social services:				
Health	32,223	4,811	(6,163)	30,871
Social	60,856	8,139	(39)	68,956
	<u>93,079</u>	<u>12,950</u>	<u>(6,202)</u>	<u>99,827</u>
Public safety:				
Law enforcement	115,158	19,529	(703)	133,984
Justice services	4,721	55	(191)	4,585
	<u>119,879</u>	<u>19,584</u>	<u>(894)</u>	<u>138,569</u>
Community services:				
Community service development	1,409	40	(67)	1,382
Recreation	203	-	0	203
Library	114,057	11,424	110	125,591
	<u>115,669</u>	<u>11,464</u>	<u>43</u>	<u>127,176</u>
Roads and bridges:				
Roads and bridges	877,358	1,465	(11)	878,812
Bridge shops	369	-	0	369
Road shops	9,974	-	0	9,974
Administration	-	-	0	-
	<u>887,701</u>	<u>1,465</u>	<u>(11)</u>	<u>889,155</u>
External organizations:				
External use	21,888	254	1,909	24,051
	<u>\$ 1,312,801</u>	<u>\$ 48,996</u>	<u>(6,157)</u>	<u>\$ 1,355,640</u>

OTHER SCHEDULES

- Schedule of Property Tax Collections and Outstanding Balances
- Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
- Schedule of Revenue Bonds Outstanding
- Schedule of General Obligation Bonds Outstanding
- Schedule of Loans Outstanding
- Schedule of Full Faith and Credit Bonds Outstanding
- Schedule of Capitalized Lease Purchases Outstanding
- Schedule of Receipts and Deposits – Elected Officials

MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the year ended June 30, 2002
(amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2001	Current Levy	Add (Deduct) Corrections and Adjustments	Add Interest on Delinquent Taxes	Deduct Discounts Allowed	Deduct Collections Including Interest on Delinquent Taxes	Taxes Receivable June 30, 2002
2001-02	\$ -	\$ 851,427	\$ (4,555)	\$ 420	\$ (19,700)	\$ (797,434)	30,158
2000-01	29,196	-	(2,211)	840	-	(15,009)	12,816
1999-00	11,571	-	(867)	712	-	(5,426)	5,990
1998-99 and prior	8,892	-	81	1,142	-	(6,577)	3,538
	<u>\$ 49,659</u>	<u>\$ 851,427</u>	<u>\$ (7,552)</u>	<u>\$ 3,114</u>	<u>\$ (19,700)</u>	<u>\$ (824,446)</u>	<u>\$ 52,502</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2002

	Current Levy	Prior years' Levy	Total Property Taxes	Other Taxes	Total
General fund	\$ 6,379	\$ 4,770	\$ 11,149	\$ 2,717	\$ 13,866
Special revenue funds:					
Library fund	737	553	1,290	-	1,290
Special excise tax fund	-	-	-	1,843	1,843
Land corner preservation fund	-	-	-	4	4
Assessment & taxation fund	-	-	-	1	1
Total special revenue funds	<u>737</u>	<u>553</u>	<u>1,290</u>	<u>1,848</u>	<u>3,138</u>
General obligation bond fund	405	401	806	3	809
Agency funds	<u>22,620</u>	<u>16,607</u>	<u>39,227</u>	<u>898</u>	<u>40,125</u>
Sub-total taxes receivable	<u>30,141</u>	<u>22,331</u>	<u>52,472</u>	<u>5,466</u>	<u>57,938</u>
Special assessments collected through taxes	<u>17</u>	<u>13</u>	<u>30</u>	<u>10</u>	<u>40</u>
Total receivables	<u>\$ 30,158</u>	<u>\$ 22,344</u>	<u>\$ 52,502</u>	<u>\$ 5,476</u>	<u>\$ 57,978</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
For the year ended June 30, 2002
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

	Outstanding June 30, 2001		2001-02 Transactions			Outstanding June 30, 2002	
	Matured	Unmatured	Issued	Matured	Refunded or Paid	Matured	Unmatured
Dated March 1, 1994	\$ -	\$ 5,120	\$ -	\$ 930	\$ 930	\$ -	\$ 4,190
Dated October 1, 1994	-	1,510	-	350	350	-	1,160
Dated October 1, 1996	-	33,860	-	8,115	8,115	-	25,745
Dated February 1, 1999	-	65,770	-	330	330	-	65,440
	<u>\$ -</u>	<u>\$ 106,260</u>	<u>\$ -</u>	<u>\$ 9,725</u>	<u>\$ 9,725</u>	<u>\$ -</u>	<u>\$ 96,535</u>

GENERAL OBLIGATION BOND INTEREST COUPONS

Dated March 1, 1994	\$ 220	\$ 220
Dated October 1, 1994	72	72
Dated October 1, 1996	1,414	1,414
Dated February 1, 1999	2,883	2,883
	<u>\$ 4,589</u>	<u>\$ 4,589</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenue Bonds Outstanding
June 30, 2002
(amounts expressed in thousands)

REVENUE BONDS

Fiscal Year of Maturity	Series 1998 Dated 10/01/98 4.00 to 4.75%		Series 2000A Dated 11/01/00 4.45 to 5.20%		Series 2000B Dated 11/01/00 4.45 to 5.20%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 170	\$ 118	\$ 100	\$ 94	\$ 175	\$ 165	\$ 445	\$ 377
2004	175	111	105	89	185	157	465	357
2005	185	104	110	85	195	148	490	337
2006	190	96	120	79	205	139	515	314
2007	200	88	125	74	215	129	540	291
2008	205	80	130	68	225	119	560	267
2009	215	72	135	62	235	109	585	243
2010	225	63	145	55	250	97	620	215
2011	230	53	150	48	265	85	645	186
2012	245	42	160	41	275	72	680	155
2013	255	31	165	33	295	58	715	122
2014	265	19	175	24	310	42	750	85
2015	275	7	185	15	325	26	785	48
2016	-	-	195	5	345	9	540	14
	<u>\$ 2,835</u>	<u>\$ 884</u>	<u>\$ 2,000</u>	<u>\$ 772</u>	<u>\$ 3,500</u>	<u>\$ 1,355</u>	<u>\$ 8,335</u>	<u>\$ 3,011</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds Outstanding
June 30, 2002
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

Fiscal Year of Maturity	Series 1994 Dated 03/01/94 3.70 to 5.25%		Series 1994B Dated 10/01/94 4.25 to 6.00%		Series 1996A Dated 10/01/96 3.90 to 5.65%	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 975	\$ 177	\$ 365	\$ 53	\$ 510	\$ 154
2004	1,020	130	385	33	535	130
2005	1,070	81	410	11	565	105
2006	1,125	28	-	-	590	77
2007	-	-	-	-	620	48
2008	-	-	-	-	655	16
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
	<u>\$ 4,190</u>	<u>\$ 416</u>	<u>\$ 1,160</u>	<u>\$ 97</u>	<u>\$ 3,475</u>	<u>\$ 530</u>

Series 1996B		Series 1999		Total	
Dated 10/01/96		Dated 2/01/99			
3.90 to 5.65%		3.90 to 5.65%			
Principal	Interest	Principal	Interest	Principal	Interest
\$ 2,735	\$ 1,008	\$ 340	\$ 2,871	\$ 4,925	\$ 4,263
2,870	881	355	2,859	5,165	4,033
3,010	744	365	2,846	5,420	3,787
3,160	597	810	2,823	5,685	3,525
3,320	440	2,020	2,768	5,960	3,256
3,495	271	2,105	2,685	6,255	2,972
3,680	92	2,875	2,585	6,555	2,677
-	-	6,860	2,387	6,860	2,387
-	-	7,160	2,093	7,160	2,093
-	-	7,470	1,780	7,470	1,780
-	-	7,490	1,451	7,490	1,451
-	-	7,835	1,106	7,835	1,106
-	-	6,780	773	6,780	773
-	-	6,330	466	6,330	466
-	-	6,645	158	6,645	158
<u>\$ 22,270</u>	<u>\$ 4,033</u>	<u>\$ 65,440</u>	<u>\$ 29,651</u>	<u>\$ 96,535</u>	<u>\$ 34,727</u>

MULTNOMAH COUNTY, OREGON
Schedule of Loans Outstanding
June 30, 2002
(amounts expressed in thousands)

GENERAL LONG-TERM LOANS

Fiscal Year of Maturity	Dated 02/15/96 7.2%		Dated 07/05/96 5.65%		Dated 10/01/96 7.2%	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 31	\$ 26	\$ 2	\$ 2	\$ 9	\$ 3
2004	34	24	2	2	9	2
2005	36	21	2	2	11	1
2006	39	19	2	2	11	1
2007	42	16	2	2	3	-
2008	45	13	2	1	-	-
2009	48	9	2	1	-	-
2010	52	6	2	1	-	-
2011	52	3	3	1	-	-
2012	-	-	3	1	-	-
2013	-	-	3	1	-	-
2014	-	-	3	-	-	-
2015	-	-	3	-	-	-
2016	-	-	3	-	-	-
	<u>\$ 379</u>	<u>\$ 137</u>	<u>\$ 34</u>	<u>\$ 16</u>	<u>\$ 43</u>	<u>\$ 7</u>

Dated 12/01/96 7.2%		Dated 01/15/97 5.9%		Dated 02/08/99 5.9%		Dated 10/26/99 5.9%		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 4	\$ 1	\$ 6	\$ 2	\$ 14	\$ 7	\$ 13	\$ 10	\$ 79	\$ 51
4	-	7	1	15	6	14	9	85	44
4	-	7	1	16	5	16	8	92	38
4	-	7	1	17	4	15	8	95	35
2	-	4	-	18	3	16	6	87	27
-	-	-	-	19	2	17	6	83	22
-	-	-	-	21	1	19	4	90	15
-	-	-	-	-	-	13	3	67	10
-	-	-	-	-	-	11	3	66	7
-	-	-	-	-	-	10	2	13	3
-	-	-	-	-	-	12	1	15	2
-	-	-	-	-	-	13	1	16	1
-	-	-	-	-	-	3	-	6	-
-	-	-	-	-	-	-	-	3	-
<u>\$ 18</u>	<u>\$ 1</u>	<u>\$ 31</u>	<u>\$ 5</u>	<u>\$ 120</u>	<u>\$ 28</u>	<u>\$ 172</u>	<u>\$ 61</u>	<u>\$ 797</u>	<u>\$ 255</u>

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
June 30, 2002
(amounts expressed in thousands)

FULL FAITH AND CREDIT BONDS

Fiscal Year of Maturity	Series 1999 Dated 04/01/99 4.00 to 4.75%		Series 2000A Dated 4/01/00 5.00 to 5.50%		Series 1999 Dated 12/01/99 6.49 to 7.74%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 1,265	\$ 1,479	\$ 3,161	\$ 2,849	\$ 1,125	\$ 8,359	\$ 5,551	\$ 12,687
2004	1,320	1,424	3,450	2,692	1,790	8,284	6,560	12,400
2005	1,375	1,368	3,625	2,520	2,535	8,163	7,535	12,051
2006	1,430	1,312	3,550	2,348	3,365	7,988	8,345	11,648
2007	1,490	1,254	3,735	2,161	4,295	7,753	9,520	11,168
2008	1,550	1,192	3,935	1,965	5,325	7,450	10,810	10,607
2009	1,615	1,126	2,675	1,759	6,470	7,072	10,760	9,957
2010	1,685	1,057	2,820	1,611	7,740	6,609	12,245	9,277
2011	1,760	982	2,975	1,470	9,150	6,052	13,885	8,504
2012	1,840	902	3,140	1,322	10,710	5,388	15,690	7,612
2013	1,925	817	3,315	1,165	4,479	12,563	9,719	14,545
2014	2,125	722	3,505	995	4,472	13,565	10,102	15,282
2015	2,120	624	3,705	811	4,469	14,618	10,294	16,053
2016	2,250	525	2,015	616	6,845	13,341	11,110	14,482
2017	2,325	420	2,135	510	16,985	4,358	21,445	5,288
2018	2,435	306	2,260	396	19,470	3,096	24,165	3,798
2019	2,555	188	2,395	271	22,200	1,649	27,150	2,108
2020	2,680	64	2,540	140	5,319	19,876	10,539	20,080
2021	-	-	-	-	5,208	21,407	5,208	21,407
2022	-	-	-	-	5,098	23,012	5,098	23,012
2023	-	-	-	-	4,989	24,686	4,989	24,686
2024	-	-	-	-	4,881	26,444	4,881	26,444
2025	-	-	-	-	4,775	28,285	4,775	28,285
2026	-	-	-	-	4,670	30,215	4,670	30,215
2027	-	-	-	-	4,566	32,234	4,566	32,234
2028	-	-	-	-	4,463	34,347	4,463	34,347
2029	-	-	-	-	4,362	36,563	4,362	36,563
2030	-	-	-	-	4,262	38,887	4,262	38,887
	<u>\$ 33,745</u>	<u>\$ 15,762</u>	<u>\$ 54,936</u>	<u>\$ 25,601</u>	<u>\$184,018</u>	<u>\$452,264</u>	<u>\$272,699</u>	<u>\$493,627</u>

DATA PROCESSING OBLIGATIONS:

Fiscal Year of Maturity	Series 2000A Dated 4/01/00 5.00 to 5.50%	
	Principal	Interest
2003	\$ 134	\$ 8
	<u>\$ 134</u>	<u>\$ 8</u>

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Purchases Outstanding
June 30, 2002
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS

Fiscal Year of Maturity	Dated 01/22/81 6.00% to 7.25%		Dated 05/01/93 2.75% to 7.50%		Dated 02/01/98 3.75 to 4.90%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 202	\$ 129	\$ 1,045	\$ 605	\$ 2,938	\$ 1,472	\$ 4,185	\$ 2,206
2004	220	112	1,100	550	2,215	1,365	3,535	2,027
2005	239	93	1,160	491	2,315	1,257	3,714	1,841
2006	259	73	1,215	428	2,440	1,144	3,914	1,645
2007	281	50	1,275	361	2,555	1,022	4,111	1,433
2008	306	26	1,345	289	2,690	891	4,341	1,206
2009	-	-	1,415	213	2,825	753	4,240	966
2010	-	-	1,120	141	2,960	617	4,080	758
2011	-	-	730	87	3,100	480	3,830	567
2012	-	-	350	55	3,250	333	3,600	388
2013	-	-	370	34	3,405	175	3,775	209
2014	-	-	390	11	355	87	745	98
2015	-	-	-	-	375	70	375	70
2016	-	-	-	-	395	51	395	51
2017	-	-	-	-	410	31	410	31
2018	-	-	-	-	436	11	436	11
	<u>\$ 1,507</u>	<u>\$ 483</u>	<u>\$ 11,515</u>	<u>\$ 3,265</u>	<u>\$ 32,664</u>	<u>\$ 9,759</u>	<u>\$ 45,686</u>	<u>\$ 13,507</u>

DATA PROCESSING CAPITALIZED LEASE OBLIGATIONS

Fiscal Year of Maturity	Dated 02/01/98 3.75% to 4.90%	
	Principal	Interest
2003	\$ 927	\$ 35
	<u>\$ 927</u>	<u>\$ 35</u>

MULTNOMAH COUNTY, OREGON
Schedule of Receipts and Deposits - Elected Officials
For the year ended June 30, 2002
(amounts expressed in thousands)

	Receipts Deposited with Treasurer
Sheriff's office	<u>\$ 23,830</u>

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

STATISTICAL INFORMATION SECTION (UNAUDITED)

This section contains the following tables and information:

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

MULTNOMAH COUNTY, OREGON
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	General Government	Health and Social Services	Public Safety and Justice	Community Services	Roads and Bridges	Capital Outlay	Debt Service	Total
1993	\$ 43,612	\$ 133,653	\$ 76,324	\$ 26,315	\$ 27,323	\$ 14,872	\$ 5,146	\$327,245
1994	45,648	147,372	82,938	27,481	28,220	25,081	4,472	361,212
1995	36,108	165,239	93,059	32,765	30,200	24,539	9,849	391,759
1996	35,086	181,526	96,519	35,707	32,596	33,069	8,648	423,151
1997	28,298	190,540	113,263	56,913	34,052	33,717	18,363	475,146
1998	28,474	190,941	140,510	47,764	35,197	36,773	21,242	500,901
1999	35,786	209,788	165,792	75,996	37,604	59,425	21,493	605,884
2000	219,323	237,566	179,799	72,429	35,969	37,141	28,552	810,779
2001	36,612	285,999	183,897	85,143	35,110	30,517	39,932	697,210
2002	53,134	282,127	190,122	64,258	36,829	31,822	39,761	698,053

(1) All Governmental Fund Types (Budgetary basis)

(2) Increase in General Government expenditures due to one time only funding of PERS unfunded liability.

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
General Governmental Revenues by Source (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Taxes	Inter- Governmental	Licenses and Permits	Charges for Services	Interest	Special Assessments	Other	Total
1993	\$142,569	\$ 134,774	\$ 2,833	\$ 10,763	\$ 3,468	\$ 45	\$ 23,846	\$318,298
1994	151,617	149,009	2,591	11,280	4,143	21	29,975	348,636
1995	171,068	162,133	2,683	8,880	5,676	-	28,549 (2)	378,989
1996	185,008	172,031	2,703	12,864	5,476	-	29,888 (3)	407,970
1997	217,295	184,697	2,751	14,882	9,691	-	37,244 (4)	466,560
1998	215,100	223,962	2,934	14,471	12,080	-	37,190 (5)	505,737
1999	250,416	232,715	3,026	15,515	11,688	-	42,337	555,697
2000	254,514	242,966	2,734	15,008	12,201	-	49,575	576,998
2001	266,466	308,993	5,037	20,234	14,760	-	51,994	667,484
2002	267,641	290,077	8,134	18,586	6,972	-	58,415	649,825

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

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

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

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

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

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
General Governmental Tax Revenues by Source (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Property	Transient Lodging	Business Income	Gasoline	Motor Vehicle Rental	Other	Total
1993	\$ 99,609	\$ 3,962	\$ 23,872	\$ 6,854	\$ 5,926	\$ 2,346	\$ 142,569
1994	110,239	3,553	22,912	6,926	6,389	1,598	151,617
1995	122,259	4,538	27,048	7,838	7,410	1,975	171,068
1996	131,620	5,032	30,040	7,770	8,694	1,852	185,008
1997	158,878	6,162	33,255	7,411	9,589	2,000	217,295
1998	157,885	5,841	32,524	7,393	10,205	1,252	215,100
1999	183,155	6,192	40,904	7,470	10,782	1,913	250,416
2000	187,256	5,956	39,934	7,221	12,445	1,702	254,514
2001	197,732	15,228	30,377	7,372	14,593	1,164	266,466
2002	206,143	11,131	26,935	7,951	13,718	1,763	267,641

(1) All Governmental Fund Types (Budgetary basis)

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Tax Levy	Current Collections	Collections as a % of Levy	Prior Year Collections	Total Collections	Total Collections as a % of Levy	Uncollected Taxes	Uncollected Taxes as a % of Levy
1993	\$101,479	\$ 95,001	93.62 %	\$ 4,608	\$ 99,609	98.16 %	\$ 10,481	10.33 %
1994	110,598	105,430	95.33	4,809	110,239	99.68	10,035	9.07
1995	123,672	117,051	94.65	5,208	122,259	98.86	8,258	6.68
1996	135,104	128,020	94.76	3,600	131,620	97.42	8,152	6.03
1997	162,985	154,723	94.93	4,155	158,878	97.48	8,924	5.48
1998 (2)	158,856	153,321	96.52	4,564	157,885	99.39	8,925	5.62
1999	188,837	179,029	94.81	4,128	183,157	96.99	9,859	5.22
2000	193,076	181,741	94.13	5,514	187,255	96.99	11,294	5.85
2001	205,468	193,397	94.13	4,327	197,724	96.23	12,750	6.21
2002	212,329	199,819	94.11	6,283	206,102	97.07	13,245	6.24

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

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

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Real Market Value of Taxable Property (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Personal Property	Public Utility Property	Commercial Property	Residential Property	Total
1993	\$ 1,236,666	\$ 1,530,373	\$ 9,880,502	\$ 12,879,169	\$ 25,526,710
1994	1,203,111	1,628,475	9,941,135	14,727,420	27,500,141
1995	1,218,157	1,576,140	10,740,016	17,177,183	30,711,496
1996	1,330,246	1,647,640	11,938,742	19,766,868	34,683,496
1997	1,517,728	1,794,013	12,768,546	22,380,651	38,460,938
1998 (2)	1,812,064	2,000,951	14,123,977	24,330,799	42,267,791
1999	2,032,070	2,222,076	N/A	41,278,093 (3)	45,532,239
2000 (4)	2,531,489	2,723,488	N/A	47,072,873	52,327,850
2001	2,626,683	3,106,617	N/A	50,581,943	56,315,243
2002	2,869,911	3,019,095	N/A	55,332,307	61,221,313

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

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

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

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

Source: Multnomah County Division of Assessment and Taxation

MULTNOMAH COUNTY, OREGON
Consolidated Tax Rates (1)
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1993	\$ 3.98	\$ 5.91	\$ 0.71	\$ 13.33	\$ 0.01	\$ 0.22	-	\$ 24.16
1994	4.02	5.92	0.62	10.76	0.01	0.19	-	21.52
1995	4.03	5.92	0.49	8.12	0.01	0.07	-	18.64
1996	3.90	5.79	0.68	5.58	-	0.08	0.07	16.10
1997	4.24	5.47	0.55	6.20	-	0.07	0.47	17.00
1998 (2)	4.86	6.03	0.68	7.27	-	0.07	1.08	19.99
1999	5.28	5.98	0.67	6.95	-	0.07	1.00	19.95
2000	5.13	5.97	0.61	6.93	-	0.07	0.97	19.68
2001	5.19	6.06	0.62	7.21	0.01	0.07	1.06	20.22
2002	5.09	5.91	0.60	7.58	0.01	0.07	1.15	20.41

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

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

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

MULTNOMAH COUNTY, OREGON
Consolidated Tax Levies
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1993	\$ 101,479	\$150,788	\$ 18,124	\$340,345	\$ 273	\$ 5,539	\$ 23	\$616,571
1994	110,598	162,870	17,068	295,852	290	5,298	21	591,997
1995	123,672	181,848	15,110	249,441	307	2,145	25	572,548
1996	135,104	200,896	23,515	193,685	155	2,633	2,520	558,508
1997	162,985	210,568	20,970	238,347	169	2,763	18,020	653,822
1998 (1)	158,856	196,846	22,318	237,275	154	2,323	35,347	653,119
1999	188,837	214,148	23,798	248,622	159	2,422	35,911	713,897
2000	193,076	224,449	23,106	260,605	169	2,657	36,426	740,488
2001	205,468	239,905	24,569	285,341	239	2,725	42,052	800,299
2002	212,329	246,579	25,104	316,282	246	3,086	47,801	851,427

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

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

MULTNOMAH COUNTY, OREGON**Principal Taxpayers****June 30, 2002****(amounts expressed in thousands)****(unaudited)**

Taxpayer Account	Type of Business	2002 Assessed Valuation (1)	Percentage of Total Assessed Valuation
QWest Communications	Telephone utility	\$ 424,689	1.02 %
Portland General Electric	Electric utility	322,106	0.77
Fujitsu Microelectronics Inc.	Computers and electronics	314,477	0.75
PacifiCorp (Pacific Power and Light) (2)	Electric utility	245,345	0.59
Wacker Siltronic Corp	Silicon wafers	219,400	0.53
Alaska Airlines, Inc.	Airline	178,411	0.43
Boeing Company	Aircraft parts	177,583	0.43
United Airlines, Inc.	Airline	144,243	0.35
Northwest Natural Gas	Gas Utility	142,913	0.34
I C X Corporation	Equipment Leasing	131,200	0.31
		<u>\$ 2,300,367</u>	<u>6.50 %</u>

(1) The 2001-02 Assessed Valuation is \$41,739,141; the Real Market Valuation is \$61,221,313.

(2) Pacific Power and Light is a subsidiary of PacifiCorp.

Source: Multnomah County Division of Assessment and Taxation

MULTNOMAH COUNTY, OREGON
Special Assessment Billings and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Assessments Outstanding July 1	Assessments Billed	Assessments Collected	Assessments Outstanding June 30
1993	\$ 122	\$ -	\$ 38	\$ 84
1994	84	-	36	48
1995	48	-	12	36
1996	36	-	7	29
1997	29	-	14	15
1998	15	-	3	12
1999	12	-	-	12
2000	12	-	-	12
2001	12	-	1	11
2002	11	-	-	11

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Computation of Legal Debt Margin
June 30, 2002
(amounts expressed in thousands)
(unaudited)

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

Real market value (2001-02)	\$ 61,221,313
Debt limit rate	2.00%
Debt limit	<u>1,224,426</u>
Less bonded debt at June 30	96,535
Legal debt margin	<u><u>\$ 1,127,891</u></u>

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

Real market value (2001-02)	\$ 61,221,313
Debt limit rate	1.00%
Debt limit	<u>612,213</u>
Less bonded debt at June 30	272,833
Legal debt margin	<u><u>\$ 339,380</u></u>

MULTNOMAH COUNTY, OREGON
Construction, Property Value, and Bank Deposits
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Commercial		Residential		Total		Bank Deposits in \$(000) (2)
	Number of Units (1)	Value in \$(000)	Number of Units (1)	Value in \$(000)	Number of Units	Value in \$(000)	
1993	2,367	\$211,211	6,026	\$254,668	8,393	\$465,879	\$ 11,222,080
1994 (3)	1,106	228,787	2,757	117,655	3,863	346,442	9,536,224
1995	920	323,947	2,273	115,317	3,193	439,264	11,552,255
1996	-	- (4)	4,453	320,871	4,453	320,871	11,414,176
1997	-	-	4,331	350,666	4,331	350,666	14,543,385
1998	-	-	3,984	353,060	3,984	353,060	13,045,877
1999	-	-	3,641	315,125	3,641	315,125	14,673,872
2000	-	-	2,591	266,445	2,591	266,445	15,837,718
2001	-	-	2,896	352,975	2,896	352,975	13,126,825
2002 (5)	-	-	N/A	N/A	N/A	N/A	16,310,440

(1) Information maintained on a calendar year basis.

(2) June 30, each year.

(3) January through June.

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

(5) Information is not yet available.

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

MULTNOMAH COUNTY, OREGON
Ratio of Net General Obligation Bonded Debt to
Real Market Value and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years (1)
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Population (2)	Real Market Value (3)	Gross Bonded Debt	Less Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Real Market Value	Net Bonded Debt per Capita (5)
1994	620,000	\$ 27,500,141	\$ 22,000	\$ 1,935	\$ 20,065	0.07 %	\$ 32
1995	626,500	30,711,496	29,705	7,021	22,684	0.07	36
1996	636,000	34,683,496	28,710	7,905	20,805	0.06	33
1997	639,000	38,460,938	136,375	14,977	121,398	0.32	190
1998	642,000	42,267,791	128,470	16,240	112,230	0.27	175
1999	646,850	45,532,239	124,170	14,014	110,156	0.24	170
2000	662,400	52,327,850	115,555	11,774	103,781	0.20	157
2001	666,350	56,315,243	106,260	12,223	94,037	0.17	141
2002	666,350 (6)	61,221,313	96,535	9,484	87,051	0.14	131

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

(2) Population not expressed in thousands.

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

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

(5) Net Bonded Debt stated in dollars.

(6) Population data for 2001 is the most recent data available.

Source: Current financial statements

MULTNOMAH COUNTY, OREGON
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years (1)
(amounts expressed in thousands)
(unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to General Government Expenditures
1995	\$ 1,295	\$ 1,348	\$ 2,643	\$ 391,759	0.67 %
1996	995	1,474	2,469	423,151	0.58
1997	1,035	2,911	3,946	475,146	0.83
1998	7,905	6,740	14,645	500,901	2.92
1999	8,235	6,347	14,582	605,884	2.41
2000	8,615	5,934	14,549	810,779	1.79
2001	9,295	5,002	14,297	697,210	2.05
2002	9,725	4,589	14,314	698,053	2.05

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

Source: Current financial statements

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
June 30, 2002
(amounts expressed in thousands)
(unaudited)

Overlapping District	Percent Overlapping	Overlapping	
		Gross (1) Bonded Debt	Net (2) Direct Debt
Mt. Scott Water District	0.69 %	\$ 10	10
Clackamas County RFPD #1	0.05	5	5
Clackamas County School District 7J	0.36	344	344
City of Lake Oswego	0.36	1,794	1,794
City of Milwaukie	0.44	16	16
Columbia County School District 1J	22.86	763	763
Port of Portland	45.24	31,949	31,949
Metro	49.19	87,481	87,481
Tri-County Metropolitan Transp. Service District	48.95	52,768	52,768
Sauvie Island RFPD 30	95.53	241	241
Multnomah County School District 1J	99.29	226,045	226,045
Multnomah County School District 3	100.00	26,785	26,785
Multnomah County School District 7	100.00	70,040	70,040
Multnomah County School District 28J	92.82	34,569	34,569
Multnomah County School District 39	100.00	6,315	6,315
Multnomah County School District 40	100.00	55,190	55,190
Multnomah County School District 51J	96.27	9,920	9,920
Multnomah County School District 10J	84.56	71,215	71,215
Orient School District 6 Bonds	57.41	917	917
Mount Hood Community College	84.54	778	778
Portland Community College	45.32	91,247	91,247
City of Fairview	100.00	5,206	2,475
City of Gresham	100.00	6,561	6,445
City of Portland	99.59	286,770	235,410
City of Troutdale	100.00	15,708	15,708
City of Wood Village	100.00	805	350
Tualatin Valley Fire and Rescue	1.98	167	167
Washington County School District 48J	0.44	1,269	850
Hillsboro 1J	0.00	7	7
North Plains School District 1J	0.13	1	1
		<u>\$ 1,084,886</u>	<u>\$ 1,029,805</u>

(1) Gross Direct Debt includes all Unlimited General Obligation bonds and Limited Tax General Obligation bonds.

(2) Net Direct Debt includes Gross Direct Debt less self-supporting General Obligation and Limited Tax debt.

Source: Municipal Debt Advisory Commission, Oregon State Treasury

MULTNOMAH COUNTY, OREGON

Insurance in Force

June 30, 2002

(unaudited)

Insurance Company	Coverage	Expiration
Industrial Risk Insurers Policy #31368142	Buildings & Equipment	10/2/2002
Industrial Risk Insurers Policy #31368142	Comprehensive Boiler and Machinery	10/2/2002
St. Paul Insurance Policy #384PH8074	Hull and Machinery Marine Policy	10/2/2002
St. Paul Insurance Policy #IM08400175	County Vehicles and Equipment	10/2/2002
Industrial Risk Insurers Policy #31368143	Justice Center Equipment	10/2/2002
Republic Western Policy #RSU 3601134	Excess Workers' Compensation	7/1/2002
Hartford Insurance Co. Policy #52BPEAD4206	Blanket Faithful Performance Bond	1/1/2003
Hartford Insurance Co. Bond #5088331	Faithful Performance Bond-Public Official	1/1/2003
Bond #5088332	Tax Collector	1/1/2003
Bond #5091060	Finance Director	1/1/2003
	Treasury Manager	1/1/2003
Hartford Insurance Co. Bond #5088334	Faithful Performance Bond-Public Guardian	1/1/2003
Hartford Insurance Co. Bond #SUN404213	DEQ License Bond (Multnomah County)	1/1/2003
Hartford Insurance Co. Bond #5087364	DEQ License Bond (Mechanic/Equipment Operator-G.Oliver)	1/1/2005
Hartford Insurance Co. Bond #SUN404214	DEQ License Bond (Mechanic/Equipment Operator/Fleet Inspector)	1/1/2003
Hartford Insurance Co. Bond #SUN403141	DEQ License Bond (Fleet Inspector)	1/1/2005
Hartford Insurance Co. Bond #52BSBAL9783	DEQ License Bond (Mechanic/Equipment Operator)	6/20/2003
Hartford Insurance Co. Bond #52BSBAA9079	DEQ License Bond (Mechanic/Equipment Operator)	1/24/2003

Source: County Insurance Agent

MULTNOMAH COUNTY, OREGON
Population, per Capita Income and Unemployment
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Per Capita Income (1)	Median Household Effective Buying Income (1)	Unemployment Rate (3)
1993	615,000	\$ 22	\$ 36	6.00%
1994	620,000	23	39	4.30%
1995	626,500	24	34	3.70%
1996	636,000	26	35 (2)	4.50%
1997	639,000	27	37	4.30%
1998	642,000	29	39	4.30%
1999	646,850	31	41	4.50%
2000	662,400	32	43	3.90%
2001	666,350	N/A	N/A	5.90%
2002	666,350 (4)	N/A	N/A	N/A

(1) Amounts expressed in thousands.

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

(3) Portland Metropolitan Statistical Area.

(4) Population data for July 1, 2002 is not available at this time.

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, 2002
(unaudited)

Employer	Product or Service	Employment
MANUFACTURING EMPLOYERS		
Intel Corporation	Semiconductor integrated circuits	15,000
Freightliner Corporation	Medium and heavy-duty trucks	2,878
Nike, Incorporated	Sports footwear and apparel	2,850
Tektronix, Incorporated	Electronic testing instruments	2,537
Precision Castparts	Steel castings	2,320
Hewlett-Packard Co.	Computer printers	1,700
Wacker Siltronic Corporation	Silicon semiconductor materials	1,500
NON-MANUFACTURING EMPLOYERS		
Providence Health Care System	Hospitals and clinics	12,800
Fred Meyer, Inc. (Krogers, Inc.)	Grocery and retail variety chain	10,744
Legacy Health System	Hospital and health services	7,158
Kaiser Foundation Health Plan of the NW	Hospitals and clinics	6,725
Safeway Stores	Grocery chain stores	6,000
U. S. Bancorp	Bank and holding company	4,242
Meier and Frank Company	Department stores	3,500
United Parcel Service	Small package transport	3,100
McDonalds Corporation	Restaurants	3,000
Southwest Washington Medical Center	Medical care	2,900
Portland General Corp.	Electric utility	2,787
Albertson's	Retail Grocery Chain	2,700
Wells Fargo & Co.	Bank	2,588
Volt Services	Temporary Employment	2,500
QWest Communications	Communications utility	2,300
Regence Blue Cross & Blue Shield of Oregon	Health insurance & HMO	2,105
Shari's Management Corp.	Restaurant chain	2,000
Portland Trail Blazers/Oregon Arena Corp.	National basketball association team, operator of Rose Quarter	2,000
Horizon Air	Airline	1,800
Nordstrom	Retail specialty stores	1,700
Home Depot	Home Improvement	1,700
Standard Insurance	Insurance	1,660
Target Stores	Retail stores	1,600
Rite Aid Corp.	Retail drug stores	1,600
Bank of America Oregon	Full commercial banking services	1,594
PUBLIC EMPLOYERS		
Federal Government	Government	18,700
Oregon Health Sciences University	Health care & education	11,000
Portland Public Schools	Education	8,656
City of Portland	Government	8,302
State of Oregon	Government	6,883
Multnomah County	Government	5,269
Portland Community College	Education	4,123
Portland State University	Education	3,800
Beaverton School District	Education	3,439
Tri Met	Transportation	2,636
Bonneville Power	Power utility	2,500

Source: Portland Chamber of Commerce, State of Oregon Employment Division and Regional Financial Advisors, Inc.

MULTNOMAH COUNTY, OREGON
Miscellaneous Statistical Data
June 30, 2002
(unaudited)

GENERAL

Date of incorporation	1854
Date present charter adopted	1967
Date present charter amended	2001
Form of government	Home Rule Charter
Area - square miles	465

MULTNOMAH COUNTY EMPLOYEES

Management and exempt	735
Bargaining units:	
General employees (Local 88)	3,012
Electricians (Local 48)	22
Operating engineers (Local 701)	13
Paint makers (Local 1094)	3
Corrections (Teamsters 223)	497
Deputy sheriffs association	89
Oregon nurses association	263
Juvenile group workers (Local 86)	69
Prosecuting attorneys association	85
Total bargaining units	4,053
Temporary County employees	481
Total County employees	5,269

**MILES OF STREETS
(UNINCORPORATED AREA)**

Paved	365
Unpaved	11

ELECTIONS

Number of registered voters	383,915
Number of votes cast in last general election	300,065
Percentage of registered voters voting in last general election	78.16%

SEWAGE DISPOSAL

Number of accounts	528
--------------------	-----

FIRE PROTECTION

Number of stations	27
Number of employees:	
Sworn	662
Non-sworn	67

SHERIFF PROTECTION

Number of arrests (Parts 1, 2 & 3 crimes)	3,165
Vehicular patrol units	36
Number of employees (sworn and civilian)	896
Jails:	
Facilities	5
Population	1,775

RECREATION

Parks:	
Number of acres	10,940
Number of facilities	560
Number of playgrounds	148
Number of golf courses	6

EDUCATION

Number of schools:	
Elementary	138
Secondary	22
Employees:	
Instructional	5,396
Administrative and support	4,123
Number of students (estimated)	94,131

STREET LIGHTING

Number of Lights	3,837
------------------	-------

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS REQUIRED BY STATUTES

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

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

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2002, and have issued our report thereon dated December 6, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Programs Funded from Outside Sources - Reports related to such programs are presented separately under separate cover.

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

Compliance with Legal or Other Requirements -

Accounting Records - Pertaining to condition and adequacy of accounting records.

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

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

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

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

Insurance - Relating to insurance and fidelity bond coverage

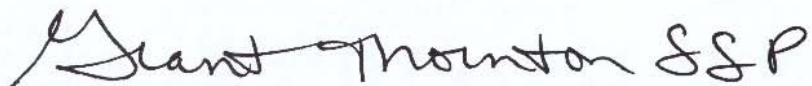
Investments - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046)

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

The result of our tests indicate that, with respect to the items tested, Multnomah County, Oregon complied, in all material respects, with the provisions referred to above except the County had overexpenditures as listed in Note 2B of Notes to the Basic Financial Statements. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those provisions.

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

Portland, Oregon
December 6, 2002

A handwritten signature in black ink, appearing to read "Grant Thornton SSP", is written over a light blue horizontal line.

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

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2002, and have issued our report thereon dated December 6, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

Portland, Oregon
December 6, 2002

Grant Thornton SSP