



MULTNOMAH COUNTY OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009



About the Cover

In 2009, Multnomah County repurposed two acres of surplus County property in Troutdale for “County CROPS – Community Reaps Our Produce and Shares,” an agricultural project started in the spring to help feed hungry families. The garden provided over 5 tons of fresh produce through the 2009 growing season to hundreds of families through the Oregon Food Bank network.

Hands on Greater Portland, a volunteer-matching organization, has partnered with Multnomah County to provide volunteers for special planting, gardening and harvest days for the farm. Maintenance has continually been provided by the County’s Community Service Program, a program that offers opportunities to citizens who have committed non-violent, low-level crimes to pay their debt to society through community service hours. Other supporters include McMenamin’s Hotels and Restaurants, Portland General Electric, New Seasons, Concentrates Organic Farm Supply, Westwind Nursery, Log House Plants, MRP Services, Metro Counsel Rod Park/Cedar Grove Compost, Oregon State Extension Program, Northwest Service Academy and others. More information about who has supported or contributed to County CROPS is available at http://www.commissionercogen.com/2009/06/a_big_thank_you.html.

Every year, the County’s surplus and tax-foreclosed properties are evaluated for potential community garden, farming, or other urban agriculture purposes under the County Digs policy. This garden is one example of putting the county’s public health and sustainability mission into action.

Photos by Dan Bravin, County CROPS farm manager.

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009



Prepared by:
Department of County Management
Mindy Harris, Chief Financial Officer
501 SE Hawthorne Blvd, Suite 531
Portland, Oregon 97214

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



TED WHEELER
Chair



DEBORAH KAFOURY
Commissioner District 1



JEFF COGEN
Commissioner District 2



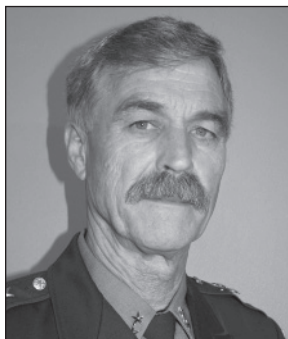
JUDY SHIPRACK
Commissioner District 3



DIANE McKEEL
Commissioner District 4



STEVE MARCH
Auditor



BOB SKIPPER
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009
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INTRODUCTORY SECTION



Department of County Management
MULTNOMAH COUNTY OREGON

501 SE Hawthorne Blvd, Suite 531
Portland, Oregon 97214
(503) 988-3312 phone
(503) 988-3292 fax

November 25, 2009

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, 2009, together with the opinion thereon of our independent certified public accountants, Moss Adams LLP. This report, required by Oregon Revised Statutes 297.425, is prepared by the Department of County Management. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (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, OMB Circular A-133 is issued under separate cover and is available by request from the Department of County Management.

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the County at June 30, 2009, and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

PROFILE OF MULTNOMAH COUNTY, OREGON

Multnomah County, incorporated in 1854, is located in northwestern Oregon at the confluence of the Columbia and Willamette rivers, approximately 110 river miles and 80 highway miles from the Pacific Ocean. The County covers 465 square miles, and serves a population of 717,880 citizens. The cities of Portland and Gresham are the largest incorporated cities in the County.

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

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

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

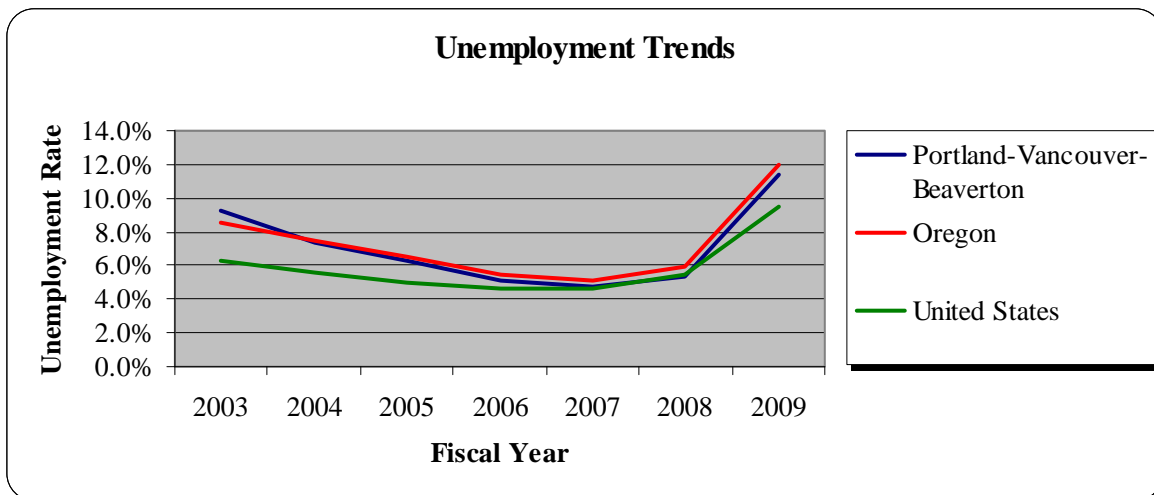
Budget to actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. For the General fund and the Federal State Program special revenue fund the budget to actual comparisons are provided on pages 35-36 as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 77.

FACTORS AFFECTING FINANCIAL CONDITION

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

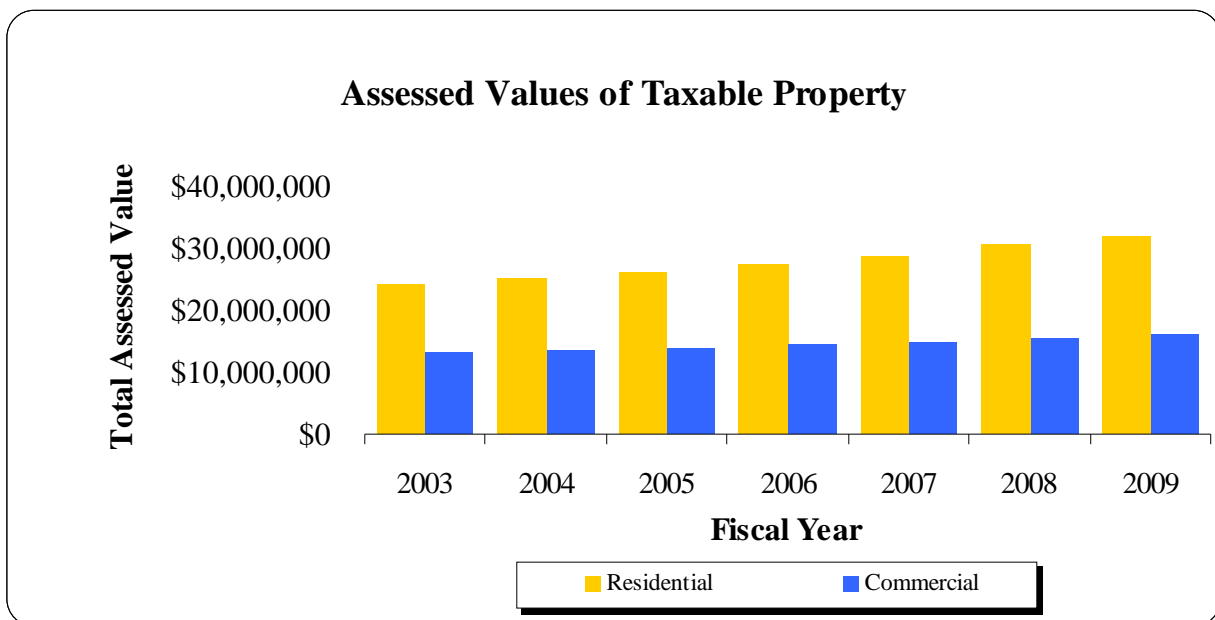
The Portland-Vancouver-Beaverton PMSA's (Primary Metropolitan Statistical Area) economy continued to weaken throughout fiscal year 2009. Some signs of stabilization have emerged during the first quarter of fiscal year 2010. Like the rest of the nation, the region has experienced declining real estate values, rising unemployment, and increased foreclosures. The impacts of the financial crisis, housing market bubble, and slowing of consumer spending continue to be seen locally.

The area's unemployment rate increased to 11.4% at June 30, 2009 as compared to 5.3% a year ago. The unemployment rate for the area is similar to the State rate, but exceeds the national average of 9.5% for June of 2009. The chart below compares the area's unemployment rate to the rates for the State and the Nation.



Financial outlook: The financial outlook for the County's general fund over the next five years has improved over this time last year. In November, 2008 County financial analysts forecast an operating deficit of \$45.9 million for fiscal year 2011. That deficit was substantially closed with adoption of the fiscal year 2010 budget. The revised operating deficit is now forecast at \$3.9 million, or 1.1% of general fund expenditures. The Board took positive actions to address the forecast general fund shortfall in fiscal year 2010. These actions include partnership agreements with a number of our labor unions to freeze wages and cost of living adjustments for fiscal year 2010, a 4.5% increase in the rate imposed for the Motor Vehicle Rental Tax, and implementation of ongoing program reductions totaling \$22 million. Assuming a protracted, but modest, economic recovery takes place, general fund revenues and expenditures should be roughly in balance from fiscal year 2013 to fiscal year 2015.

The region's slowing economy has had an impact on the County's revenue stream. Property taxes are expected to grow at 2.3% over the next year, with new residential and commercial construction expected to remain at depressed levels. The chart on the following page shows the County's residential and commercial assessed property tax values over the past eight years. Residential properties have experienced a 38% increase in taxable property values over an eight year period compared to a 24% increase for commercial property values over the same period. Because assessed, or taxable values, are significantly below real market values for most properties, property tax collections should be relatively inelastic despite falling real market values.



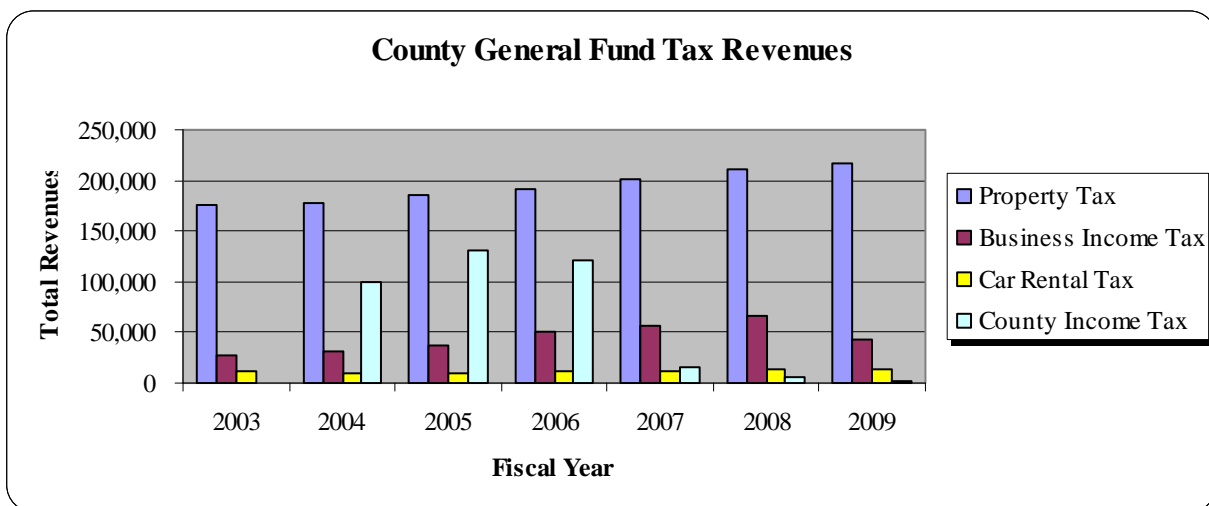
Business income tax is the second largest source of revenue for the County and it has been set at a rate of 1.45% of net income. Business income tax collections parallel the business cycle. As credit markets froze and the economy entered into a severe recession, business income tax collections plummeted. Fiscal year 2009 business income taxes fell by 36% or \$23.5 million from fiscal year 2008. This decline comes after five years of double-digit growth. Business income tax collections had risen in fiscal year 2008 by 14%, following fiscal year 2007 collections that were 12% higher than the previous year. The forecast for fiscal year 2010 calls for collections to remain at fiscal year 2009 levels. If the economy does not continue to stabilize collections could be even lower. Business income tax revenues are not forecast to increase until fiscal year 2012.

Motor vehicle rental taxes, which decreased in each of the three years immediately following the September 11th terrorist attacks, fell by 4.38% in fiscal year 2009 after growing by 30% from fiscal year 2004 to 2008. The Board increased the motor vehicle rental tax from 12.5% to 17% in June 2009. Consequently, fiscal year 2010 collections are expected to be up by \$4.5 million from fiscal year 2009. However, after adjusting for the increase in the tax rate, collections are forecast to be down 6.9% from fiscal year 2009 and 11% from their peak in fiscal year 2008.

Overall, ongoing General Fund revenue is expected to grow by 1.59% for fiscal year 2011 over estimated fiscal year 2010 revenues. For fiscal year 2012 to fiscal year 2015, revenue growth is forecast between 3.17% and 4.47% annually. Expenditures, before any Board actions required to balance revenues and expenditures, are expected to grow between 2.91% and 4.7% annually, taking into account the rate of inflation, employee benefits and long term fixed costs.

The State of Oregon provides a significant portion of the County's funding (mostly recorded in the Federal and State Special Revenue Fund). The State's general fund is highly dependent upon income taxes, with approximately 85% of State general fund revenue attributable to personal income tax. Heading into the 2009 legislative session the State estimated a \$4 billion deficit for the 2009-2011 biennium. The State Legislature passed two revenue measures during the 2009 session - HB 2649 and HB 3405 which are expected to raise \$733 million in General Fund revenue. These measures have been referred to the voters and their outcome will be decided in a January 26, 2010 special election. Should the measures be repealed, there would likely be a significant impact on County revenues received from the State.

During 2003 Multnomah County voters approved a temporary personal income tax of 1.25% on residents for fiscal years 2004, 2005, and 2006. The tax primarily provided support to the schools in the County but also provided support to the County's health, human services, and public safety programs. Fiscal year 2006 was the final year the tax would be imposed, and in fiscal year 2009 the County's general fund recognized \$2,122 in collections on delinquent accounts as compared to \$6,611 in tax revenue in fiscal year 2008. The following graph highlights the County's major tax sources.



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

The County's adopted financial and budget policies generally provide for the County to use one time only resources for costs that will not recur in future years. However, the policies allow the use of one-time only resources when, in the short term, it would be more beneficial to allocate such resources to the highest priority public services than to restrict them to non-recurring costs. The result of this practice is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding which can lead to future budget shortfalls. The 2010 adopted budget includes approximately \$11.6 million of one-time only funds. These one-time only funds are used to provide a \$6 million business income tax reserve, \$1.5 million for partial funding for an assessment and taxation system upgrade, \$1.1 million to cover vacant space costs and \$1 million for delinquent payments from the expired temporary personal income tax, from this \$700 passed to Multnomah County Schools. The remaining \$2 million includes carryover funds and other one-time only program expenditures.

By adopting the financial and budget policies, the Board acknowledges that, to avoid financial instability, continuing requirements should be insulated from temporary fluctuations. Therefore one of the goals of the Board is to fund and maintain two general fund reserves designated as unappropriated fund balance and set at 5% each of budgeted "corporate" revenues (i.e., property taxes, business income taxes, motor vehicle rental tax, interest and investment earnings) of the general fund. These reserves are to be used for periods where revenues experience significant declines or used for non-recurring extreme emergencies such as disaster relief. Maintaining an appropriate reserve also helps the County maintain its favorable bond rating, which is currently Aa1 from Moody's Investors Services.

Long-term financial planning. The County's Chief Financial Officer and Budget Director work closely with the Chair's Chief Operating Officer and Department Directors to develop short-term and long-term financial goals and to address the financial stability of the County. The County's Chief Financial Officer and Budget Director also meet with other local jurisdictions to confer on financial issues that either overlap or impact each entity.

Major initiatives. The tension between ongoing revenues and annual expenditure growth, also referred to as the "structural deficit," was a major focus for the County in fiscal year 2009. However, Board actions taken in the fiscal year 2010 budget will significantly improve the County's fiscal condition and allow the County to pursue some major long range goals.

Planning for a number of capital project initiatives has recently been undertaken. The 2009 State Legislature authorized the County to implement a Vehicle Registration Fee to provide revenue for replacement of the Sellwood Bridge. The Legislature also committed an appropriation of \$30,000 for improvements to the bridge interchange with state highway 43 which will limit the amount of local funds necessary for the project. The Board is working with the County's federal representatives to secure an additional \$40,000 to offset construction costs. Recently, the Board authorized staff to begin design work on a new, 37,500 square foot County Court facility to be located in Gresham. Construction costs are estimated at \$21,000 with 2012 – 2013 targeted for occupancy. The fiscal year 2009 budget provided a \$1,000 contribution toward development of a sub-acute mental health facility. Renovation of the site which will house the facility is scheduled to be completed early in 2012. The County is currently in the process of identifying and securing funding to provide for annual operating costs. Finally, the Chair and the Sheriff are in discussions with State of Oregon corrections officials to pursue options to make use of the Wapato jail facility, which remains unopened following the completion of the construction. The options being discussed will be considered during the upcoming special session of the State Legislature, scheduled to convene in February, 2010.

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, 2008. This was the twenty-fourth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.


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

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

Respectfully Submitted,



Mindy Harris
Chief Financial Officer



Cara Fitzpatrick
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, 2008

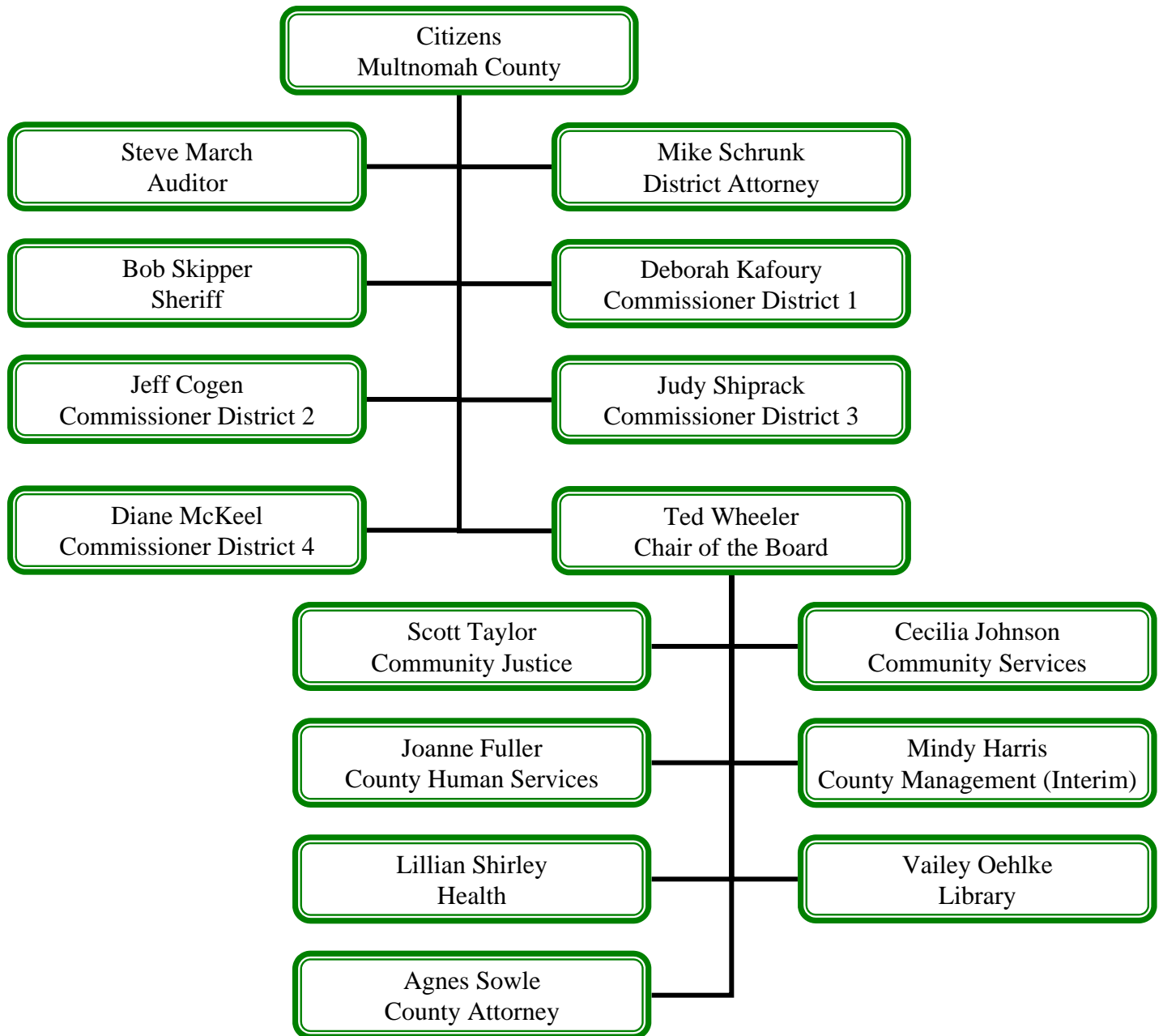
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



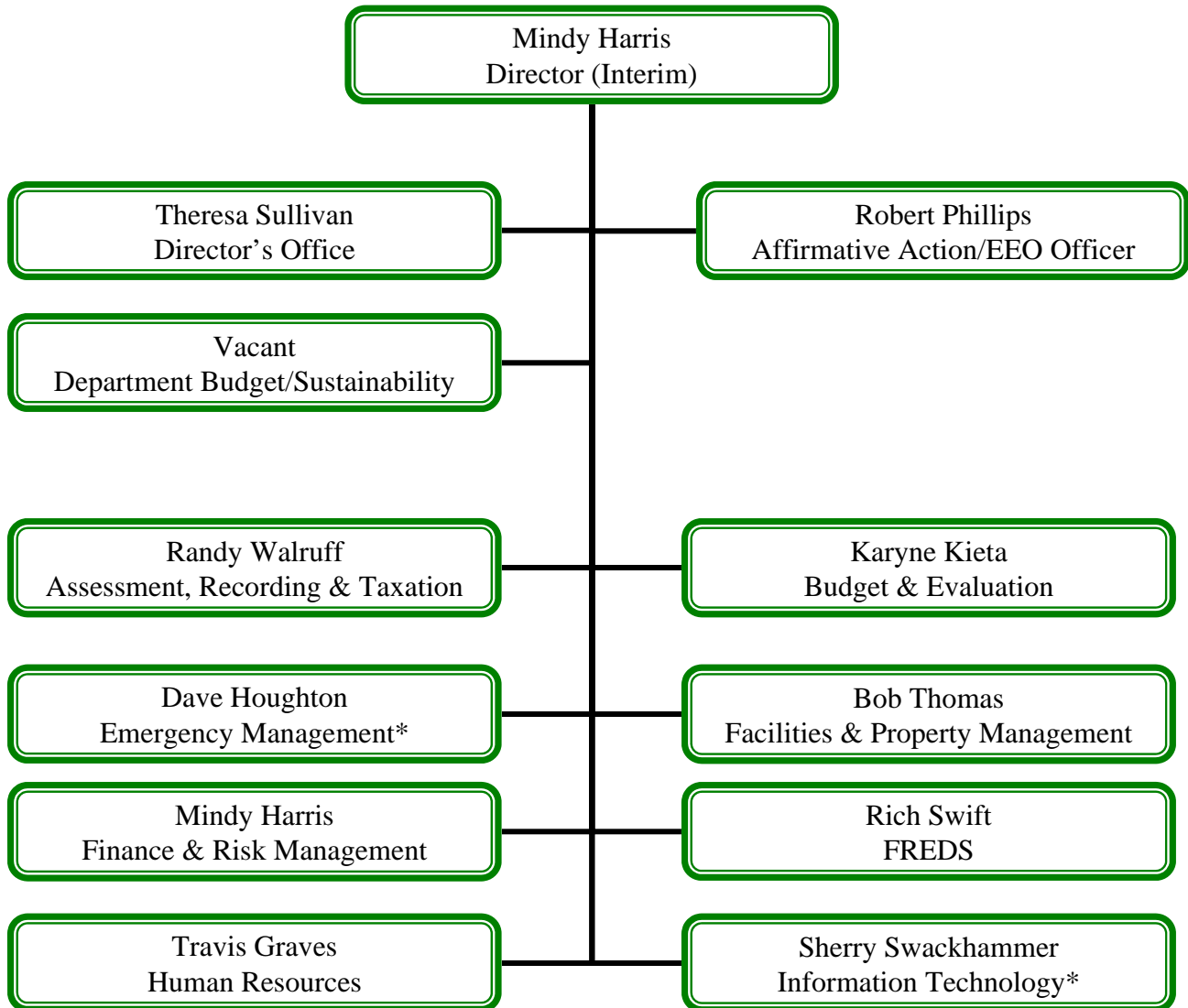
President

Executive Director

MULTNOMAH COUNTY, OREGON

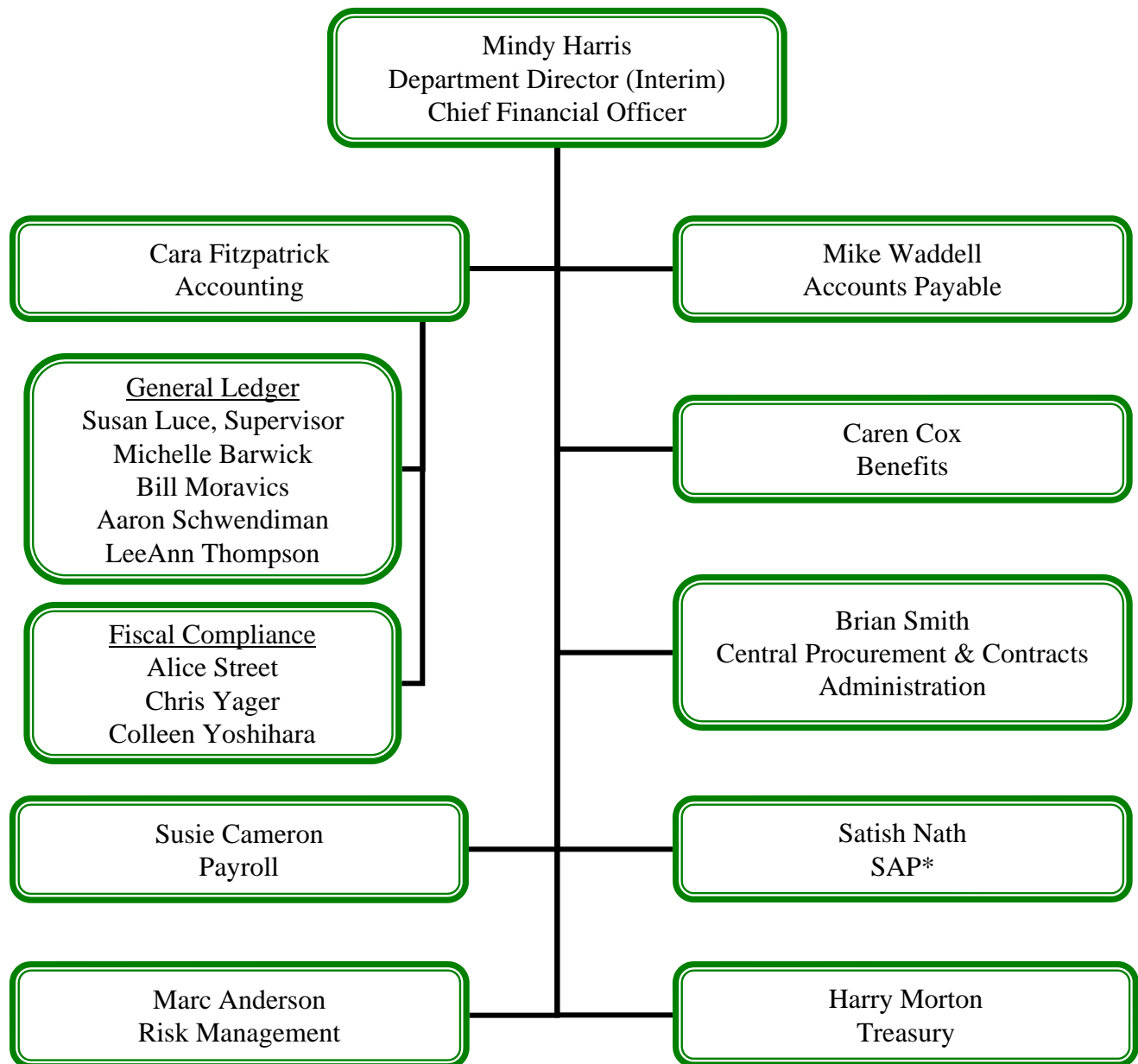


MULTNOMAH COUNTY, OREGON
Department of County Management



*As of July 1, 2009, Emergency Management and Information Technology were moved out of the Department of County Management, to report to the Chair's Office.

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



*As of July 1, 2009, SAP was moved out of Finance and Risk Management to Information Technology, which was moved out of the Department of County Management to report to the Chair's Office.

MULTNOMAH COUNTY, OREGON
For the Year Ended June 30, 2009
Principal Officers

| Title | Name | Term Expires |
|--------------------------------------|---------------------------------------------------------------------------------------|---------------------|
| <u>Board of County Commissioners</u> | | |
| Chair of Board | Ted Wheeler 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214 | 12/31/2010 |
| District No. 1 | Deborah Kafoury 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214 | 12/31/2012 |
| District No. 2 | Jeff Cogen 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214 | 12/31/2010 |
| District No. 3 | Judy Shiprack 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214 | 12/31/2012 |
| District No. 4 | Diane McKeel 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214 | 12/31/2012 |
| <u>Other Elected Officers</u> | | |
| County Auditor | Steve March 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214 | 12/31/2010 |
| County District Attorney | Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976 | 12/31/2010 |
| County Sheriff | Bob Skipper 501 SE Hawthorne Blvd, 3 rd Floor Portland, OR 97214 | 12/31/2010 |
| <u>Other Appointed Officers</u> | | |
| Chief Financial Officer | Mindy Harris | Not elected |
| County Attorney | Agnes Sowle | Not elected |
| County Treasurer | Harry Morton | Not elected |

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of 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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Multnomah County, Oregon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Library Foundation, a discretely presented component unit, which represents 1.27% and 0.08% of total assets and total revenues, respectively, for the year then ended. Those statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Library Foundation, is based solely on the report of other auditors.

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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Multnomah County, Oregon, as of June 30, 2009, and the respective changes in financial position and cash flows where applicable thereof, and the respective budgetary comparisons for the General Fund and the Federal and State Program Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the

report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and OPEB information on pages 14 through 27 and 76 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to this information 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, combining and individual fund statements and schedules, other schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules, and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information 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.



For Moss Adams LLP
Eugene, Oregon
November 24, 2009



Department of County Management

MULTNOMAH COUNTY OREGON

501 SE Hawthorne Blvd, Suite 531

Portland, Oregon 97214

(503) 988-3312 phone

(503) 988-3292 fax

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, 2009. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- Multnomah County's assets exceeded its liabilities at June 30, 2009, by \$571,134 (*net assets*). Of this amount, \$22,620 is restricted for capital improvement projects, \$8,896 is restricted for various community support programs, and \$67,026 is restricted for future years' debt service.
- Total net assets decreased by \$6,230 or 1% in fiscal year 2009. There is not one primary factor for the decrease in net assets, but rather various reasons account for the overall decrease in net assets which are discussed by management below.
- In governmental activities, business income tax revenues decreased by \$22,750 or 35% over the prior year. The primary factor for the large decrease from 2008 is due to the economic downturn and recession during most of fiscal year 2009.
- Personal income tax revenues decreased by \$8,089 from the prior year. Calendar year 2005 was the last year for the three year temporary income tax, and only collections of delinquent accounts were recognized in fiscal year 2009. In addition, the adjustment to recognize the allowance on any uncollectible accounts was significantly higher over the prior year as additional accounts are identified as uncollectible.
- Capital grants and contributions decreased by \$6,674. During fiscal year 2008, the County received \$8,820 as a one time contribution to help fund costs to construct a new County courthouse.
- Interest and investment earnings were down from the prior year by \$6,120 or 51%. The primary reason for this decrease is a drop in average interest rates from 4.2% in fiscal year 2008 to 1.9% in fiscal year 2009.
- The gain on sale of capital assets decreased by \$9,578 or 94%. Included in the prior year balance was a gain for \$10,105 related to the sale of property in East Multnomah County to a private party.
- General government expenses for governmental activities decreased by \$10,887 or 14% from the prior year. The primary reason for the decrease is due to the reduction in the distribution of personal income tax collections reflecting a decrease in expected future collections and distributions from what was accrued in fiscal year 2008. Calendar year 2006 was the last year the tax was in effect. In addition, the County went through a 4% overall spending reduction in the general fund mid-year of 2009 which resulted in cost savings Countywide.
- Social services expenses increased by \$14,053 or 7% from fiscal year 2008. Approximately \$11,000 of this increase was noted in the Federal State special revenue program fund in Department of County Human Services (DCHS) programs. Specifically DCHS programs for weatherization repair and replacement and low income energy assistance significantly increased over 2008 due to a much harsher winter in 2009. Also DCHS programs funded by the State Mental Health grant (SMHG) increased over the prior year. Specifically SMHG services for mental health and developmental disabilities saw the greatest increases as a result of programmatic changes at the State level to reduce the total number of clients served by case managers in these programs and increase spending in other areas directed by the State.

- Net assets for business-type activities increased by \$6,721 or 105% in fiscal year 2009. The increase is primarily attributable to the Behavioral Health Managed Care fund. During fiscal year 2009, the Department of County Human Services instituted a utilization review program that provided for additional oversight and diagnosis over claims in order to ensure the correct services were delivered and to reduce unnecessary provider services. This review program resulted in significant cost savings to programs in the Behavioral Health Managed Care fund.
- Total assets for business-type activities increased by \$6,238 or 55% over the prior year and total liabilities decreased by \$483 or 10% from fiscal year 2008. The increase is primarily in the Behavioral Health Managed Care fund as cash balances have increased for the fund over the prior year as a result of fee for service premiums received from the State and a lag in the corresponding disbursements for services using a fee for service model.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$172,351, a decrease of \$16,730 in comparison with the prior year's increase of \$28,411.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$7,486, or approximately 2% of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate sanitary sewer district and a legally separate street lighting district, for which the County is financially accountable. The statements also include a legally separate, tax exempt foundation whose purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries. Financial information for the two *blended component units* and one *discretely presented component unit* is reported separately from the financial information presented for the County itself.

The government-wide financial statements can be found on pages 28-30 of this report.

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

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

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

The County maintains 26 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Federal State Program Fund, and the PERS Pension Bond Fund, 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 31-34 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 managed care 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 37-39 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of

those funds are *not* available to support County programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 40 of this report. The combining balance sheet for agency funds and combining statement of changes in assets and liabilities for agency funds can be found on pages 124-125 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 41 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 77 of this report.

Required Supplementary Information (RSI)

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 other post employment healthcare benefits obligations. Required supplementary information can be found on page 76.

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 \$571,134 at the close of the most recent fiscal year.

Multnomah County's Net Assets

| | Governmental Activities | | Business- Type Activities | | Total | |
|----------------------------------------------------|----------------------------|------------|------------------------------|----------|------------|------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Current and other assets | \$ 446,254 | \$ 469,917 | \$14,085 | \$ 7,865 | \$ 460,339 | \$ 477,782 |
| Capital assets | 604,268 | 613,142 | 3,442 | 3,424 | 607,710 | 616,566 |
| Total assets | 1,050,522 | 1,083,059 | 17,527 | 11,289 | 1,068,049 | 1,094,348 |
| Long-term liabilities outstanding | 369,715 | 382,106 | 31 | 28 | 369,746 | 382,134 |
| Other liabilities | 122,746 | 129,941 | 4,423 | 4,909 | 127,169 | 134,850 |
| Total liabilities | 492,461 | 512,047 | 4,454 | 4,937 | 496,915 | 516,984 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 470,426 | 465,079 | 3,442 | 3,424 | 473,868 | 468,503 |
| Restricted | 98,542 | 77,979 | - | - | 98,542 | 77,979 |
| Unrestricted | (10,907) | 27,954 | 9,631 | 2,928 | (1,276) | 30,882 |
| Total net assets | \$ 558,061 | \$ 571,012 | \$13,073 | \$ 6,352 | \$ 571,134 | \$ 577,364 |

The largest portion of the County's net assets, approximately 81%, reflects investment in capital assets (land, work in progress, buildings, improvements, machinery and equipment, bridges and infrastructure), net of accumulated depreciation, and the outstanding debt used to acquire the assets in the amount of \$473,868 as compared to \$468,503 a year ago. During fiscal year 2009 the County paid approximately \$14,874 in debt related to capital assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's restricted net assets in the amount of \$98,542 or approximately 17% are restricted for capital projects, debt service, and various community support programs. Restricted net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit for the County's unrestricted net assets of \$1,276 or approximately (.2)%. Unrestricted net assets had a negative balance primarily due to the outstanding long-term liabilities in the County's governmental activities with no offsetting asset. At the end of the current year, the County is able to report positive balances in two out of three categories of net assets for the government as a whole.

In fiscal year 2009 there is a deficit in unrestricted net assets. A primary reason for the decrease from 2008 in unrestricted net assets is due to the \$24,200 one-time General Fund resources to retire debt related to County facilities and pay off other debt issues. 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.

Total net assets decreased by \$6,230 during the current fiscal year. This decrease is attributable to various factors discussed in the financial highlights section of management's discussion and analysis.

On the following page is a summary of the County's changes in net assets for fiscal years 2008 and 2009.

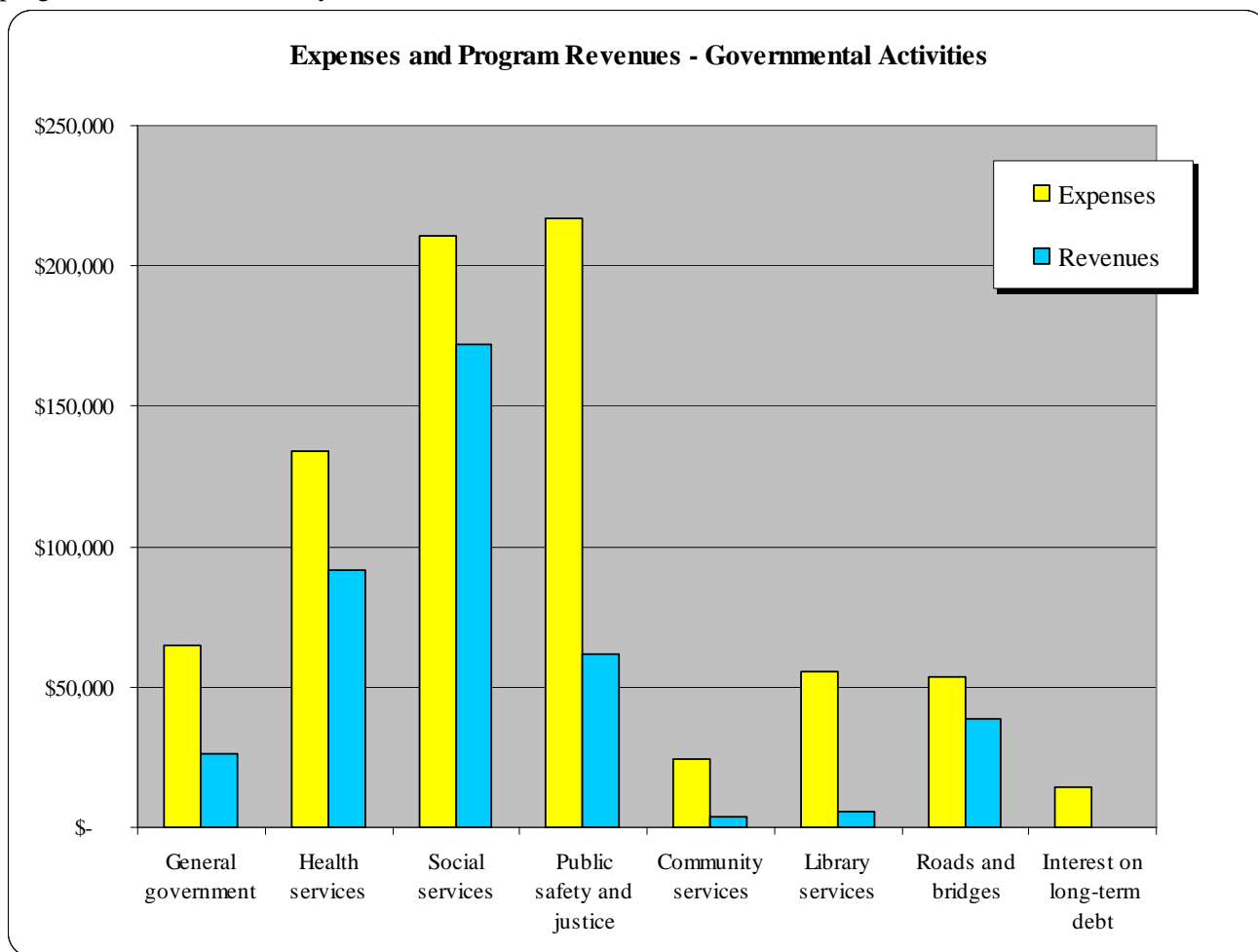
Multnomah County's Changes in Net Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------------------------------|------------------------------------|------------------|-------------------------------------|-----------------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 103,989 | \$ 97,348 | \$40,004 | \$36,967 | \$143,993 | \$134,315 |
| Operating grants and contributions | 291,018 | 265,271 | - | - | 291,018 | 265,271 |
| Capital grants and contributions | 3,831 | 10,505 | 80 | 10 | 3,911 | 10,515 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 266,427 | 258,523 | - | - | 266,427 | 258,523 |
| Personal income taxes | (5,341) | 2,748 | - | - | (5,341) | 2,748 |
| Business income taxes | 42,900 | 65,650 | - | - | 42,900 | 65,650 |
| Other taxes | 40,677 | 44,349 | - | - | 40,677 | 44,349 |
| State government shared revenues | 8,562 | 9,613 | - | - | 8,562 | 9,613 |
| Grants and contributions not restricted to specific programs | 14 | 10 | - | - | 14 | 10 |
| Interest and investment earnings | 5,767 | 11,887 | 235 | 398 | 6,002 | 12,285 |
| Miscellaneous | 1,797 | 1,410 | - | 1 | 1,797 | 1,411 |
| Gain on sale of capital assets | 628 | 10,206 | - | - | 628 | 10,206 |
| Total revenues | 760,269 | 777,520 | 40,319 | 37,376 | 800,588 | 814,896 |
| Expenses: | | | | | | |
| General government | 64,660 | 75,547 | - | - | 64,660 | 75,547 |
| Health services | 133,751 | 125,355 | - | - | 133,751 | 125,355 |
| Social services | 210,590 | 196,537 | - | - | 210,590 | 196,537 |
| Public safety and justice | 217,215 | 208,253 | - | - | 217,215 | 208,253 |
| Community services | 24,320 | 26,069 | - | - | 24,320 | 26,069 |
| Library services | 55,181 | 52,087 | - | - | 55,181 | 52,087 |
| Roads and bridges | 53,462 | 56,716 | - | - | 53,462 | 56,716 |
| Interest on long-term debt | 14,041 | 16,443 | - | - | 14,041 | 16,443 |
| Dunthorpe-Riverdale Service District Number 1 | - | - | 458 | 476 | 458 | 476 |
| Mid County Service District Number 14 | - | - | 420 | 377 | 420 | 377 |
| Behavioral Health Managed Care | - | - | 32,720 | 37,803 | 32,720 | 37,803 |
| Total expenses | 773,220 | 757,007 | 33,598 | 38,656 | 806,818 | 795,663 |
| Increase (decrease) in net assets | (12,951) | 20,513 | 6,721 | (1,280) | (6,230) | 19,233 |
| Beginning net assets | 571,012 | 550,499 | 6,352 | 7,632 | 577,364 | 558,131 |
| Ending net assets | <u>\$558,061</u> | <u>\$571,012</u> | <u>\$13,073</u> | <u>\$ 6,352</u> | <u>\$571,134</u> | <u>\$577,364</u> |

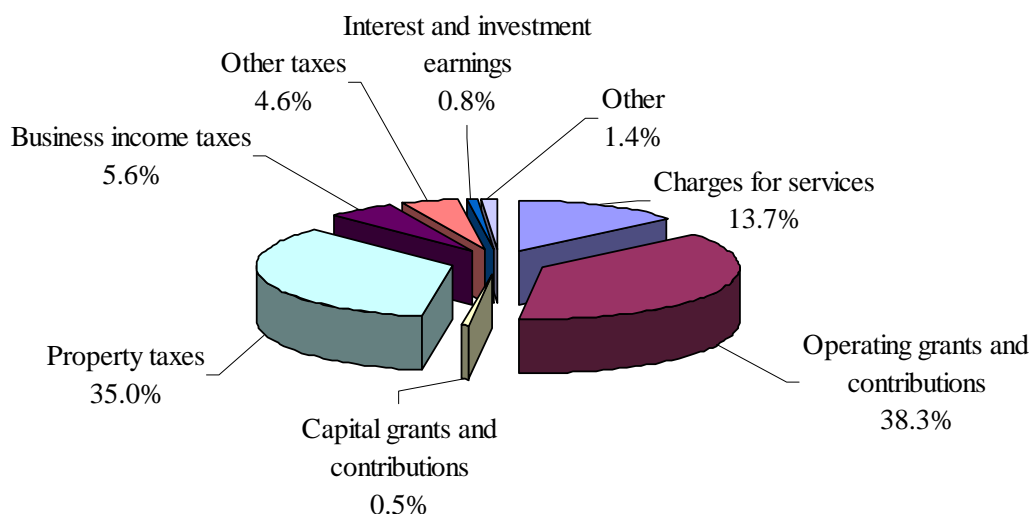
Governmental activities. Governmental activities decreased the County's net assets by \$12,951; key elements of this increase are highlighted below:

- Capital grants and contributions decreased by \$6,674 or 64%. Included in the 2008 balance is a one-time capital contribution for \$8,820 to set aside funds to build a new County courthouse.
- Business income taxes significantly decreased by \$22,750 or 35% from the prior year. Prior to fiscal year 2009, business income tax revenues have grown an average of 20% annually over the past five years. However, as the economic recession set in during fiscal year 2009, the County's business income tax revenues plummeted. This decrease has also mirrored shrinking revenues in the regional economy.
- Due to poor market conditions and lower cash balances, interest and investment earnings were down by \$6,120 or 51% from fiscal year 2008.
- The gain on sale of capital assets decreased by \$9,578 or 94%. The prior year's balance consists of a gain on a sale of property to a local private party.
- Expenses for social services increased by \$14,053 or 7% over 2008. The increase was noted in the Department of County Human Services, specifically in the Federal State special revenue fund. Federal awards that increased from the prior year included grants for weatherization and energy assistance due to a severe winter storm. State grants for mental health and developmental disabilities also increased over 2008 as the State focused on the services provided by these programs, increasing funding to allow for additional case managers and other directed spending.

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



Revenues by Source, Governmental Activities

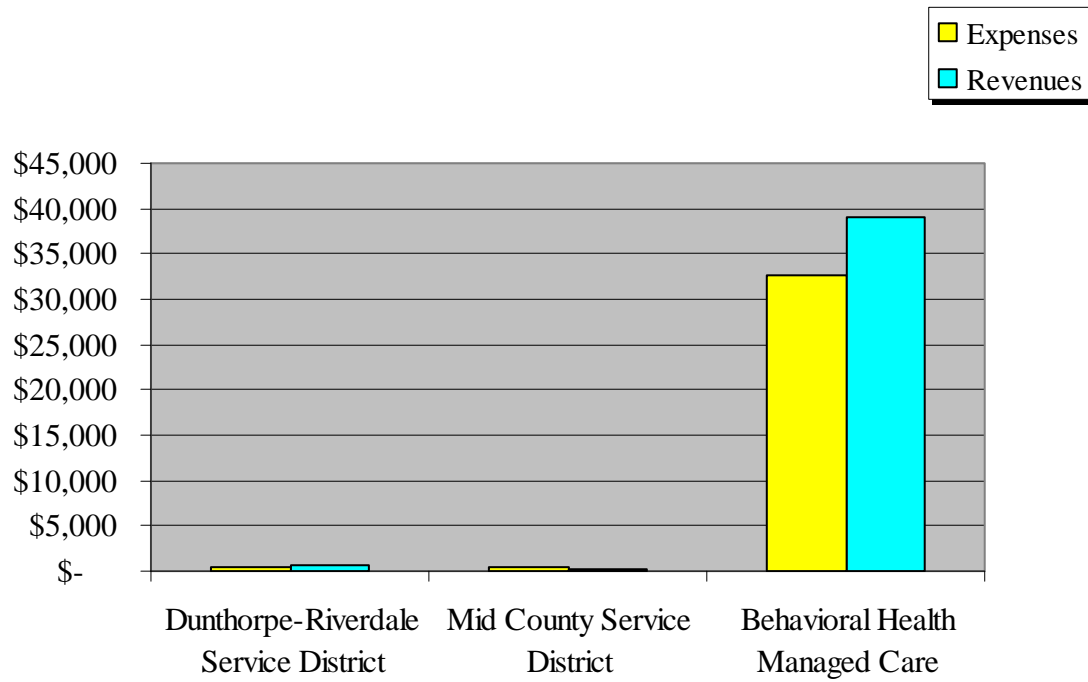


Business-type activities. Business-type activities increased the County's net assets by \$6,721, compared to a decrease of \$1,280 in the prior year. The primary reasons for the current year's increase are:

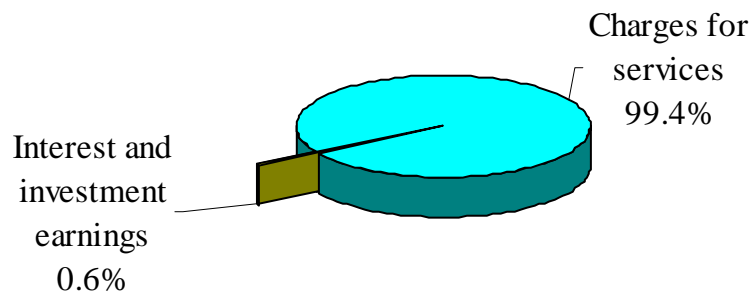
- The Behavioral Health Managed Care fund manages the insurance for Medicaid and Oregon Health Plan enrolled members within Multnomah County. Net assets in this fund increased by \$6,523 as compared to a decrease of \$1,374 in the prior year. The current year increase is a result of a utilization review program implemented by the Department of County Human Services in fiscal year 2009. This program drastically reduced expenses by \$5,083 or 13% in the Behavioral Health Managed Care fund from \$37,803 in fiscal year 2008 to \$32,720 in fiscal year 2009. The effect of the review program was to eliminate any unnecessary services delivered by the program's providers.
- The Dunthorpe-Riverdale Service District's revenue source is primarily sewer assessments collected through property taxes. During fiscal year 2009 the District collected \$713 in fines, fees and charges for services which is an increase over the prior year by \$86 or 14% due to an increase in customer sewer user assessment fees to assist with rising utility costs, capital improvements and debt service payments.
- The Mid County Service District's revenue source is primarily street lighting assessments collected through property taxes. During fiscal year 2009 the District collected \$264 in fines, fees and charges for services which is comparable to the prior year collections of \$268. The District did not increase fee charges in fiscal year 2009.
- Interest revenue decreased by \$163 reflecting declining interest rates throughout fiscal year 2009.

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

Expenses and Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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 \$172,351, a decrease of \$16,730 over the prior year. Approximately 33% or \$57,204 of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for discretionary spending because it has already been committed 1) to interfund receivables (\$23,200), 2) to prepaid items and inventories (\$2,716), 3) to pay debt service (\$66,608), or 4) to pay for ongoing capital projects (\$22,623).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance was \$7,486 in the General Fund or approximately 24% of the total fund balance of \$31,377. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unreserved fund balance represents 2% of total General Fund expenditures.

The fund balance of the County's General Fund decreased by \$40,236 during the current fiscal year. The primary factor for this decrease can be attributed to a significant decrease in business income tax revenues. Business income tax revenues were budgeted at \$55,665 while actual revenue collections were only \$42,900 for the year as compared to a budget of \$53,020 and actual collections of \$65,650 for the prior fiscal year. The decrease is also attributed to one-time transfers from the General Fund for early debt retirement of \$24,200.

The Federal and State Program Special Revenue Fund has a total fund balance of \$6,735, of which \$1,085 is reserved for prepaid items and inventories. The remaining \$5,650 is unreserved. In general, Federal revenues are closely matched with Federal expenditures. The fund balance increased over the prior year by \$2,306 or 52% as a result of a significant amount of Department of County Human Services awards that carried forward into the following fiscal year.

The PERS Pension Bond Fund is a debt service fund with a total fund balance of \$31,439 which is an increase of \$4,240 over the prior year's ending fund balance of \$27,199. The total fund balance is reserved for future debt service.

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, \$251
- Mid County Service District Fund, \$250
- Behavioral Health Managed Care Fund, \$9,130

The total change in net assets for all proprietary funds was an increase of \$6,721. 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

The adjustments necessary to bring the expenditure budget into agreement with the revised revenue budget account for some of the differences between the original General Fund budget and the final adopted budget. Total final adopted budgeted revenues were increased by \$450 and total final adopted budgeted expenditures were increased by \$5,945 from the original budgeted numbers. During the year the General Fund contingency was reduced by \$11,830 for the following reasons:

- Approximately \$2,100 had been set aside for cost of living adjustments in labor contracts for corrections deputies in the Sheriff's Office and probation and parole officers in the Department of Community Justice. These labor agreements were finally settled during fiscal year 2009.
- \$500 was spent towards specific classification compensation studies among various union classifications.
- \$2,236 was set aside for an inmate supervision program in the Sheriff's Office that previously was administered by the Department of Community Justice.
- \$6,389 was transferred out via cash transfer from the General Fund and into the Capital Improvement capital project fund in order to make necessary capital improvements to County buildings. Specifically the County's courthouse needed roof repairs as well as exterior maintenance and elevator replacements.
- Approximately \$300 was set aside in the General Fund for the Sheriff's Office to provide for additional jail beds in County jails.
- \$285 was transferred via cash transfer to the Facilities Management internal service fund to fund minimal operating costs at the Wapato jail facility which currently remains unopened.

The contingency transactions account for increases in budgeted expenditures not related to increased revenues, and may be used only when approved by the Board for a specific purpose and department. There was no effect on the ending General Fund budgetary fund balance as a result of these budget amendments. The following list highlights department expenditures that had changes from the original budget to the final adopted budget or variances between the final adopted budget to actual expenditures in the General Fund greater than \$4,000:

- Sheriff – The Sheriff's office final budget exceeded the original budget by \$4,302. Approximately \$1,666 accounts for Sheriff's Office corrections deputies' cost of living adjustment as a result of executing labor agreements. \$339 was set aside in the General Fund for additional jail beds. The remaining amount was funding set aside for an inmate supervision program. The Sheriff's office also spent less than their final budget by \$4,785, which is primarily the result of reductions in various programs in response to a request by the Chair's Office for all departments to spend at least 4% under their General Fund appropriation for fiscal year 2009.
- Nondepartmental – Nondepartmental offices and agencies spent less than their final budget by \$4,148 which was largely related to personal income tax distributions, which were budgeted at \$1,733 without any related actual expenditures. Additionally, business income tax distributions were budgeted at \$5,578 but actual expenditures were only \$4,432. The County also budgeted \$880 in interest expense for a short-term borrowing which wasn't needed.

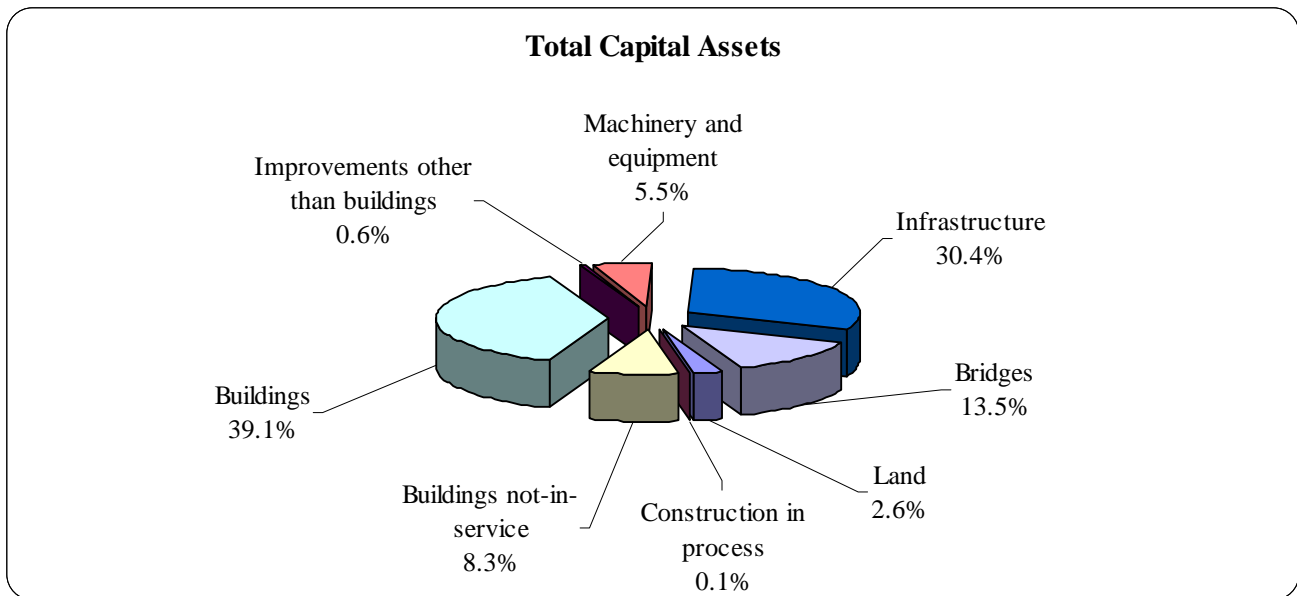
Capital Projects and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$607,710 (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 overall change in the County's investment in capital assets for the current fiscal year was a decrease of \$8,856 or approximately 1%. There were no significant capital asset events during the current fiscal year. Governmental buildings decreased by \$6,029 or 3%, due to depreciation on existing buildings. Additionally, buildings not-in-service represents a County jail facility whose construction was completed in fiscal year 2005. However, the County does not have sufficient resources to operate the facility.

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

| | Governmental Activities | | Business- Type Activities | | Total | |
|--------------------------------------|----------------------------|-------------------|------------------------------|-----------------|-------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Land | \$ 16,115 | \$ 16,296 | \$ - | \$ - | \$ 16,115 | \$ 16,296 |
| Construction in process | 1,437 | 317 | - | - | 1,437 | 317 |
| Buildings not-in-service | 51,164 | 51,164 | - | - | 51,164 | 51,164 |
| Buildings | 234,938 | 240,967 | - | - | 234,938 | 240,967 |
| Improvements other than buildings | 296 | 188 | 3,442 | 3,424 | 3,738 | 3,612 |
| Machinery and equipment | 34,540 | 34,003 | - | - | 34,540 | 34,003 |
| Bridges | 87,033 | 83,033 | - | - | 87,033 | 83,033 |
| Infrastructure | 178,745 | 187,174 | - | - | 178,745 | 187,174 |
| Total capital assets | <u>\$ 604,268</u> | <u>\$ 613,142</u> | <u>\$ 3,442</u> | <u>\$ 3,424</u> | <u>\$ 607,710</u> | <u>\$ 616,566</u> |

The following chart indicates the County's capital assets as of June, 30, 2009. Additional information on the County's capital assets can be found in note 3.C on pages 59-60 of this report.



Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$295,019. Of this amount, \$56,570 comprises debt backed by the general obligation bonds; \$223,829 represents debt backed by the full faith and credit bonds; \$623 comprises long term loan 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

| | Governmental Activities | | Business- Type Activities | | Total | |
|-----------------------------|----------------------------|------------|------------------------------|------|------------|------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| General obligation bonds | \$ 56,570 | \$ 63,125 | \$ - | \$ - | \$ 56,570 | \$ 63,125 |
| Revenue bonds | 3,240 | 5,320 | - | - | 3,240 | 5,320 |
| Full faith and credit bonds | 223,829 | 235,609 | - | - | 223,829 | 235,609 |
| Capital leases | 10,757 | 13,604 | - | - | 10,757 | 13,604 |
| Loans | 623 | 242 | - | - | 623 | 242 |
| Total outstanding debt | \$ 295,019 | \$ 317,900 | \$ - | \$ - | \$ 295,019 | \$ 317,900 |

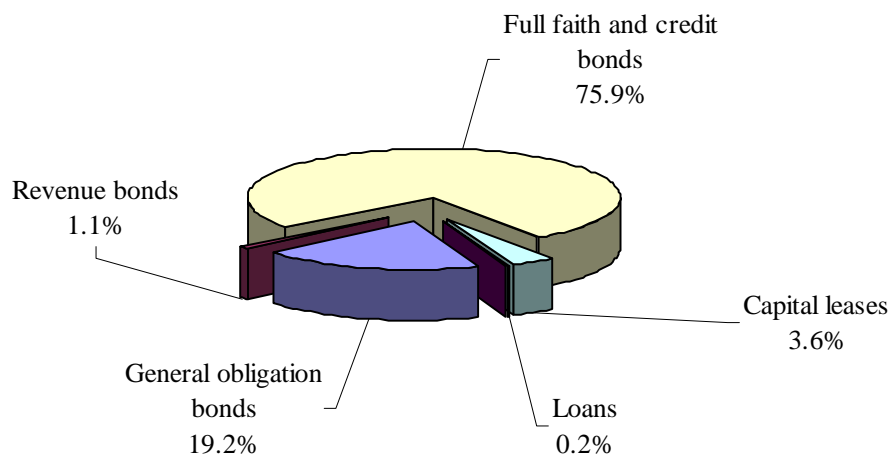
The County's total debt decreased by \$22,881 or approximately 7% during the current fiscal year. Changes to the County's long-term debt during fiscal year 2009 consisted primarily of principal payments.

The County maintains an "Aa1" rating with a stable outlook 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 \$2,147,639, 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 \$1,073,820, which is in excess of the County's outstanding full faith and credit debt. The County is also subject to State statute on revenue bonds used to finance pension liabilities by 5% of the real market value of all taxable property within the County's boundaries. The current debt limitation for pension revenue bonds is \$5,369,098, which is also in excess of the County's outstanding pension revenue bonds.

The following chart indicates the County's long-term liabilities as of June 30, 2009. Additional information on the County's long-term liabilities can be found in note 3.F on pages 61-69 of this report.

Total Outstanding Long-Term Debt



Key Economic Factors and Budget Information for Next Year

- The unemployment rate for the Portland-Vancouver-Beaverton PMSA (Primary Metropolitan Statistical Area) at the close of the fiscal year was approximately 11.5% which is significantly higher than the prior year's rate of 5.8% due to the economic recession.
- The forecast for fiscal year 2010 anticipates business income tax revenues will remain at the fiscal year 2009 levels. However if the economy does not continue to stabilize, actual collections could be even lower. Business income tax is highly sensitive to economic conditions. In a weakening economic climate it would not be surprising for revenues to drop by 15% or more.
- Property tax revenues are not expected to be significantly different than the original budget estimates. County assessed or taxable values are significantly below real market values for most properties, therefore property tax collections are anticipated to be relatively inelastic despite falling real market values.

All of these factors were considered in preparing the County's budget for fiscal year 2009-2010.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$7,486. At this level, with an additional \$15,337 reported in the General Reserve special revenue fund, the County is able to fully fund one of the two reserves as described in the Financial and Budget policies, and approximately half of the second reserve. The fiscal year 2009-2010 budget fully funds the second reserve in the General Fund.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

MULTNOMAH COUNTY, OREGON
Statement of Net Assets
June 30, 2009
(amounts expressed in thousands)

| | Primary Government | | | Component Unit |
|--------------------------------------------------------|---------------------------|----------------------|-------------------|-----------------------|
| | Governmental | Business-Type | | The Library |
| | Activities | Activities | Total | Foundation |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 215,909 | \$ 14,281 | \$ 230,190 | \$ 12,091 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Taxes | 24,064 | - | 24,064 | - |
| Accounts | 66,654 | 6 | 66,660 | 81 |
| Loans | 1,132 | - | 1,132 | - |
| Interest | 1,048 | - | 1,048 | - |
| Special assessments | 11 | 51 | 62 | - |
| Contracts | 4,570 | - | 4,570 | - |
| Contributions | - | - | - | 205 |
| Internal balances | 253 | (253) | - | - |
| Inventories | 3,064 | - | 3,064 | - |
| Prepaid items | 2,308 | - | 2,308 | 16 |
| Split-interest and other agreements | - | - | - | 1,212 |
| Restricted cash and investments | 1,314 | - | 1,314 | - |
| Capital assets: | | | | |
| Land and construction in progress | 17,552 | - | 17,552 | - |
| Buildings-not in service, not depreciating | 51,164 | - | 51,164 | - |
| Other capital assets (net of accumulated depreciation) | 535,552 | 3,442 | 538,994 | 11 |
| Other assets, net of amortization | 125,927 | - | 125,927 | - |
| Total assets | <u>1,050,522</u> | <u>17,527</u> | <u>1,068,049</u> | <u>13,616</u> |
| LIABILITIES | | | | |
| Accounts payable | 61,065 | 4,405 | 65,470 | 295 |
| Claims and judgments payable | 12,861 | - | 12,861 | - |
| Accrued salaries and benefits | 8,307 | 10 | 8,317 | - |
| Accrued interest payable | 2,646 | - | 2,646 | - |
| Gift annuity payable | - | - | - | 7 |
| Unearned revenue | 7,190 | - | 7,190 | - |
| Due within one year: | | | | |
| Compensated absences | 6,614 | 8 | 6,622 | - |
| Bonds payable | 21,786 | - | 21,786 | - |
| Capital leases payable | 2,277 | - | 2,277 | - |
| Noncurrent liabilities: | | | | |
| Due in more than one year: | | | | |
| Compensated absences | 16,863 | 31 | 16,894 | - |
| Bonds payable | 261,853 | - | 261,853 | - |
| Capital leases payable | 8,480 | - | 8,480 | - |
| Loans payable | 623 | - | 623 | - |
| Deferred lease obligation | 1,723 | - | 1,723 | - |
| Net other postemployment benefits obligation | 80,173 | - | 80,173 | - |
| Total liabilities | <u>492,461</u> | <u>4,454</u> | <u>496,915</u> | <u>302</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 470,426 | 3,442 | 473,868 | 11 |
| Restricted for: | | | | |
| Nonexpendable - Library operations | - | - | - | 3,972 |
| Expendable: | | | | |
| Capital projects | 22,620 | - | 22,620 | - |
| Community support programs | 8,896 | - | 8,896 | - |
| Debt service | 67,026 | - | 67,026 | - |
| Library operations | - | - | - | 3,263 |
| Unrestricted | (10,907) | 9,631 | (1,276) | 6,068 |
| Total net assets | <u>\$ 558,061</u> | <u>\$ 13,073</u> | <u>\$ 571,134</u> | <u>\$ 13,314</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, 2009

| Functions/Programs | Program Revenues | | | |
|--------------------------------------------------------------|-------------------------|----------------------------------------------------|---------------------------------------------------|-------------------------------------------------|
| | Expenses | Fees, Fines and Charges or Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 64,660 | \$ 21,936 | \$ 4,107 | \$ 99 |
| Health services | 133,751 | 60,340 | 31,117 | - |
| Social services | 210,590 | 1,125 | 170,657 | - |
| Public safety and justice | 217,215 | 17,597 | 44,258 | - |
| Community services | 24,320 | 10 | 3,444 | 489 |
| Library | 55,181 | 1,754 | 3,552 | - |
| Roads and bridges | 53,462 | 1,227 | 33,883 | 3,243 |
| Interest on long-term debt | 14,041 | - | - | - |
| Total governmental activities | <u>773,220</u> | <u>103,989</u> | <u>291,018</u> | <u>3,831</u> |
| Business-type activities: | | | | |
| Dunthorpe-Riverdale service | | | | |
| District Number 1 | 458 | 713 | - | - |
| Mid County service | | | | |
| District Number 14 | 420 | 264 | - | 80 |
| Behavioral health managed care | <u>32,720</u> | <u>39,027</u> | <u>-</u> | <u>-</u> |
| Total business-type activities | <u>33,598</u> | <u>40,004</u> | <u>-</u> | <u>80</u> |
| Total primary government | <u>\$ 806,818</u> | <u>\$ 143,993</u> | <u>\$ 291,018</u> | <u>\$ 3,911</u> |
| Component unit: | | | | |
| The Library Foundation | <u>\$ 2,341</u> | <u>\$ -</u> | <u>\$ 670</u> | <u>\$ -</u> |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purposes | | | | |
| Property taxes, levied for debt service | | | | |
| Personal income taxes | | | | |
| Business income taxes | | | | |
| Selective excise and use taxes | | | | |
| Payments in lieu of taxes | | | | |
| State government shared unrestricted revenues | | | | |
| Grants and contributions not restricted to specific programs | | | | |
| Interest and investment earnings | | | | |
| Miscellaneous | | | | |
| Gain on sale of capital assets | | | | |
| Total general revenues | | | | |
| 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 | | | |
|--------------------------------------------------------------|-------------------------------------|--------------|-----------------------------------|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-type Activities | Total | The Library Foundation |
| \$ (38,518) | \$ - | \$ (38,518) | \$ - |
| (42,294) | - | (42,294) | - |
| (38,808) | - | (38,808) | - |
| (155,360) | - | (155,360) | - |
| (20,377) | - | (20,377) | - |
| (49,875) | - | (49,875) | - |
| (15,109) | - | (15,109) | - |
| (14,041) | - | (14,041) | - |
| (374,382) | - | (374,382) | - |
| - | 255 | 255 | - |
| - | (76) | (76) | - |
| - | 6,307 | 6,307 | - |
| - | 6,486 | 6,486 | - |
| (374,382) | 6,486 | (367,896) | - |
| - | - | - | (1,671) |
| \$ 258,200 | \$ - | \$ 258,200 | - |
| 8,227 | - | 8,227 | - |
| (5,341) | - | (5,341) | - |
| 42,900 | - | 42,900 | - |
| 39,161 | - | 39,161 | - |
| 1,516 | - | 1,516 | - |
| 8,562 | - | 8,562 | - |
| 14 | - | 14 | 2,014 |
| 5,767 | 235 | 6,002 | (1,945) |
| 1,797 | - | 1,797 | 1 |
| 628 | - | 628 | - |
| 361,431 | 235 | 361,666 | 70 |
| (12,951) | 6,721 | (6,230) | (1,601) |
| 571,012 | 6,352 | 577,364 | 14,915 |
| \$ 558,061 | \$ 13,073 | \$ 571,134 | \$ 13,314 |

MULTNOMAH COUNTY, OREGON

Balance Sheet

Governmental Funds

June 30, 2009

(amounts expressed in thousands)

| | <u>General Fund</u> | <u>Federal and State Special Revenue Fund</u> | <u>PERS Pension Bond Debt Service Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------|-------------------------|-------------------------------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 20,968 | \$ 152 | \$ 31,439 | \$ 103,937 | \$ 156,496 |
| Receivables: | | | | | |
| Taxes | 19,435 | - | - | 4,629 | 24,064 |
| Accounts | 6,861 | 51,181 | - | 7,194 | 65,236 |
| Loans | - | 744 | - | - | 744 |
| Interest | 1,048 | - | - | - | 1,048 |
| Special assessments | 11 | - | - | - | 11 |
| Contracts | 1,229 | - | - | 2,691 | 3,920 |
| Advances to other funds | 23,200 | - | - | - | 23,200 |
| Inventories | 255 | 469 | - | 745 | 1,469 |
| Prepays and deposits | 436 | 616 | - | 195 | 1,247 |
| Restricted cash and investments | - | 279 | - | 1,035 | 1,314 |
| Total assets | <u>\$ 73,443</u> | <u>\$ 53,441</u> | <u>\$ 31,439</u> | <u>\$ 120,426</u> | <u>\$ 278,749</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 24,005 | \$ 18,152 | \$ - | \$ 11,344 | \$ 53,501 |
| Payroll payable | 4,129 | 2,454 | - | 1,021 | 7,604 |
| Advances from other funds | - | 23,200 | - | - | 23,200 |
| Deferred revenue | <u>13,932</u> | <u>2,900</u> | <u>-</u> | <u>5,261</u> | <u>22,093</u> |
| Total liabilities | <u>42,066</u> | <u>46,706</u> | <u>-</u> | <u>17,626</u> | <u>106,398</u> |
| FUND BALANCES | | | | | |
| Reserved for capital projects | - | - | - | 22,623 | 22,623 |
| Reserved for debt service | - | - | 31,439 | 35,169 | 66,608 |
| Reserved for interfund receivable | 23,200 | - | - | - | 23,200 |
| Reserved for inventories | 255 | 469 | - | 745 | 1,469 |
| Reserved for prepaid items | 436 | 616 | - | 195 | 1,247 |
| Unreserved, reported in: | | | | | |
| General fund | 7,486 | - | - | - | 7,486 |
| Special revenue funds | <u>-</u> | <u>5,650</u> | <u>-</u> | <u>44,068</u> | <u>49,718</u> |
| Total fund balances | <u>31,377</u> | <u>6,735</u> | <u>31,439</u> | <u>102,800</u> | <u>172,351</u> |
| Total liabilities and fund balances | <u>\$ 73,443</u> | <u>\$ 53,441</u> | <u>\$ 31,439</u> | <u>\$ 120,426</u> | <u>\$ 278,749</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, 2009
(amounts expressed in thousands)

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------|
| Fund Balances - Governmental Funds | | \$ 172,351 |
| 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 | 1,236,889 | |
| Less accumulated depreciation | <u>(638,398)</u> | 598,491 |
| Other long-term assets | | |
| Negative net pension asset | 125,595 | |
| Bond issuance costs | <u>332</u> | 125,927 |
| Accrued interest payable | | (2,646) |
| Net amount due from community based health organization for outstanding loan does not represent current financial resources and therefore is not reported in governmental funds | | |
| | | 388 |
| 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 | (283,639) | |
| Capital leases payable | (10,757) | |
| Loans payable | <u>(623)</u> | (295,019) |
| Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds. | | |
| | | (21,046) |
| Accrued personal income tax distributions are not due and payable in the current period and therefore are not reported in the funds. | | |
| | | (2,079) |
| Net other post-employment benefits obligation | | (80,173) |
| Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds. | | |
| Property taxes | 12,624 | |
| Personal income taxes | <u>2,320</u> | 14,944 |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds that are reported with governmental activities. | | |
| | | <u>46,923</u> |
| Net Assets of Governmental Activities | | <u><u>\$ 558,061</u></u> |

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | General Fund | Federal and State Special Fund | PERS Pension Bond Debt Service Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------------------------------|-------------------------|-----------------------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 275,105 | \$ - | \$ - | \$ 75,191 | \$ 350,296 |
| Intergovernmental | 16,175 | 241,648 | - | 34,866 | 292,689 |
| Licenses and permits | 8,859 | 1,936 | - | 4,011 | 14,806 |
| Charges for services | 10,662 | 57,069 | - | 7,096 | 74,827 |
| Interest | 2,092 | 7 | 626 | 1,666 | 4,391 |
| Other | 13,834 | 2,723 | 17,156 | 10,203 | 43,916 |
| Total revenues | <u>326,727</u> | <u>303,383</u> | <u>17,782</u> | <u>133,033</u> | <u>780,925</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 55,825 | - | - | 4,135 | 59,960 |
| Health services | 51,209 | 86,354 | - | 1,378 | 138,941 |
| Social services | 43,695 | 168,137 | - | - | 211,832 |
| Public safety and justice | 170,486 | 43,148 | - | 6,163 | 219,797 |
| Community services | - | 2,913 | - | 21,167 | 24,080 |
| Library services | - | - | - | 50,872 | 50,872 |
| Roads and bridges | - | - | - | 38,148 | 38,148 |
| Capital outlay | 1,041 | 525 | - | 19,217 | 20,783 |
| Debt service: | | | | | |
| Principal | 11 | - | 6,470 | 16,943 | 23,424 |
| Interest | 6 | - | 7,072 | 6,911 | 13,989 |
| Total expenditures | <u>322,273</u> | <u>301,077</u> | <u>13,542</u> | <u>164,934</u> | <u>801,826</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,454</u> | <u>2,306</u> | <u>4,240</u> | <u>(31,901)</u> | <u>(20,901)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from issuance of debt | - | - | - | 623 | 623 |
| Transfers in | 3,416 | - | - | 58,562 | 61,978 |
| Transfers out | (48,106) | - | - | (10,324) | (58,430) |
| Total other financing sources (uses) | <u>(44,690)</u> | <u>-</u> | <u>-</u> | <u>48,861</u> | <u>4,171</u> |
| Net change in fund balances | (40,236) | 2,306 | 4,240 | 16,960 | (16,730) |
| Fund balances - beginning | 71,613 | 4,429 | 27,199 | 85,840 | 189,081 |
| Fund balances - ending | <u>\$ 31,377</u> | <u>\$ 6,735</u> | <u>\$ 31,439</u> | <u>\$ 102,800</u> | <u>\$ 172,351</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, 2009
(amounts expressed in thousands)

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------|
| Net change in fund balances - Governmental Funds | | \$ (16,730) |
| 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 | 20,783 | |
| Current year depreciation expense | <u>(32,210)</u> | (11,427) |
| Contributed and donated capital assets | 3,732 | |
| Loss on disposal of capital assets | <u>(820)</u> | 2,912 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. | | |
| Increase in deferred revenues - property taxes | 2,797 | |
| Decrease in deferred revenues - personal income taxes | <u>(7,463)</u> | (4,666) |
| Proceeds from loans provide current financial resources to governmental funds, but are an increase of long-term liabilities in the statement of net assets | | (623) |
| Premium issued on long-term debt is reported as an other financing source in governmental funds, but an increase of long-term liabilities in the statement of net assets. | | |
| The premium is amortized to interest income in the statement of activities. | | |
| Current year premium amortization | | 339 |
| Issuance costs and similar items are reported in the governmental funds when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Current year amortization expense | | (32) |
| The difference between refunding bond proceeds and amount sent to the escrow agent to defease outstanding debt is a deferred charge in the statement of net assets and amortized to interest expense in the statement of activities over the life of the refunded debt. | | |
| Current year interest expense | | (259) |
| Activities related to loan provided to community based health organization: | | |
| Distribution of funds to community based health organization | 522 | |
| Payments received from community based health organization | (49) | |
| Current year adjustment for accrued interest and change to allowance | 124 | |
| Repayment to other Government for amounts received but not distributed | <u>100</u> | 697 |
| Repayment of long-term debt is reported as an expenditure in the governmental funds, but a reduction of long-term liabilities in the statement of net assets. | | 23,424 |
| Some expenses reported in the statement of activities do not require the use of current resources | | |
| Increase in long-term compensated absences | (998) | |
| Decrease in accrued interest expense | 208 | |
| Decrease in personal income tax distribution liability | <u>5,262</u> | 4,472 |
| Amortization expense on the net pension asset. | | (6,152) |
| Current year expense for net other post-employment benefits obligation | | (10,037) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net assets of the internal service funds is reported with governmental activities. | | |
| | | <u>5,131</u> |
| Change in net assets of Governmental Activities | | <u>\$ (12,951)</u> |
| The notes to the financial statements are an integral part of this statement. | | |

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MAJOR GOVERNMENTAL FUNDS

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

- **General Fund** – accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes, personal income taxes, and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, and health and social services.
- **Federal and State Program Fund** – a special revenue fund that accounts for the majority of revenues and expenditures related to Federal and State financial assistance programs.
- **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. The schedule of revenues, expenditures, and changes in fund balances – budget and actual for the PERS Pension Bond debt service fund is on page 105.

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|---------------------------------------|-------------------------|------------------|------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes | | | | |
| Property: | | | | |
| Current | \$ 209,880 | \$ 209,880 | \$ 210,893 | \$ 1,013 |
| Prior | 4,165 | 4,165 | 3,584 | (581) |
| Penalties and interest | 1,357 | 1,357 | 1,557 | 200 |
| Payments in lieu of taxes | - | - | 1,158 | 1,158 |
| Business income | 55,665 | 55,665 | 42,900 | (12,765) |
| Personal income | 3,600 | 3,600 | 2,122 | (1,478) |
| Motor vehicle rental | 13,212 | 13,212 | 12,891 | (321) |
| Intergovernmental: | | | | |
| Federal | 500 | 500 | - | (500) |
| State | 13,895 | 13,895 | 12,209 | (1,686) |
| Local | 4,945 | 4,945 | 3,966 | (979) |
| Licenses and permits | 8,899 | 8,899 | 8,859 | (40) |
| Charges for services | 8,924 | 8,938 | 10,662 | 1,724 |
| Interest | 4,960 | 4,960 | 2,092 | (2,868) |
| Other: | | | | |
| Service reimbursements | 13,651 | 14,075 | 12,527 | (1,548) |
| Miscellaneous | 1,312 | 1,324 | 1,307 | (17) |
| Total revenues | <u>344,965</u> | <u>345,415</u> | <u>326,727</u> | <u>(18,688)</u> |
| EXPENDITURES | | | | |
| Community justice | 54,129 | 55,030 | 53,203 | 1,827 |
| Community services | 11,197 | 11,197 | 10,382 | 815 |
| County management | 33,897 | 33,949 | 31,933 | 2,016 |
| District attorney | 19,800 | 19,800 | 19,140 | 660 |
| Health services | 54,539 | 54,791 | 51,209 | 3,582 |
| Human services | 46,987 | 47,328 | 43,701 | 3,627 |
| Nondepartmental | 18,449 | 18,546 | 14,398 | 4,148 |
| Sheriff | 98,790 | 103,092 | 98,307 | 4,785 |
| Total expenditures | <u>337,788</u> | <u>343,733</u> | <u>322,273</u> | <u>21,460</u> |
| Excess of revenues over expenditures | <u>7,177</u> | <u>1,682</u> | <u>4,454</u> | <u>2,772</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 3,640 | 3,640 | 3,416 | (224) |
| Transfers out | (42,422) | (48,757) | (48,106) | 651 |
| Total other financing sources (uses) | <u>(38,782)</u> | <u>(45,117)</u> | <u>(44,690)</u> | <u>427</u> |
| Contingency | (16,459) | (4,629) | - | 4,629 |
| Net change in fund balances | <u>(48,064)</u> | <u>(48,064)</u> | <u>(40,236)</u> | <u>7,828</u> |
| Fund balances - beginning | 62,064 | 62,064 | 71,613 | 9,549 |
| Fund balances - ending | <u>\$ 14,000</u> | <u>\$ 14,000</u> | <u>\$ 31,377</u> | <u>\$ 17,377</u> |

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Program Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|---------------------------------------------------------------------------|-------------------------|----------------|-----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Intergovernmental | \$ 174,732 | \$ 189,046 | \$ 184,058 | \$ (4,988) |
| Licenses and permits | 2,451 | 2,451 | 1,936 | (515) |
| Charges for services | 55,576 | 55,576 | 57,069 | 1,493 |
| Interest | 8 | 8 | 7 | (1) |
| Other: | | | | |
| Non-governmental grants | 2,091 | 2,642 | 2,417 | (225) |
| Service reimbursements | 73 | 73 | 1 | (72) |
| Miscellaneous | 385 | 419 | 305 | (114) |
| Total revenues | <u>235,316</u> | <u>250,215</u> | <u>245,793</u> | <u>(4,422)</u> |
| EXPENDITURES | | | | |
| Community justice | 28,869 | 28,760 | 26,557 | 2,203 |
| Community services | 194 | 328 | 365 | (37) |
| County management | 1,524 | 1,612 | 734 | 878 |
| District attorney | 6,391 | 6,716 | 5,788 | 928 |
| Health services | 81,988 | 83,876 | 86,360 | (2,484) |
| Human services | 104,521 | 117,318 | 110,875 | 6,443 |
| Nondepartmental | 1,845 | 2,003 | 1,821 | 182 |
| Sheriff | 10,539 | 11,723 | 10,987 | 736 |
| Total expenditures | <u>235,871</u> | <u>252,336</u> | <u>243,487</u> | <u>8,849</u> |
| Excess (deficiency) of revenues | | | | |
| over (under) expenditures | (555) | (2,121) | 2,306 | 4,427 |
| Contingency | <u>(75)</u> | <u>(75)</u> | <u>-</u> | <u>75</u> |
| Net change in fund balances | (630) | (2,196) | 2,306 | 4,502 |
| Fund balances - beginning | <u>630</u> | <u>2,196</u> | <u>4,429</u> | <u>2,233</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>6,735</u> | <u>\$ 6,735</u> |
| Reconciliation to GAAP Basis: | | | | |
| Intergovernmental revenues for State payments to County service providers | | | 57,590 | |
| State payments to County service providers | | | <u>(57,590)</u> | |
| Fund balance as reported on the Governmental Funds Statement of | | | | |
| Revenues, Expenditures, and Changes in Fund Balance, Page 33 | | | <u>\$ 6,735</u> | |

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

MULTNOMAH COUNTY, OREGON

Statement of Net Assets

Proprietary Funds

June 30, 2009

(amounts expressed in thousands)

| Business-type Activities - Enterprise Funds | | | | | |
|--------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|---------------------------------------------------|------------------|---------------------------------------------------------------------|
| | Dunthorpe- Riverdale Service District | Mid County Service District | Behavioral Health Managed Care | Total | Governmental Activities - Internal Service Funds |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 646 | \$ 260 | \$ 13,375 | \$ 14,281 | \$ 59,415 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Accounts | 6 | - | - | 6 | 1,418 |
| Special assessments | 36 | 15 | - | 51 | - |
| Due from other funds | - | - | - | - | 80 |
| Inventories | - | - | - | - | 1,595 |
| Prepaid items | - | - | - | - | 1,061 |
| Total current assets | <u>688</u> | <u>275</u> | <u>13,375</u> | <u>14,338</u> | <u>63,569</u> |
| Noncurrent assets: | | | | | |
| Advances to other funds | - | - | - | - | 173 |
| Contracts receivable | - | - | - | - | 650 |
| Capital assets (net of accumulated depreciation) | <u>1,914</u> | <u>1,528</u> | <u>-</u> | <u>3,442</u> | <u>5,777</u> |
| Total noncurrent assets | <u>1,914</u> | <u>1,528</u> | <u>-</u> | <u>3,442</u> | <u>6,600</u> |
| Total assets | <u>2,602</u> | <u>1,803</u> | <u>13,375</u> | <u>17,780</u> | <u>70,169</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 184 | 25 | 4,196 | 4,405 | 5,485 |
| Claims and judgments payable | - | - | - | - | 12,861 |
| Payroll payable | - | - | 10 | 10 | 705 |
| Deferred revenue | - | - | - | - | 41 |
| Compensated absences | - | - | 8 | 8 | 669 |
| Due to other funds | <u>80</u> | <u>-</u> | <u>-</u> | <u>80</u> | <u>-</u> |
| Total current liabilities | <u>264</u> | <u>25</u> | <u>4,214</u> | <u>4,503</u> | <u>19,761</u> |
| Noncurrent liabilities: | | | | | |
| Compensated absences | - | - | 31 | 31 | 1,762 |
| Advances from other funds | <u>173</u> | <u>-</u> | <u>-</u> | <u>173</u> | <u>-</u> |
| Incremental leases payable | - | - | - | - | 1,723 |
| Total noncurrent liabilities | <u>173</u> | <u>-</u> | <u>31</u> | <u>204</u> | <u>3,485</u> |
| Total liabilities | <u>437</u> | <u>25</u> | <u>4,245</u> | <u>4,707</u> | <u>23,246</u> |
| NET ASSETS | | | | | |
| Invested in capital assets, net of realted debt | 1,914 | 1,528 | - | 3,442 | 5,777 |
| Unrestricted | <u>251</u> | <u>250</u> | <u>9,130</u> | <u>9,631</u> | <u>41,146</u> |
| Total net assets | <u>\$ 2,165</u> | <u>\$ 1,778</u> | <u>\$ 9,130</u> | <u>\$ 13,073</u> | <u>\$ 46,923</u> |

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, 2009
(amounts expressed in thousands)

| | Business-type Activities - Enterprise Funds | | | | |
|-----------------------------------------------------|----------------------------------------------------------|--------------------------------------------|---------------------------------------------------|------------------|---------------------------------------------------------------------|
| | Dunthorpe- Riverdale Service District | Mid County Service District | Behavioral Health Managed Care | Total | Governmental Activities - Internal Service Funds |
| OPERATING REVENUES | | | | | |
| Charges for sales and services | \$ 713 | \$ 264 | \$ 39,023 | \$ 40,000 | \$ 148,007 |
| Insurance premiums | - | - | - | - | 6,843 |
| Experience ratings and other | - | - | 4 | 4 | 882 |
| Total operating revenues | <u>713</u> | <u>264</u> | <u>39,027</u> | <u>40,004</u> | <u>155,732</u> |
| OPERATING EXPENSES | | | | | |
| Cost of sales and services | 333 | 312 | 30,370 | 31,015 | 143,165 |
| Administration | 42 | 48 | 2,350 | 2,440 | 3,430 |
| Depreciation | 64 | 60 | - | 124 | 2,254 |
| Total operating expenses | <u>439</u> | <u>420</u> | <u>32,720</u> | <u>33,579</u> | <u>148,849</u> |
| Operating income (loss) | <u>274</u> | <u>(156)</u> | <u>6,307</u> | <u>6,425</u> | <u>6,883</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest revenue | 12 | 7 | 216 | 235 | 979 |
| Interest expense | (19) | - | - | (19) | - |
| Bad debt expense | - | - | - | - | (193) |
| Gain on disposal of capital assets | - | - | - | - | 1,008 |
| Loss on disposal of capital assets | - | - | - | - | (97) |
| Total nonoperating revenues (expenses) | <u>(7)</u> | <u>7</u> | <u>216</u> | <u>216</u> | <u>1,697</u> |
| Income (loss) before contributions and transfers | 267 | (149) | 6,523 | 6,641 | 8,580 |
| Capital contributions in | - | 80 | - | 80 | 99 |
| Transfers in | - | - | - | - | 1,660 |
| Transfers out | - | - | - | - | (5,208) |
| Change in net assets | <u>267</u> | <u>(69)</u> | <u>6,523</u> | <u>6,721</u> | <u>5,131</u> |
| Total net assets - beginning | <u>1,898</u> | <u>1,847</u> | <u>2,607</u> | <u>6,352</u> | <u>41,792</u> |
| Total net assets - ending | <u>\$ 2,165</u> | <u>\$ 1,778</u> | <u>\$ 9,130</u> | <u>\$ 13,073</u> | <u>\$ 46,923</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, 2009

(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 | \$ 697 | \$ 261 | \$ 39,027 | \$ 39,985 | \$ 154,824 |
| Payments to suppliers | (345) | (349) | (28,442) | (29,136) | (98,035) |
| Payments to employees | (20) | (22) | (4,179) | (4,221) | (36,309) |
| Internal activity - payments to other funds | (23) | (23) | (536) | (582) | (11,407) |
| Net cash provided (used) by operating activities | <u>309</u> | <u>(133)</u> | <u>5,870</u> | <u>6,046</u> | <u>9,073</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers in | - | - | - | - | 1,660 |
| Transfers out | - | - | - | - | (5,208) |
| Net cash used by noncapital and related financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,548)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Purchases of capital assets | (62) | - | - | (62) | (1,903) |
| Internal loan repayment | (76) | - | - | (76) | 75 |
| Interest on debt | (19) | - | - | (19) | - |
| Proceeds on sales of capital assets | - | - | - | - | 370 |
| Net cash used by capital and related financing activities | <u>(157)</u> | <u>-</u> | <u>-</u> | <u>(157)</u> | <u>(1,458)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | 12 | 7 | 216 | 235 | 979 |
| Net cash provided by investing activities | <u>12</u> | <u>7</u> | <u>216</u> | <u>235</u> | <u>979</u> |
| Net increase (decrease) in cash and cash equivalents | 164 | (126) | 6,086 | 6,124 | 5,046 |
| Balances at beginning of the year | 482 | 386 | 7,289 | 8,157 | 54,369 |
| Balances at end of the year | <u>\$ 646</u> | <u>\$ 260</u> | <u>\$ 13,375</u> | <u>\$ 14,281</u> | <u>\$ 59,415</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ 274 | \$ (156) | \$ 6,307 | \$ 6,425 | \$ 6,883 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Cash flows reported in other categories: | | | | | |
| Depreciation | 64 | 60 | - | 124 | 2,254 |
| Bad debt expense | - | - | - | - | (193) |
| Changes in assets and liabilities: | | | | | |
| Receivables, net | (17) | (3) | - | (20) | (643) |
| Inventories | - | - | - | - | (104) |
| Prepaid items | - | - | - | - | (31) |
| Accounts payable | (12) | (34) | (437) | (483) | (634) |
| Claims and judgments payable | - | - | - | - | 1,447 |
| Deferred revenue | - | - | - | - | (75) |
| Compensated absences | - | - | 1 | 1 | 125 |
| Incremental leases payable | - | - | - | - | 5 |
| Payroll payable | - | - | (1) | (1) | 39 |
| Total adjustments | <u>35</u> | <u>23</u> | <u>(437)</u> | <u>(379)</u> | <u>2,190</u> |
| Net cash provided (used) by operating activities | <u>\$ 309</u> | <u>\$ (133)</u> | <u>\$ 5,870</u> | <u>\$ 6,046</u> | <u>\$ 9,073</u> |
| Noncash financing activities: | | | | | |
| Contributions of capital assets | \$ - | \$ 80 | \$ - | \$ 80 | \$ 99 |

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

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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 funds included are:

- **Agency Funds** – account for resources held by the County in a purely custodial capacity (assets equal liabilities).

MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009
(amounts expressed in thousands)

| | <u>Agency Funds</u> |
|---------------------------------|---------------------|
| ASSETS | |
| Cash and investments | \$ 17,385 |
| Taxes receivable | 49,589 |
| Restricted cash | <u>12</u> |
| Total assets | <u>66,986</u> |
| LIABILITIES | |
| Accounts payable | 10,764 |
| Due to other governmental units | 48,014 |
| Amounts held in trust | <u>8,208</u> |
| Total liabilities | <u>66,986</u> |
| NET ASSETS | |
| Total net assets | <u><u>\$ -</u></u> |

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(dollar amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

Multnomah County, Oregon (the County) was established in 1854 and is organized under the Oregon Revised Statutes (ORS) as a municipal corporation. The County is governed by an elected Board of Commissioners, comprised of a Board Chair and four commissioners. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Financial accountability is defined as the appointment of a voting majority of the organization's governing board and where (1) the County is able to significantly influence the programs or services performed or provided by the organization or (2) the County is legally entitled to or can otherwise access the organization's resources. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Component units may also include organizations which are fiscally dependent on the County in that the County approves the budget, the issuance of debt or levying of taxes. Multnomah County has two blended component units which are included in this report.

Blended component units. The Dunthorpe-Riverdale Sanitary Service District and the Mid County Street Lighting Service 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.

The County also maintains a Hospital Facilities Authority (Authority) that issues conduit debt for health care facilities. The Authority is considered to be a blended component unit of the County because the board for the Authority consists of board members from the County. There are no balances or activity of the Authority and therefore the financial statements of the County do not include the Authority. The County is not fiscally accountable for the Authority, nor does there exist any financial benefit or burden relationship between the County and the Authority.

Discretely presented component unit. The Library Foundation (TLF) is a legally separate, tax exempt component unit of the County. TLF's purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries. Although the County does not control the timing or amount of receipts from TLF, the majority of resources, or income thereon that TLF holds and invests are restricted to the County libraries' activities by the donors. TLF is a discretely presented component unit as the nature and relationship with the County is significant and to exclude TLF would cause the County's financial statements to be misleading.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(dollar amounts expressed in thousands)

TLF is a private non-profit organization that reports under the Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to TLF's financial information in the County's financial reporting entity for these differences. TLF is an organization that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. A complete copy of The Library Foundation's financial statements can be obtained by contacting: The Library Foundation, 522 SW Fifth Ave, Suite 1103, Portland, Oregon, 97204

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the County is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. In addition, functional expenses on the statement of activities include allocated indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(dollar amounts expressed in thousands)

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

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

The County reports the following major governmental funds:

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

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

The *PERS Pension Bond Fund* accounts for payment of principal and interest on general obligation bonds that were issued to fund the County's PERS unfunded liability. Revenues consist of charges to departments and interest.

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

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(dollar amounts expressed in thousands)

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

Additionally, the County reports the following fund types:

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

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

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

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

Fiduciary Funds reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four categories: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement or applicable legislative enactment for individuals, private organizations or other governments and are therefore, not available to support the County's own programs. Agency funds are custodial in nature (i.e. assets equal liabilities) and do not measure the results of operations. The County's agency funds are primarily established to account for the collection and disbursement of various taxes and to account for receipts and disbursements for individuals who are not capable of handling their own financial affairs.

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, 2009
(dollar 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 Managed Care fund, and of the County's internal service funds are charges to customers for sales and services. The sewer district also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, liabilities, and net assets or equity

1. Cash and investments

The County's cash and cash equivalents are comprised of cash on hand, demand deposits, and investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, each fund's share of pooled cash is treated as cash and equivalents.

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

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

2. *Receivables and payables*

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

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

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the tax due date.

Multnomah County residents approved a personal income tax effective from calendar year 2003 through calendar year 2005. The tax was a 1.25% levy on the Oregon taxable income of Multnomah County residents reduced by an exemption amount. The tax generated an estimated \$120,000 for each calendar year the tax was in effect. The revenues generated from the tax provided funding for public school districts within Multnomah County in addition to funding for elderly, disabled and mentally ill persons, and programs for public safety and health. As of fiscal year 2009, the County continues to collect delinquent accounts. Included in the financial statements is an allowance for uncollectible accounts of \$11,637 for personal income taxes. This amount is shown net with taxes receivable on both the fund financial statements and the statement of net assets. In the statement of activities the reduction is recorded to the related income tax revenues, and on the fund financial statements the offset is recorded in deferred revenues.

3. *Inventories and prepaid items*

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

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

4. *Fund balances and net assets*

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus used in the reporting fund.

On the *Balance Sheet – Governmental Funds*, assets in excess of liabilities are reported as fund balances and are segregated between reserved and unreserved amounts. Reserves are legal requirements that make funds unavailable for appropriation by segregating them for a specific use. Conversely, unreserved fund balances are generally available for appropriation by segregating them for a specific use. However management may also make designations of unreserved fund balance that define management's intent that certain fund balance amounts are currently unavailable for appropriation. Designated unreserved fund balances are not legally segregated.

On the government-wide *Statement of Net Assets*, the proprietary funds' *Statement of Net Assets*, and the fiduciary funds' *Statement of Fiduciary Net Assets*, net assets are segregated into restricted and unrestricted balances. Restrictions are limitations on how the net assets may be used. Restrictions may be placed on net assets by an external party that provided the resources, by enabling legislation or by the nature of the asset.

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

5. *Capital assets*

Capital assets, which includes property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5 for equipment and \$10 for infrastructure with an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

6. *Other assets*

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

7. *Unearned / Deferred revenues*

Unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in the governmental fund financial statements represent unearned revenues or revenues which are measurable but not available. In accordance with the modified accrual basis of accounting, these items are reported as deferred revenues.

8. *Compensated absences*

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees

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separate from service with the County. All vacation pay and compensatory time is accrued when incurred in the government-wide statements and proprietary funds statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements at June 30. Liabilities for compensated absences are liquidated as employees separate from service and receive payment for accumulated leave benefits. Expenditures for liquidating the liabilities are recorded in the General, Special Revenue, Capital Projects, Enterprise, and Internal Service Funds.

9. *Long-term obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Certain facility leases contain fluctuating or escalating payments, where the rent expense is recorded on a straight-line basis over the lease term. This liability is recorded on the Statement of Net Assets as a deferred lease obligation representing the cumulative difference between rent expense and rent payments.

10. *Net other post-employment benefits obligation (Net OPEB Obligation)*

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for fiscal year ending June 30, 2006. The County used a five year look-back approach to compute its net OPEB obligation. The net OPEB obligation is recognized as a long-term liability in the government-wide financial statements. The liability reflects both the lump sum payments to employees and the present value of expected future payments. The net other post employment benefits liability and

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expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year.

11. Pollution Remediation Obligations

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement is effective beginning with fiscal year June 30, 2009. GASB 49 is retroactive, however the County did not report any obligations that required a restatement of beginning net assets. Under this accounting standard, when the County determines a pollution remediation obligation exists and management is able to make a reasonable and supportable estimation of expected outlays, a long-term liability is recorded.

In the County's Government-wide and Proprietary Fund Financial Statements on a full accrual basis, pollution remediation costs are reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets as a program or operating expense (or as revenues for recoveries received after all remediation activities have been completed), special item or extraordinary item.

In the County's Governmental Fund Financial Statements on a modified accrual basis, expenditures and liabilities are recognized upon receipt of goods and services. Estimated recoveries from insurers and other responsible parties reduce any associated pollution remediation expenditures when the recoveries are measurable and available.

12. Contributions and in-kind donations

Contributions of cash, property or equipment received from other governments are credited directly to the contribution accounts recorded in the government wide financial statements. The County also receives financial gifts and gifts in-kind from The Library Foundation. These in-kind donations from The Library Foundation are recorded at fair value upon receipt in the government wide and fund financial statements.

13. Estimates

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

14. Reclassifications

Certain amounts from the financial statements of the discretely presented component unit have been reclassified to conform with the presentation requirements of the primary government's financial statements.

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Note 2. Stewardship, compliance, and accountability

A. Budgetary information

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

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

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

B. Expenditures in excess of appropriations

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the year-ended June 30, 2009, expenditures exceeded appropriations in the following areas:

| <u>Fund</u> | <u>Agency</u> | <u>Amount</u> |
|----------------------------|--------------------|---------------|
| Federal State Program Fund | Community Services | \$ 37 |
| Federal State Program Fund | Health Services | 2,484 |
| Revenue Bond Fund | Nondepartmental | 1,439 |

In the Federal State Program Fund, the Community Services Department exceeded its appropriation as a result of a higher than expected beginning balance related to prior year revenues that were not expended until fiscal year 2009. The required budget amendments were not submitted for approval prior to the end of the fiscal year. This was a one-time adjustment with available fund balance to cover the expenditure.

In the Federal State Program Fund, the Health Department exceeded its appropriation primarily due to an increase in patient visits related to the Health Department's dental, pharmacy and primary care programs. These programs are funded by Medicaid revenues, private insurance and self-pay. In addition, the Health Department's annual vaccine allotment received from the State was greater than expected and the Department's budget

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did not reflect the increase in cost. The over expenditures were funded by available fund balance.

In the Revenue Bond Fund, the County exceeded its appropriation as a result of the early redemption of revenues bonds issued in October 1998. This early redemption was as a result of revenues recognized on a property sale in fiscal year 2008 committed for future revenues on this debt. The over expenditure was funded by available fund balance.

Note 3. Detailed notes on all funds

A. Cash and investments

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

Changes to Oregon Revised Statutes, Chapter 295 have resulted in the Office of the State Treasurer being given responsibility for overseeing collateralization of public funds by depositories of public funds in Oregon. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds. Funds deposited with fiscal agents for the purpose of meeting the payment of principal or interest on bonds or like obligations are not required to be collateralized per Oregon Revised Statutes, Chapter 295.005.

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

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

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

The County's investment policy also requires that the market value plus accrued interest of the securities collateralizing repurchase agreements exceeds the face amount of the

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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. The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year.

The County is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The investments are booked at fair value and are the same as the value of the pool shares. The LGIP investments and all other investments are governed by a written investment policy that is reviewed annually by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon. LGIP is not rated by any national rating service.

At year-end, the carrying amount of the County's deposits was \$60,837 and the bank balance was \$60,871. The bank balance was covered by federal depository insurance (FDIC) or by collateral held by one or more of the State's authorized collateral pool managers. The remaining balance of \$34 represents petty cash accounts that were uninsured and uncollateralized.

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

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

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

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

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permanent workforce in Oregon, or has more than 50% of its tangible assets in Oregon.

3. Purchase of commercial paper and other corporate debt not insured by an agency of the U.S. Government up to 25% of the total investment portfolio is allowed, but may exceed that limit up to 30% for a period not to exceed ten consecutive business days.
4. U.S. Government Agencies are limited to 75% of the investment portfolio.
5. Investments guaranteed by an agency of the U.S. Government (e.g., the U.S. Treasury or the Federal Depository Insurance Corporation) may be owned without limit.

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

Multnomah County manages custodial credit risk for deposits and investments in accordance with Oregon Revised Statutes and the County's investment policy. As of June 30, 2009, \$34 of the County's bank balance of \$60,871 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At June 30, 2009, the County had the following corporate debt in its investment portfolio with the credit ratings noted by Standard & Poor's and Moody's respectively:

| Investment Type / Issuer | Fair Value | Credit Rating | Maturity |
|----------------------------------------------|------------------|---------------|------------|
| Corporate note – MBNA Bank NA (BAC) | \$ 5,010 | A+ / Aa3 | 08/03/2009 |
| Corporate note – Wal-Mart Stores Inc. | 5,031 | AA/Aa2 | 08/10/2009 |
| Corporate note – Wal-Mart Stores, Inc. | 1,710 | AA/Aa2 | 08/10/2009 |
| Corporate note – Heller Financial (GE) | 1,015 | AA+/Aa2 | 11/01/2009 |
| Corporate note – Heller Financial (GE) | 2,029 | AA+/Aa2 | 11/01/2009 |
| Corporate note – Heller Financial (GE) | 5,074 | AA+/Aa2 | 11/01/2009 |
| Corporate note – Firststar Bank (US Bank) | 4,049 | AA+/Aa2 | 12/01/2009 |
| Corporate note – Wachovia Mortgage (WF Corp) | 1,310 | AA/Aa2 | 12/15/2009 |
| Corporate note – Berkshire Hathaway | 2,799 | AAA/Aa2 | 01/15/2010 |
| Corporate note – Berkshire Hathaway | 2,034 | AAA/Aa2 | 01/15/2010 |
| Corporate note – Wachovia Bank (WF Corp) | 1,533 | AA/Aa2 | 01/19/2010 |
| Corporate note – Berkshire Hathaway | 2,062 | AAA/Aa2 | 01/25/2010 |
| Totals | <u>\$ 33,656</u> | | |

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At June 30, 2009, the County had the following investments in US Government Agencies that were implicitly guaranteed by the US Government:

| <u>Investment Type / Issuer</u> | <u>Fair Value</u> | <u>Credit Rating</u> |
|------------------------------------------------|-------------------|----------------------|
| Agency notes – Federal Home Loan Bank | \$ 80,959 | AAA |
| Agency notes – Federal Home Loan Mortgage Corp | 5,014 | AAA |
| Agency notes – Federal Farm Credit Bank | 3,108 | AAA |
| Total | <u>\$ 89,081</u> | |

As of June 30, 2009, the County had the following unrestricted cash and investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Yield</u> | <u>Risk Concentration</u> | <u>Weighted Average Maturity (in months)</u> |
|-----------------------------------------|-------------------|-------------------------------|---------------------------|----------------------------------------------|
| US Agencies | \$ 88,802 | 1.216% | 35.8% | 2.5 |
| Corporate Debt | 33,656 | 2.345% | 13.6% | 4.7 |
| Bankers' Acceptances | 14,574 | 0.763% | 5.9% | 2.4 |
| Local Government | | | | |
| Investment Pool | 49,684 | 0.950% | 20.1% | < 1 |
| Cash and Equivalents | <u>60,859</u> | <u>0.848%</u> | <u>24.6%</u> | <u>< 1</u> |
| Total unrestricted cash and investments | <u>\$ 247,575</u> | | <u>100%</u> | |

Portfolio weighted average maturity 2.4

As of June 30, 2009, the County had the following restricted cash and investments. Cash with Fiscal Agent and Miscellaneous Restricted Funds had weighted average maturities less than one month. The Pledged Investment had a weighted average maturity less than two months.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Yield</u> | <u>Risk Concentration</u> |
|------------------------|-------------------|-------------------------------|---------------------------|
| Cash with Fiscal Agent | \$ 1,035 | 0.167% | 78.0% |
| Pledged Investment | 279 | 0.195% | 21.1% |
| Misc Restricted Funds | 12 | 0.000% | 0.9% |
| | <u>\$ 1,326</u> | <u>0.362%</u> | <u>100.0%</u> |

The County maintains cash with fiscal agent accounts to set aside for debt service requirements per the trustees and bond indentures.

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The County's unrestricted and restricted cash and investments are reported in Governmental Activities, Business-type activities, and in Fiduciary Funds.

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
|----------------------------|---------------------|-------------------|-------------------|
| Governmental Activities | \$ 215,909 | \$ 1,314 | \$ 217,223 |
| Business-type Activities | 14,281 | - | 14,281 |
| Fiduciary Funds | 17,385 | 12 | 17,397 |
| Total Cash and Investments | <u>\$ 247,575</u> | <u>\$ 1,326</u> | <u>\$ 248,901</u> |

B. Receivables

Receivables as of year-end for the County's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are noted on the following page. Included in General fund loans receivable balance is a loan from Multnomah County to a community based health organization. The loan agreement was executed in fiscal year 2008 in order to sustain operating costs for the health organization. As of June 30, 2009 the total loan receivable balance was \$1,358, netted with a related allowance for uncollectible accounts of \$970.

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MULTNOMAH COUNTY
Accounts Receivable

| | Governmental Activities | | | | | | |
|-------------------------------------------------|-------------------------|-------------------------------------|------------------------------|-------------------|-------------------------------------|-----------------------------|-----------------|
| | General Fund | Federal State Program Fund | Internal Service Funds | Nonmajor Funds | Total Governmental Activities | Business-type Activities | Total |
| Receivables: | | | | | | | |
| Taxes: | | | | | | | |
| Income | \$ 14,406 | \$ - | \$ - | \$ - | \$ 14,406 | \$ - | \$ 14,406 |
| Property | 12,754 | - | - | 2,765 | 15,519 | - | 15,519 |
| Other | 3,912 | - | - | 1,864 | 5,776 | - | 5,776 |
| Accounts | 7,111 | 52,588 | 1,418 | 7,194 | 68,311 | 6 | 68,317 |
| Loans | 1,358 | 744 | - | - | 2,102 | - | 2,102 |
| Interest | 1,048 | - | - | - | 1,048 | - | 1,048 |
| Special assessments | 11 | - | - | - | 11 | 54 | 65 |
| Contracts | 1,229 | - | 650 | 2,691 | 4,570 | - | 4,570 |
| Gross receivables | 41,829 | 53,332 | 2,068 | 14,514 | 111,743 | 60 | 111,803 |
| Less: allowance for discounts/uncollectibles | (12,857) | (1,407) | - | - | (14,264) | (3) | (14,267) |
| Net total receivables | <u>\$ 28,972</u> | <u>\$ 51,925</u> | <u>\$ 2,068</u> | <u>\$ 14,514</u> | <u>\$97,479</u> | <u>\$ 57</u> | <u>\$97,536</u> |

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

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental 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:

| | Unavailable | Unearned | Total |
|-----------------------------------------------------------|------------------|-----------------|------------------|
| Personal income tax receivable | \$ 13,957 | \$ - | \$ 13,957 |
| Allowance for doubtful accounts – personal income tax | (11,637) | - | (11,637) |
| Property taxes receivable (General Fund) | 10,372 | - | 10,372 |
| Property taxes receivable (other governmental funds) | 2,252 | - | 2,252 |
| Grant draws prior to meeting all eligibility requirements | - | 2,162 | 2,162 |
| Contracts receivable | - | 3,920 | 3,920 |
| Contract revenue received in advance | - | 150 | 150 |
| Loans receivable | - | 744 | 744 |
| Tax title land sales inventory | - | 162 | 162 |
| Special assessments receivable | - | 11 | 11 |
| Total deferred revenue for governmental funds | <u>\$ 14,944</u> | <u>\$ 7,149</u> | <u>\$ 22,093</u> |

Amounts reported above as unearned are reported as unearned revenue in governmental activities on the Statement of Net Assets. Governmental activities also include Internal Service Funds, which report \$41 in unearned revenue, resulting in total unearned revenue on the Statement of Net Assets of \$7,190.

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C. Capital assets

Capital asset activity for the year ended June 30, 2009 was as follows:

Primary Government

| | Beginning Balance | Increases | Transfers | Decreases | Ending Balance |
|----------------------------------------------|----------------------|-------------------|--------------|-----------------|-------------------|
| Governmental activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 16,296 | \$ - | \$ - | \$ (181) | \$ 16,115 |
| Construction in process | 317 | 1,437 | (317) | - | 1,437 |
| Buildings-not in service | 51,164 | - | - | - | 51,164 |
| Total capital assets, not being depreciated | <u>67,777</u> | <u>1,437</u> | <u>(317)</u> | <u>\$ (181)</u> | <u>68,716</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 365,124 | 2,922 | 256 | (411) | 367,891 |
| Improvements other than buildings | 343 | 57 | 61 | - | 461 |
| Machinery and equipment | 122,180 | 9,376 | - | (15,091) | 116,465 |
| Bridges | 146,179 | 7,044 | - | - | 153,223 |
| Infrastructure | 551,598 | 5,683 | - | (828) | 556,453 |
| Total capital assets being depreciated | <u>1,185,424</u> | <u>25,082</u> | <u>317</u> | <u>(16,330)</u> | <u>1,194,493</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (124,156) | (8,828) | - | 31 | (132,953) |
| Improvements other than buildings | (155) | (10) | - | - | (165) |
| Machinery and equipment | (88,177) | (8,729) | - | 14,981 | (81,925) |
| Bridges | (63,147) | (3,043) | - | - | (66,190) |
| Infrastructure | (364,424) | (13,853) | - | 569 | (377,708) |
| Total accumulated depreciation | <u>(640,059)</u> | <u>(34,463)</u> | <u>-</u> | <u>15,581</u> | <u>(658,941)</u> |
| Total capital assets being depreciated, net | <u>545,365</u> | <u>(9,381)</u> | <u>317</u> | <u>(749)</u> | <u>535,552</u> |
| Governmental activities capital assets, net | <u>\$ 613,142</u> | <u>\$ (7,944)</u> | <u>-</u> | <u>\$ (930)</u> | <u>\$ 604,268</u> |
| Business-type activities: | | | | | |
| Capital assets, being depreciated: | | | | | |
| Improvements other than buildings | \$ 5,765 | \$ 142 | - | \$ - | \$ 5,907 |
| Total capital assets being depreciated | <u>5,765</u> | <u>142</u> | <u>-</u> | <u>-</u> | <u>5,907</u> |
| Less accumulated depreciation for: | | | | | |
| Improvements other than buildings | (2,341) | (124) | - | - | (2,465) |
| Machinery and equipment | - | - | - | - | - |
| Total accumulated depreciation | <u>(2,341)</u> | <u>(124)</u> | <u>-</u> | <u>-</u> | <u>(2,465)</u> |
| Business-type activities capital assets, net | <u>\$ 3,424</u> | <u>\$ 18</u> | <u>-</u> | <u>\$ -</u> | <u>\$ 3,442</u> |

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

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

| | |
|-------------------------------------------------------|------------------|
| Governmental activities: | |
| General government | \$ 12,650 |
| Health services | 117 |
| Social services | 53 |
| Public safety & justice | 1,216 |
| Community services | 262 |
| Library | 4,739 |
| Roads and bridges | 15,426 |
| Total depreciation expense – governmental activities | <u>\$ 34,463</u> |
| Business-type activities: | |
| Sewer | \$ 64 |
| Lighting | 60 |
| Total depreciation expense – business-type activities | <u>\$ 124</u> |

D. Other assets

Other assets, net of accumulated amortization at June 30, 2009 consist of the following:

| | |
|----------------------------|-------------------|
| Bond issuance costs | \$ 332 |
| Negative net pension asset | <u>125,595</u> |
| | <u>\$ 125,927</u> |

Amortization expense in the statement of activities on bond issuance costs and the negative net pension asset were \$32 and \$6,152, respectively for the year ended June 30, 2009.

E. Interfund receivables, payables, and transfers

Due from / to other funds:

The County records “due from” and “due to” transactions in order that individual funds will be able to meet cash flow needs at year end and prevent a fund from reporting a negative cash balance. The amount payable to the Risk Fund is related to a capital loan for sewer improvements in the Dunthorpe Riverdale Service District Fund. This balance

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is expected to be collected in the subsequent year. The composition of interfund balances as of June 30, 2009 is as follows:

| <u>Receivable Funds</u> | <u>Payable Funds</u> | <u>Amount</u> |
|-------------------------|-------------------------------------------|---------------|
| Risk Fund* | Dunthorpe Riverdale Service District Fund | \$ 80 |

*Internal service fund

Advances to / from other funds:

The amount payable to the General Fund is related to providing interim working capital financing for federal reimbursement grants. The \$23,200 is also noted as a reservation of the General Fund's fund balance. The amounts payable to the Risk Fund relate to a capital loan for sewer improvements in the Dunthorpe Riverdale Service District Fund. None of the balances are scheduled to be collected in the subsequent year.

| <u>Receivable Funds</u> | <u>Payable Funds</u> | <u>Amount</u> |
|-------------------------|-------------------------------------------|------------------|
| General Fund | Federal State Fund | \$ 23,200 |
| Risk Fund* | Dunthorpe Riverdale Service District Fund | 173 |
| | | <u>\$ 23,373</u> |

*Internal service fund

Interfund Transfers:

Following are the County's interfund transfers for the year ended June 30, 2009. The general fund transfers to nonmajor governmental funds includes \$15,636 to the Library special revenue fund to provide for various County Library upgrades and projects, as well as \$24,200 to the Capital Debt Retirement fund for the early retirement of debt.

| Transfers in: | | | | |
|-----------------------------|-----------------|-----------------------------------|------------------------------|------------------|
| | General Fund | Nonmajor Governmental Funds | Internal Service Funds | Total |
| Transfers out: | | | | |
| General Fund | \$ - | \$ 46,446 | \$ 1,660 | \$ 48,106 |
| Nonmajor Governmental Funds | 3,241 | 7,083 | - | 10,324 |
| Internal Service Funds | 175 | 5,033 | - | 5,208 |
| Total transfers out: | <u>\$ 3,416</u> | <u>\$ 58,562</u> | <u>\$ 1,660</u> | <u>\$ 63,638</u> |

F. Long-term liabilities

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

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equipment. General obligation bonds have been issued for these governmental activities. The 1996 general obligation issue in the amount of \$108,700 is subject to Federal arbitrage regulations. As of June 30, 2009, the balance on the 1996 general obligation bonds was zero. In February 1999, the County advance refunded a portion of these general obligation bonds by issuing \$66,115 in new general obligation bonds. At June 30, 2009 the balance on the 1999 Advance Refunding was \$56,570.

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

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|-------------------------|-----------------------|------------------|
| Governmental activities | 3.00-4.75% | <u>\$ 56,570</u> |

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> |
|----------------------------|------------------|------------------|
| 2010 | \$ 6,860 | \$ 2,387 |
| 2011 | 7,160 | 2,093 |
| 2012 | 7,470 | 1,780 |
| 2013 | 7,490 | 1,451 |
| 2014 | 7,835 | 1,106 |
| 2015 – 2017 | 19,755 | 1,397 |
| Total | <u>\$ 56,570</u> | <u>\$ 10,214</u> |

Revenue Bonds

The County also issues bonds where the government pledges specific revenue sources or income derived from the acquired or constructed assets to pay debt service. In October 1998, the County issued \$3,155 of revenue bonds to finance constructing, renovating, improving and equipping County-owned facilities, and entered into a public / private partnership with the Regional Children's Campus (RCC), a 501(c)(3) non profit agency. On October 1, 2008 the County paid off the remaining balance of \$1,710 on the 1998 revenue bonds as a result of revenues recognized on a property sale committed for future revenues on this debt.

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. This debt issue is subject to Federal arbitrage regulations. The County entered into a public / private partnership agreement with Port City Development (Port City), a 501(c)(3) non profit agency. The future lease payments from Port City are pledged revenues for the debt service on these bonds. The term of the agreement with

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Port City for future pledged revenues is through fiscal year 2034, and the outstanding balance on these future lease payments at June 30, 2009 was \$1,687. During fiscal year 2009 Port City paid \$33 towards the outstanding balance on this lease agreement. The total principal and interest paid on the bonds during the fiscal year were \$135 and \$62 respectively. The outstanding balance on the bonds was \$1,175 at June 30, 2009. The debt matures in fiscal year 2016.

Also in November 2000, the County issued \$3,500 of revenue bonds to re-finance the costs of acquiring real property and constructing facility improvements related to the Oregon Food Bank. In fiscal year 2006 the Oregon Food Bank satisfied their commitment to pledge future lease payments and no longer has any commitment to the County for this debt issue. The total principal and interest paid during the fiscal year were \$235 and \$108 respectively. The outstanding balance on the debt was \$2,065 at June 30, 2009. The debt matures in fiscal year 2016.

Revenue bonds outstanding at year-end are as follows:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|-------------------------|-----------------------|-----------------|
| Governmental activities | 4.45-5.20% | <u>\$ 3,240</u> |

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

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------|------------------|-----------------|
| 2010 | \$ 395 | \$ 152 |
| 2011 | 415 | 133 |
| 2012 | 435 | 113 |
| 2013 | 460 | 91 |
| 2014 | 485 | 66 |
| 2015 – 2016 | <u>1,050</u> | <u>55</u> |
| Total | <u>\$ 3,240</u> | <u>\$ 610</u> |

Full Faith and Credit Bonds

On April 1, 1999, the County issued \$36,125 in Certificates of Participation with interest rates from 4.00% to 4.75% to finance the costs of acquiring land and facilities. In October 2004, the County advance refunded \$22,015 of the 1999 Certificates of Participation by issuing \$54,235 in full faith and credit bonds. Certificates of Participation are direct obligations and pledge the full faith and credit of the County. At June 30, 2009, \$1,685 of the 1999 Certificates of Participation were outstanding.

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds with interest rates from 6.49% to 7.74% to fund the County's unfunded accrued actuarial liability (UAAL). The County estimates that by funding the actuarial liability, the County will receive a present value savings of about \$35,776 between the

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amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Payment of principal and interest, except for a term bond, will be guaranteed by MBIA. At June 30, 2009, \$159,113 of these bonds were outstanding.

On April 1, 2000, the County issued \$61,215 in Full Faith and Credit Bonds with interest rates from 5.00% to 5.50% to finance the costs of acquiring and installing the integrated enterprise computer system, acquire land, acquire facilities and construct other County facilities and structures. In October 2004, the County advance refunded \$27,985 of these full faith and credit bonds by issuing \$54,235 in full faith and credit bonds. Full faith and credit bonds are direct obligations and pledge the full faith and credit of the County. At June 30, 2009, \$2,820 of these bonds were outstanding.

On May 15, 2003, the County issued \$9,615 in Full Faith and Credit Refunding Obligations, Series 2003 with interest rates from 1.50% to 3.25%. At June 30, 2009, \$5,135 of these bonds were outstanding.

On October 1, 2004, the County issued \$54,235 in Full Faith and Credit Refunding Obligations, Series 2004 at a premium of \$5,089, with interest rates from 3.00% to 5.00%. At June 30, 2009 the unamortized premium on the debt was \$3,562. This issue was used to refund \$27,985 of outstanding Full Faith and Credit Bonds, Series 2000 with interest rates from 5.00% to 5.50%, \$22,015 of outstanding Certificates of Participation, Series 1999 with interest rates from 4.00% to 4.75%, and \$4,960 of outstanding Certificates of Participation, Series 1998 with interest rates from 3.75% to 4.90%. The difference between the present value of the old debt service requirements and the present value of the new debt service requirements is a deferred charge of \$3,887, which is amortized as a component of interest expense over the life of the new debt. At June 30, 2009 the deferred charge was \$2,721. The entire amount of this debt issue was outstanding at June 30, 2009.

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

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|-------------------------|-----------------------|-------------------|
| Governmental activities | 1.50-7.74% | <u>\$ 222,988</u> |

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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> |
|--------------------------------|-------------------|-------------------|
| 2010 | \$ 13,770 | \$ 9,535 |
| 2011 | 15,550 | 8,633 |
| 2012 | 17,440 | 7,662 |
| 2013 | 11,549 | 14,512 |
| 2014 | 11,537 | 15,181 |
| 2015 – 2019 | 95,464 | 41,075 |
| 2020 – 2024 | 30,580 | 115,539 |
| 2025 – 2029 | 22,836 | 161,644 |
| 2030 | 4,262 | 38,887 |
| Total, before deferred charge | 222,988 | <u>\$ 412,668</u> |
| Deferred charge, net | (2,721) | |
| Premium on long-term debt, net | 3,562 | |
| Total | <u>\$ 223,829</u> | |

Capital Leases

The County has entered into various lease/purchase agreements to acquire property and equipment. These lease agreements qualify as capital leases for accounting purposes and have been capitalized in accordance with accounting principles generally accepted in the United States of America. Total assets acquired through capital leases are as follows:

| <u>Asset</u> | <u>Governmental Activities</u> |
|--------------------------------|------------------------------------|
| Buildings | \$ 75,103 |
| Less: Accumulated depreciation | (28,372) |
| Total | <u>\$ 46,731</u> |

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

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|-------------------------|-----------------------|------------------|
| Governmental activities | 2.50-4.90% | <u>\$ 10,757</u> |

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Future minimum lease payments are as follows:

| <u>Year Ending June 30</u> | <u>Governmental</u> | |
|----------------------------|---------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2010 | \$ 2,277 | \$ 723 |
| 2011 | 2,384 | 584 |
| 2012 | 2,500 | 436 |
| 2013 | 2,622 | 276 |
| 2014 | 19 | 100 |
| 2015 – 2019 | 128 | 463 |
| 2020 – 2024 | 213 | 377 |
| 2025 – 2029 | 355 | 236 |
| 2030 – 2032 | 259 | 36 |
| Total | <u>\$ 10,757</u> | <u>\$ 3,231</u> |

Loans Payable

During fiscal year 2009, the County entered into a loan with another governmental agency for the purpose of making capital improvements to the County road system. The loan obligation outstanding at year-end are as follows:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|-------------------------|-----------------------|---------------|
| Governmental activities | 3.98% | <u>\$ 623</u> |

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> |
|----------------------------|------------------|-----------------|
| 2010 | \$ - | \$ - |
| 2011 | - | 2 |
| 2012 | 413 | 2 |
| 2013 | 210 | 2 |
| Total | <u>\$ 623</u> | <u>\$ 6</u> |

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Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

| | Beginning Balance | Additions | Adjustments & Reductions | Ending Balance | Due Within One Year |
|------------------------------------------------------|----------------------|------------------|-----------------------------|-------------------|------------------------|
| <u>Governmental Activities</u> | | | | | |
| General Obligation Bonds | \$ 63,125 | \$ - | \$ 6,555 | \$ 56,570 | \$ 6,860 |
| Revenue Bonds | 5,320 | - | 2,080 | 3,240 | 395 |
| Full Faith and Credit Bonds | 235,609 | - | 11,780 | 223,829 | 14,531 |
| Capital Leases | 13,604 | - | 2,847 | 10,757 | 2,277 |
| Loans Payable | 242 | 623 | 242 | 623 | - |
| Long-term debt before other long-term liabilities | 317,900 | 623 | 23,504 | 295,019 | 24,063 |
| Pollution Remediation Obligations | - | 87 | 87 | - | - |
| Compensated Absences | 22,354 | 26,500 | 25,377 | 23,477 | 6,614 |
| Governmental activity long-term liabilities | <u>\$ 340,254</u> | <u>\$ 27,210</u> | <u>\$ 48,968</u> | <u>\$ 318,496</u> | <u>\$ 30,677</u> |
| <u>Business-Type Activities</u> | | | | | |
| Compensated Absences | <u>\$ 38</u> | <u>\$ 40</u> | <u>\$ 39</u> | <u>\$ 39</u> | <u>\$ 8</u> |

Pollution Remediation Obligations

Multnomah County implemented *Accounting and Financial Reporting for Pollution Remediation Obligations*, GASB Statement No. 49, for fiscal year 2009. Included in the current year's additions and reductions are pollution remediation activities related to various properties the County is responsible for clean up costs. During the year a special revenue fund, a capital project fund and an internal service fund all paid for pollution remediation costs. At June 30, 2009, the County did not have any outstanding obligations for pollution remediation.

Subsequent to year-end management identified a gas leak at the County's Yeon Fueling Station property site. The County is in preliminary stages and conducting soil testing as well as working with DEQ to assess the total pollution remediation costs. Management estimates the total clean up costs related to this site will be \$150.

Defeased Full Faith and Credit Bonds

On October 1, 2004 the County defeased certain full faith and credit bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future service on the old bonds. Accordingly, the trust account assets and related liability for the defeased bonds are not included in the County's financial statements. On August 1, 2008, \$4,960 was called and paid by the escrow agent on the Series 1998. At June 30, 2009, Series 2000A

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and Series 1999A were outstanding in the amount of \$27,985 and \$22,015, respectively. Subsequent to year-end, the \$22,015 on the 1999A was called and the bonds were paid off.

Conduit Financing

Multnomah County Conduit Financing

On November 1, 1997, the County issued \$31,600 in Educational Facilities Revenue Bonds which have not been recorded in the County's financial statements. The proceeds of these bonds were assigned to the University of Portland (the University) to finance capital improvements to the University, pay issue costs and advance refund \$17,750 of the Series 1994 issue. On April 1, 2000, the County issued an additional \$17,160 in Conduit Educational Revenue Bonds for the University to finance the construction of a student housing facility, parking garage and street lighting. These bonds are not recorded on the books of the County but are assigned to the University. The responsibilities of the County in this bond transaction were limited to adopting the resolution authorizing the issuance of the bonds, executing the bonds and the bond documents to which it is a party, issuing and delivering the Bonds, assigning certain of its rights to the Trustee as provided in the indenture, and directing the Trustee as to the application of monies received from the University to pay the bonds in accordance with the indenture. The County has no obligation to take any other action relating to the bonds. Since the County does not own any of the assets constructed or assume any liabilities associated with repayment, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2009, \$30,930 of Educational Facilities Revenue 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 Concordia University. As the County does not own any of the assets constructed or assume any liabilities associated with the Project, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2009, \$8,065 of the Higher Education Variable Rate Demand Revenue Bonds were outstanding.

On October 21, 2008, the County issued \$7,400 in Higher Education Revenue Bonds. The proceeds of the bonds were used to provide financing for Pacific Northwest College of Art (PNCA) for costs of acquisition, construction, additions, renovations and improvements to buildings used by the College to accommodate new programs and enrollment growth. The Higher Education Revenue Bonds have not been recognized as a

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liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by PNCA. As the County does not own any of the assets constructed or assume any liabilities associated with the project, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2009, \$7,005 of the Higher Education Revenue Bonds were outstanding.

The County's total conduit debt at June 30, 2009 was \$46,000. The County is not responsible or obligated for the repayment of conduit debt.

Hospital Facilities Authority of Multnomah County Conduit Financing

On December 3, 1998, the County created a component unit, the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). The Authority issues hospital revenue bonds for construction and improvements to health facilities in Multnomah County. On March 1, 1999, the Authority issued \$26,000 in Hospital Revenue Bonds (Terwilliger Plaza). On December 4, 2003, the Authority issued an additional \$17,200 in Hospital Revenue Bonds (Holladay Park Plaza). On July 13, 2004, the Authority issued \$100,000 in Hospital Revenue Bonds (Providence Health Systems). On December 12, 2006, the Authority issued \$39,765 in revenue bonds (Terwilliger Plaza). On July 2, 2007, the Authority issued \$8,200 in Revenue Bonds (Pacific Mirabella). On October 26, 2008, the Authority issued an additional \$221,645 in Variable Rate Demand Revenue Bonds (Mirabella at South Waterfront). Then on March 1, 2009, the Authority issued \$7,050 in Variable Rate Demand Revenue and Refunding Bonds (Oregon Baptist Retirement Homes Project). The proceeds of these bonds issues were used by health care facilities to finance various capital projects and refund outstanding bonds. The debt issues have not been recognized as a liability of the County or the Authority because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the health care facilities. Terwilliger Plaza, Holladay Park Plaza, Providence Health Systems, Mirabella and Oregon Baptist have pledged the gross revenues of the health care facilities to secure payment of the bonds. The bonds shall not be payable from a charge upon any fund or asset, nor shall the County or the Authority be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County. Upon completion of the project, the assets constructed or purchased are owned by Terwilliger Plaza, Holladay Park Plaza, Providence Health Systems, Mirabella and Oregon Baptist. Since neither the County nor the Authority own any assets or assume any 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, 2009, the total debt outstanding for the Hospital Facilities Authority of Multnomah County was \$404,675 of these bonds were outstanding.

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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, 2009, 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. The County's excess insurance coverage policies cover claims in excess of \$750 for workers' compensation and \$1,000 for all liability claims. Settlements have not exceeded coverages for each of the past three fiscal years. The County anticipates the balance in the claims liability account at year-end will be paid within the next fiscal year.

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

| | Fiscal Year Ended 6/30/09 | Fiscal Year Ended 6/30/08 |
|-----------------------------------------|------------------------------|------------------------------|
| Unpaid claims, beginning of fiscal year | \$ 11,414 | \$ 8,668 |
| Incurred claims (including IBNRs) | 24,321 | 21,726 |
| Actuarial adjustment | (1,571) | 489 |
| Claim payments | (21,303) | (19,469) |
| Unpaid claims, end of fiscal year | <u>\$ 12,861</u> | <u>\$ 11,414</u> |

B. Subsequent events

In September of 2009, the Hospital Facilities Authority of Multnomah County issued \$66,535 as a tax-exempt loan. The tax-exempt debt has not been recognized as a liability

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of the County or the Authority because the notes are secured solely by the provisions of the loan agreement and payments are made by the retirement facility.

In October of 2009, the Board of County Commissioners approved a short-term internal loan from the Risk Fund to the General Fund to help support County operations prior to property tax collections. The amount of the loan was \$15 million and the entire loan was repaid in November 2009.

C. Commitments and contingent liabilities

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

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

The following is a schedule by years of future minimum rental payments required under operating leases for certain land, buildings and equipment used in governmental operations that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2009.

| <u>Year ended June 30</u> | |
|---------------------------|------------------|
| 2010 | 4,120 |
| 2011 | 3,475 |
| 2012 | 3,421 |
| 2013 | 3,375 |
| 2014 | 3,444 |
| 2015 – 2019 | 6,609 |
| 2020 – 2024 | 85 |
| 2025 | 4 |
| Total minimum payments | <u>\$ 24,533</u> |

The County recorded \$3,590 in rent expense for the year ended June 30, 2009.

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D. Post employment benefits other than pensions

Plan description. The County administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postretirement healthcare insurance for eligible retirees and their spouses through the County's group health insurance plans, which cover both active and retired participants. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. The County's post employment medical plan does not issue a publicly available financial report. The County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for fiscal year ending June 30, 2006.

Funding policy. The County has not established a trust fund to supplement the costs for the net OPEB obligation. Contribution requirements also are negotiated between the County and union representatives. In general, the County pays 50% of the premiums of health care coverage for retirees from age 58 to age 65. The County's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The County is contractually obligated by collective bargaining agreements to contribute 1.5% of annual covered payroll. At June 30, 2009, there were 585 retirees that were receiving the post employment healthcare benefit. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2009, the County contributed \$2,196 to the plan or approximately 38% of total premiums. Plan members receiving benefits contributed \$3,521 or approximately 62% of the total premiums during fiscal year 2009.

Annual OPEB cost and net OPEB obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the guidance of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the fiscal year ending June 30, 2009, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

| | |
|--------------------------------------------|-------------------------|
| Annual required contribution (ARC) | \$ 11,664 |
| Interest on net OPEB obligation | 3,156 |
| Adjustment to annual required contribution | <u>(2,588)</u> |
| Annual OPEB cost (expense) | 12,232 |
| Contributions made | <u>(2,195)</u> |
| Increase in net OPEB obligation | 10,037 |
| Net OPEB obligation - beginning of year | <u>70,136</u> |
| Net OPEB obligation - end of year | <u><u>\$ 80,173</u></u> |

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(dollar amounts expressed in thousands)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the three preceding years were as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|------------------------------|-----------------------------|-----------------------------------------------------------|--------------------------------|
| 6/30/06 | \$ 12,716 | 16% | \$ 44,742 |
| 6/30/07 | 15,083 | 12% | 57,990 |
| 6/30/08 | 14,902 | 18% | 70,136 |
| 6/30/09 | 12,232 | 18% | 80,172 |

Funded status and funding progress. As of the most recent actuarial report, January 1, 2009, the actuarial accrued liability for benefits was \$122,605, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$122,605. The covered payroll (annual payroll of active employees covered by the plan) was \$263,380 for fiscal year 2009 and the ratio of the UAAL to the covered payroll was 47%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recently conducted, actuarial valuation (as of January 1, 2009), the unit credit method actuarial cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on historical and expected returns on the County's short-term investment portfolio. A discount rate of 4.5% was used in the most recent actuarial valuation for the closed period. The report states health care costs rates are trending

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(dollar amounts expressed in thousands)

down from 9.0% in 2009 to 7.3% in 2015 for the major medical component, which is representative for the overall plan. Both rates include a 2.5% inflation rate assumption. The County's unfunded actuarial accrued liability is re-determined each valuation and amortized over a 30 year period as a level percentage of payroll. The remaining amortization period at June 30, 2009 is 30 years.

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

Pension plans

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

Oregon Public Employees Retirement System (PERS)

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

PERS
PO Box 23700
Tigard, OR 97281-3700

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

Funding policy. The contribution requirements of the County are established and may be amended by the State. The County is contractually obligated by collective bargaining agreements to pay the required employee contribution of 6.0% of annual covered payroll. The County is also required to contribute at an actuarially determined rate; the current rate is 11.05% of annual covered payroll. In addition to the funding requirements, the County also charges an internal rate of 6.75% of payroll to departments to fund the repayment of the pension obligation bonds issued in 1999.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(dollar amounts expressed in thousands)

Annual pension cost. For 2009, the County's annual pension cost of \$42,368 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. This actuarial valuation is the most recent available at the time of printing this report. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 2.75% per year, (c) projected wage growth, excluding seniority / merit raises, of 3.75% per year and (d) trending healthcare costs from 7.0% in 2009 to 4.5% in 2029. 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, 2008, was 20 years.

Three Year Trend Information for PERS

| <u>Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|------------------------------|--------------------------------------|------------------------------------------|-----------------------------------|
| 6/30/07 | \$ 42,557 | 100% | \$ - |
| 6/30/08 | 39,337 | 100% | - |
| 6/30/09 | 42,368 | 100% | - |

Deferred Compensation Plan

Plan description. The County offers employees a deferred compensation plan (the Plan) administered by the County. The Plan is a defined contribution plan created in accordance with Internal Revenue Code Section 457. The Plan is available to all represented and non-represented County employees, and permits them to defer a portion of their salary until future years. Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency. All 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, 2009, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$145,808. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

REQUIRED SUPPLEMENTARY INFORMATION

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2009
(dollar amounts expressed in thousands)

Other Postemployment Healthcare Benefits
Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) – Unit Credit (b) | Unfunded (Funded) AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|--------------------------------|----------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|--------------------------|---------------------------|---------------------------------------------------------------|
| 01/01/05 | \$ - | \$ 109,895 | \$ 109,895 | 0% | \$228,597 | 48% |
| 01/01/07 | - | 122,905 | 122,905 | 0% | 246,343 | 50% |
| 01/01/09 | \$ - | \$ 122,605 | \$ 122,605 | 0% | \$263,380 | 47% |

The above table presents the three most recent actuarial valuations for the County's postretirement medical plans and provides information that approximates the funding progress of the plan.

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

- Justice Bond Project Fund
- Financed Projects Fund
- Capital Improvement Fund
- Capital Acquisition Fund
- Asset Preservation Fund

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(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 | \$ 46,728 | \$ 34,038 | \$ 23,171 | \$ 103,937 |
| Receivables: | | | | |
| Taxes | 4,114 | 515 | - | 4,629 |
| Accounts | 7,041 | - | 153 | 7,194 |
| Contracts | 593 | 1,687 | 411 | 2,691 |
| Inventories | 745 | - | - | 745 |
| Prepaid items | 195 | - | - | 195 |
| Restricted assets: | | | | |
| Cash with fiscal agent | - | 1,035 | - | 1,035 |
| Total assets and other debits | <u>\$ 59,416</u> | <u>\$ 37,275</u> | <u>\$ 23,735</u> | <u>\$ 120,426</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 10,796 | \$ - | \$ 548 | \$ 11,344 |
| Payrolls payable | 1,018 | - | 3 | 1,021 |
| Deferred revenue | 2,594 | 2,106 | 561 | 5,261 |
| Total liabilities | <u>14,408</u> | <u>2,106</u> | <u>1,112</u> | <u>17,626</u> |
| FUND BALANCES | | | | |
| Reserved for capital projects | - | - | 22,623 | 22,623 |
| Reserved for debt service | - | 35,169 | - | 35,169 |
| Reserved for inventories | 745 | - | - | 745 |
| Reserved for prepaid items | 195 | - | - | 195 |
| Unreserved, undesignated | 44,068 | - | - | 44,068 |
| Total fund balances | <u>45,008</u> | <u>35,169</u> | <u>22,623</u> | <u>102,800</u> |
| Total liabilities and fund balances | <u>\$ 59,416</u> | <u>\$ 37,275</u> | <u>\$ 23,735</u> | <u>\$ 120,426</u> |

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009
(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 | \$ 67,021 | \$ 8,170 | \$ - | \$ 75,191 |
| Intergovernmental | 34,866 | - | - | 34,866 |
| Licenses and permits | 3,999 | - | 12 | 4,011 |
| Charges for services | 6,777 | 33 | 286 | 7,096 |
| Interest | 1,004 | 278 | 384 | 1,666 |
| Other | 3,532 | 6,417 | 254 | 10,203 |
| Total revenues | <u>117,199</u> | <u>14,898</u> | <u>936</u> | <u>133,033</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 346 | 15 | 3,774 | 4,135 |
| Health services | 1,378 | - | - | 1,378 |
| Public safety and justice | 5,653 | - | 510 | 6,163 |
| Community services | 19,865 | - | 1,302 | 21,167 |
| Library services | 50,872 | - | - | 50,872 |
| Roads and bridges | 38,148 | - | - | 38,148 |
| Capital outlay | 15,604 | - | 3,613 | 19,217 |
| Debt service: | | | | |
| Principal | - | 16,943 | - | 16,943 |
| Interest | 224 | 6,687 | - | 6,911 |
| Total expenditures | <u>132,090</u> | <u>23,645</u> | <u>9,199</u> | <u>164,934</u> |
| Deficiency of revenues under expenditures | <u>(14,891)</u> | <u>(8,747)</u> | <u>(8,263)</u> | <u>(31,901)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from issuance of debt | 623 | - | - | 623 |
| Transfers in | 22,719 | 24,200 | 11,643 | 58,562 |
| Transfers out | (7,976) | - | (2,348) | (10,324) |
| Total other financing sources (uses) | <u>15,366</u> | <u>24,200</u> | <u>9,295</u> | <u>48,861</u> |
| Net change in fund balances | 475 | 15,453 | 1,032 | 16,960 |
| Fund balances - beginning | 44,533 | 19,716 | 21,591 | 85,840 |
| Fund balances - ending | <u>\$ 45,008</u> | <u>\$ 35,169</u> | <u>\$ 22,623</u> | <u>\$ 102,800</u> |

NONMAJOR SPECIAL REVENUE FUNDS

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

- **Strategic Investment Program Fund** - accounts primarily for monies received from corporations receiving property tax abatements and paying fees for specific purposes as a part of the reduced tax agreement to be used for community service.
- **Road Fund** - accounts for revenues primarily from State motor vehicle fees and County gasoline taxes. Expenditures consist of construction, repair, maintenance, and operation of County highways and roads.
- **Emergency Communications Fund** - accounts for monies received from the State which are designated for an emergency communication network in conjunction with the City of Portland.
- **Bicycle Path Construction Fund** - accounts for revenue and expenditures for bicycle paths. Revenue is one percent of State motor vehicle fees.
- **Recreation Fund** - accounts for State revenues and the pass through disbursements to Metro for the operation of parks.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **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 capital grants and contributions for County bridges, motor vehicle fees, and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- **Library Fund** - accounts for the public library operations.
- **Special Excise Tax Fund** - accounts for a transient lodging tax and motor vehicle tax collection to be used for convention center expenditures.
- **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.
- **Inmate Welfare Fund** - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- **Justice Services Special Operations Fund** - accounts for revenues and expenditures dedicated to justice services in the community justice department, district attorney's office, and sheriff's office.
- **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.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009
(amounts expressed in thousands)

| | Strategic Investment Program | Road | Emergency Communications | Bicycle Path Construction | Recreation |
|-------------------------------------|---------------------------------------------|-----------------|-------------------------------------|--------------------------------------|-------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 606 | \$ 1,223 | \$ 14 | \$ 540 | \$ 5 |
| Receivables: | | | | | |
| Taxes | - | - | - | - | - |
| Accounts | - | 4,137 | 60 | - | 9 |
| Contracts | - | 13 | - | - | - |
| Inventories | - | 583 | - | - | - |
| Prepaid items | - | - | - | - | - |
| Total assets | <u>\$ 606</u> | <u>\$ 5,956</u> | <u>\$ 74</u> | <u>\$ 540</u> | <u>\$ 14</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ 5,542 | \$ - | \$ 99 | \$ 14 |
| Payroll Payable | - | 143 | - | - | - |
| Deferred revenue | - | 13 | - | - | - |
| Total liabilities | <u>-</u> | <u>5,698</u> | <u>-</u> | <u>99</u> | <u>14</u> |
| FUND BALANCES | | | | | |
| Reserved for inventories | - | 583 | - | - | - |
| Reserved for prepaid items | - | - | - | - | - |
| Unreserved, undesignated | 606 | (325) | 74 | 441 | - |
| Total fund balances | <u>606</u> | <u>258</u> | <u>74</u> | <u>441</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 606</u> | <u>\$ 5,956</u> | <u>\$ 74</u> | <u>\$ 540</u> | <u>\$ 14</u> |

(concluded on the following page)

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet (concluded)
Nonmajor Special Revenue Funds
June 30, 2009
(amounts expressed in thousands)

| | <u>County School</u> | <u>Tax Title Land Sales</u> | <u>Animal Control</u> | <u>Willamette River Bridges</u> | <u>Library</u> |
|-------------------------------------|----------------------|---------------------------------|---------------------------|-------------------------------------|------------------|
| ASSETS | | | | | |
| Cash and investments | \$ - | \$ 296 | \$ 686 | \$ 3,650 | \$ 21,928 |
| Receivables: | | | | | |
| Taxes | - | 17 | - | - | 2,250 |
| Accounts | - | 3 | 72 | 830 | 404 |
| Contracts | - | 580 | - | - | - |
| Inventories | - | 162 | - | - | - |
| Prepaid items | - | - | - | - | 195 |
| Total assets | <u>\$ -</u> | <u>\$ 1,058</u> | <u>\$ 758</u> | <u>\$ 4,480</u> | <u>\$ 24,777</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ 15 | \$ 7 | \$ 423 | \$ 1,964 |
| Payroll Payable | - | 11 | - | 71 | 689 |
| Deferred revenue | - | 742 | - | - | 1,833 |
| Total liabilities | <u>-</u> | <u>768</u> | <u>7</u> | <u>494</u> | <u>4,486</u> |
| FUND BALANCES | | | | | |
| Reserved for inventories | - | 162 | - | - | - |
| Reserved for prepaid items | - | - | - | - | 195 |
| Unreserved, undesignated | - | 128 | 751 | 3,986 | 20,096 |
| Total fund balances | <u>-</u> | <u>290</u> | <u>751</u> | <u>3,986</u> | <u>20,291</u> |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 1,058</u> | <u>\$ 758</u> | <u>\$ 4,480</u> | <u>\$ 24,777</u> |

| Special Excise Tax | Land Corner Preservation | Inmate Welfare | Justice Services Special Operations | General Reserve | Total |
|-------------------------------|-------------------------------------|---------------------------|--------------------------------------------------------|----------------------------|------------------|
| \$ 666 | \$ 1,291 | \$ 272 | \$ 214 | \$ 15,337 | \$ 46,728 |
| 1,844 | 3 | - | - | - | 4,114 |
| - | 2 | 35 | 1,489 | - | 7,041 |
| - | - | - | - | - | 593 |
| - | - | - | - | - | 745 |
| - | - | - | - | - | 195 |
| <u>\$ 2,510</u> | <u>\$ 1,296</u> | <u>\$ 307</u> | <u>\$ 1,703</u> | <u>\$ 15,337</u> | <u>\$ 59,416</u> |
| \$ 2,201 | \$ 21 | \$ 66 | \$ 444 | \$ - | \$ 10,796 |
| - | 14 | 18 | 72 | - | 1,018 |
| - | - | - | 6 | - | 2,594 |
| <u>2,201</u> | <u>35</u> | <u>84</u> | <u>522</u> | <u>-</u> | <u>14,408</u> |
| - | - | - | - | - | 745 |
| - | - | - | - | - | 195 |
| <u>309</u> | <u>1,261</u> | <u>223</u> | <u>1,181</u> | <u>15,337</u> | <u>44,068</u> |
| <u>309</u> | <u>1,261</u> | <u>223</u> | <u>1,181</u> | <u>15,337</u> | <u>45,008</u> |
| <u>\$ 2,510</u> | <u>\$ 1,296</u> | <u>\$ 307</u> | <u>\$ 1,703</u> | <u>\$ 15,337</u> | <u>\$ 59,416</u> |

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Strategic Investment Program | Roads | Emergency Communications | Bicycle Path Construction |
|-------------------------------------------------|---------------------------------------------|----------------|-------------------------------------|--------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 432 | \$ 7,493 | \$ - | \$ - |
| Intergovernmental | - | 29,189 | 250 | - |
| Licenses and permits | - | 67 | - | - |
| Charges for services | - | 533 | - | - |
| Interest | - | 99 | - | 11 |
| Other: | | | | |
| Non-governmental grants | - | - | - | - |
| Service reimbursements | - | 100 | - | - |
| Miscellaneous | - | 96 | - | - |
| Total revenues | <u>432</u> | <u>37,577</u> | <u>250</u> | <u>11</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Health services | - | - | - | - |
| Public safety and justice | - | - | - | - |
| Community services | - | - | 240 | 1 |
| Library services | - | - | - | - |
| Roads and bridges | - | 32,056 | - | - |
| Capital outlay | - | 2,675 | - | 172 |
| Debt service, interest | - | - | - | - |
| Total expenditures | <u>-</u> | <u>34,731</u> | <u>240</u> | <u>173</u> |
| Excess of revenues over (under) expenditures | <u>432</u> | <u>2,846</u> | <u>10</u> | <u>(162)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from issuance of debt | - | 623 | - | - |
| Transfers in | - | - | - | 52 |
| Transfers out | <u>(200)</u> | <u>(5,160)</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(200)</u> | <u>(4,537)</u> | <u>-</u> | <u>52</u> |
| Net change in fund balances | 232 | (1,691) | 10 | (110) |
| Fund balance - beginning | <u>374</u> | <u>1,949</u> | <u>64</u> | <u>551</u> |
| Fund balance - ending | <u>\$ 606</u> | <u>\$ 258</u> | <u>\$ 74</u> | <u>\$ 441</u> |

| Recreation | County School | Tax Title Land Sales | Animal Control | Willamette River Bridges | Library | Special Excise Tax |
|-------------------|----------------------|-----------------------------|-----------------------|---------------------------------|------------------|---------------------------|
| \$ 67 | \$ 205 | \$ 72 | \$ - | \$ - | \$ 39,427 | \$ 19,325 |
| - | 17 | 10 | 75 | 4,694 | 514 | - |
| - | - | - | 1,197 | - | 178 | - |
| - | - | 336 | 126 | 7 | 1,576 | - |
| - | - | 36 | 12 | 43 | 429 | 14 |
| - | - | - | 94 | - | 3,042 | - |
| - | - | - | 1 | - | - | - |
| - | - | 1 | - | 56 | 6 | - |
| <u>67</u> | <u>222</u> | <u>455</u> | <u>1,505</u> | <u>4,800</u> | <u>45,172</u> | <u>19,339</u> |
| - | - | 292 | 54 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 67 | 223 | - | - | - | - | 19,334 |
| - | - | - | - | - | 50,872 | - |
| - | - | - | - | 5,085 | - | - |
| - | - | - | - | 6,261 | 6,428 | - |
| - | - | - | - | 224 | - | - |
| <u>67</u> | <u>223</u> | <u>292</u> | <u>54</u> | <u>11,570</u> | <u>57,300</u> | <u>19,334</u> |
| - | (1) | 163 | 1,451 | (6,770) | (12,128) | 5 |
| - | - | - | - | - | - | - |
| - | - | - | - | 7,031 | 15,636 | - |
| - | - | - | (1,240) | (1,376) | - | - |
| - | - | - | (1,240) | 5,655 | 15,636 | - |
| - | (1) | 163 | 211 | (1,115) | 3,508 | 5 |
| - | 1 | 127 | 540 | 5,101 | 16,783 | 304 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 290</u> | <u>\$ 751</u> | <u>\$ 3,986</u> | <u>\$ 20,291</u> | <u>\$ 309</u> |

(concluded on the following page)

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (concluded)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Land Corner Preservation | Inmate Welfare | Justice Services Special Operations | General Reserve | Total |
|-------------------------------------------------|-------------------------------------|---------------------------|--------------------------------------------------------|----------------------------|------------------|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 67,021 |
| Intergovernmental | - | - | 117 | - | 34,866 |
| Licenses and permits | - | - | 2,557 | - | 3,999 |
| Charges for services | 620 | 1,271 | 2,308 | - | 6,777 |
| Interest | 32 | 11 | 20 | 297 | 1,004 |
| Other: | | | | | |
| Non-governmental grants | - | 6 | 6 | - | 3,148 |
| Service reimbursements | - | - | 117 | - | 218 |
| Miscellaneous | - | 7 | - | - | 166 |
| Total revenues | <u>652</u> | <u>1,295</u> | <u>5,125</u> | <u>297</u> | <u>117,199</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 346 |
| Health services | - | - | 1,378 | - | 1,378 |
| Public safety and justice | - | 1,897 | 3,756 | - | 5,653 |
| Community services | - | - | - | - | 19,865 |
| Library services | - | - | - | - | 50,872 |
| Roads and bridges | 1,007 | - | - | - | 38,148 |
| Capital outlay | 34 | - | 34 | - | 15,604 |
| Debt service, interest | - | - | - | - | 224 |
| Total expenditures | <u>1,041</u> | <u>1,897</u> | <u>5,168</u> | <u>-</u> | <u>132,090</u> |
| Excess of revenues over (under) expenditures | <u>(389)</u> | <u>(602)</u> | <u>(43)</u> | <u>297</u> | <u>(14,891)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | 623 |
| Transfers in | - | - | - | - | 22,719 |
| Transfers out | - | - | - | - | (7,976) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,366</u> |
| Net change in fund balances | <u>(389)</u> | <u>(602)</u> | <u>(43)</u> | <u>297</u> | <u>475</u> |
| Fund balance - beginning | <u>1,650</u> | <u>825</u> | <u>1,224</u> | <u>15,040</u> | <u>44,533</u> |
| Fund balance - ending | <u>\$ 1,261</u> | <u>\$ 223</u> | <u>\$ 1,181</u> | <u>\$ 15,337</u> | <u>\$ 45,008</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Strategic Investment Program Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes | \$ 200 | \$ 200 | \$ 432 | \$ 232 |
| EXPENDITURES | | | | |
| Human services | 288 | 288 | - | 288 |
| Excess (deficiency) of revenues over (under) expenditures | (88) | (88) | 432 | 520 |
| OTHER FINANCING USES | | | | |
| Transfers out | (200) | (200) | (200) | - |
| Net change in fund balances | (288) | (288) | 232 | 520 |
| Fund balances - beginning | 288 | 288 | 374 | 86 |
| Fund balances - ending | \$ - | \$ - | \$ 606 | \$ 606 |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------------------------------|-------------------------|----------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes: | | | | |
| Gasoline | \$ 7,200 | \$ 7,200 | \$ 6,878 | \$ (322) |
| Forest reserve yield | 75 | 75 | 615 | 540 |
| Intergovernmental | 36,025 | 36,025 | 29,189 | (6,836) |
| Licenses and permits | 65 | 65 | 67 | 2 |
| Charges for services | 615 | 615 | 533 | (82) |
| Interest | 400 | 400 | 99 | (301) |
| Other: | | | | |
| Service reimbursements | 554 | 554 | 100 | (454) |
| Miscellaneous | 106 | 106 | 96 | (10) |
| Total revenues | <u>45,040</u> | <u>45,040</u> | <u>37,577</u> | <u>(7,463)</u> |
| EXPENDITURES | | | | |
| Community services | <u>46,121</u> | <u>46,045</u> | <u>34,731</u> | <u>11,314</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,081)</u> | <u>(1,005)</u> | <u>2,846</u> | <u>3,851</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from issuance of debt | 4,000 | 4,000 | 623 | (3,377) |
| Transfers out | <u>(5,506)</u> | <u>(5,506)</u> | <u>(5,160)</u> | <u>346</u> |
| Total other financing sources (uses) | <u>(1,506)</u> | <u>(1,506)</u> | <u>(4,537)</u> | <u>(3,031)</u> |
| Contingency | - | (76) | - | 76 |
| Net change in fund balances | <u>(2,587)</u> | <u>(2,587)</u> | <u>(1,691)</u> | <u>896</u> |
| Fund balances - beginning | <u>2,587</u> | <u>2,587</u> | <u>1,949</u> | <u>(638)</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 258</u> | <u>\$ 258</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Emergency Communications Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | | Variance with Final Budget Favorable (Unfavorable) |
|-----------------------------|-------------------------|--------------|---------------|-----------------------------------------------------------------------|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Intergovernmental | \$ 240 | \$ 240 | \$ 250 | \$ 10 |
| EXPENDITURES | | | | |
| Sheriff | 240 | 240 | 240 | - |
| Net change in fund balances | - | - | 10 | 10 |
| Fund balances - beginning | - | - | 64 | 64 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 74</u> | <u>\$ 74</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bicycle Path Construction Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Interest | \$ 20 | \$ 20 | \$ 11 | \$ (9) |
| EXPENDITURES | | | | |
| Community services | 639 | 639 | 173 | 466 |
| Deficiency of revenues under expenditures | (619) | (619) | (162) | 457 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 64 | 64 | 52 | (12) |
| Net change in fund balances | (555) | (555) | (110) | 445 |
| Fund balances - beginning | 555 | 555 | 551 | (4) |
| Fund balances - ending | \$ - | \$ - | \$ 441 | \$ 441 |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Recreation Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes - Gasoline | \$ 120 | \$ 120 | \$ 67 | \$ (53) |
| EXPENDITURES | | | | |
| County management | 120 | 120 | 67 | 53 |
| Net change in fund balances | - | - | - | - |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ - | \$ - | \$ - |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
County School Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes: | | | | |
| Forest reserve yield | \$ 235 | \$ 235 | \$ 205 | \$ (30) |
| Intergovernmental | 23 | 23 | 17 | (6) |
| Interest | 1 | 1 | - | (1) |
| Total revenues | <u>259</u> | <u>259</u> | <u>222</u> | <u>(37)</u> |
| EXPENDITURES | | | | |
| Nondepartmental | <u>260</u> | <u>260</u> | <u>223</u> | <u>37</u> |
| Net change in fund balances | (1) | (1) | (1) | - |
| Fund balances - beginning | <u>1</u> | <u>1</u> | <u>1</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Tax Title Land Sales Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Payments in lieu of taxes | \$ 20 | \$ 20 | \$ 72 | \$ 52 |
| Intergovernmental | 40 | 40 | 10 | (30) |
| Charges for services | 293 | 293 | 336 | 43 |
| Interest | 25 | 25 | 36 | 11 |
| Other - miscellaneous | - | - | 1 | 1 |
| Total revenues | <u>378</u> | <u>378</u> | <u>455</u> | <u>77</u> |
| EXPENDITURES | | | | |
| Community services | <u>678</u> | <u>678</u> | <u>292</u> | <u>386</u> |
| Net change in fund balances | (300) | (300) | 163 | 463 |
| Fund balances - beginning | <u>300</u> | <u>300</u> | <u>127</u> | <u>(173)</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 290</u> | <u>\$ 290</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Animal Control Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------|-------------------------|----------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Intergovernmental | \$ 60 | \$ 60 | \$ 75 | \$ 15 |
| Licenses and permits | 980 | 980 | 1,197 | 217 |
| Charges for services | 200 | 200 | 126 | (74) |
| Interest | - | - | 12 | 12 |
| Other: | | | | |
| Non-governmental grants | 158 | 158 | 94 | (64) |
| Service reimbursements | - | - | 1 | 1 |
| Total revenues | <u>1,398</u> | <u>1,398</u> | <u>1,505</u> | <u>107</u> |
| EXPENDITURES | | | | |
| Community services | <u>157</u> | <u>157</u> | <u>54</u> | <u>103</u> |
| Excess of revenues over expenditures | <u>1,241</u> | <u>1,241</u> | <u>1,451</u> | <u>210</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(1,240)</u> | <u>(1,240)</u> | <u>(1,240)</u> | <u>-</u> |
| Total other financing uses | <u>(1,240)</u> | <u>(1,240)</u> | <u>(1,240)</u> | <u>-</u> |
| Contingency | <u>(454)</u> | <u>(454)</u> | <u>-</u> | <u>454</u> |
| Net change in fund balances | <u>(453)</u> | <u>(453)</u> | <u>211</u> | <u>664</u> |
| Fund balances - beginning | <u>453</u> | <u>453</u> | <u>540</u> | <u>87</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 751</u> | <u>\$ 751</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Willamette River Bridges Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|-----------------|-----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Intergovernmental | \$ 1,587 | \$ 1,587 | \$ 4,694 | \$ 3,107 |
| Charges for services | - | - | 7 | 7 |
| Interest | 150 | 150 | 43 | (107) |
| Other: | | | | |
| Service reimbursements | 202 | 202 | - | (202) |
| Miscellaneous | 10 | 10 | 56 | 46 |
| Total revenues | <u>1,949</u> | <u>1,949</u> | <u>4,800</u> | <u>2,851</u> |
| EXPENDITURES | | | | |
| Community services | <u>20,133</u> | <u>20,133</u> | <u>11,570</u> | <u>8,563</u> |
| Deficiency of revenues under expenditures | <u>(18,184)</u> | <u>(18,184)</u> | <u>(6,770)</u> | <u>11,414</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 7,365 | 7,365 | 7,031 | (334) |
| Transfers out | <u>(1,600)</u> | <u>(1,600)</u> | <u>(1,376)</u> | <u>224</u> |
| Total other financing sources (uses) | <u>5,765</u> | <u>5,765</u> | <u>5,655</u> | <u>(110)</u> |
| Net change in fund balances | <u>(12,419)</u> | <u>(12,419)</u> | <u>(1,115)</u> | <u>11,304</u> |
| Fund balances - beginning | <u>12,419</u> | <u>12,419</u> | <u>5,101</u> | <u>(7,318)</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,986</u> | <u>\$ 3,986</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Library Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------------------------------|-------------------------|------------------|------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes - property | \$ 39,179 | \$ 39,179 | \$ 39,427 | \$ 248 |
| Intergovernmental | 572 | 572 | 514 | (58) |
| Licenses and permits | 150 | 150 | 178 | 28 |
| Charges for services | 1,473 | 1,473 | 1,576 | 103 |
| Interest | 1,021 | 1,021 | 429 | (592) |
| Other: | | | | |
| Non-governmental grants | 737 | 1,663 | 2,077 | 414 |
| Service reimbursements | 35 | 35 | - | (35) |
| Miscellaneous | 1 | 1 | 6 | 5 |
| Total revenues | <u>43,168</u> | <u>44,094</u> | <u>44,207</u> | <u>113</u> |
| EXPENDITURES | | | | |
| Library | <u>60,177</u> | <u>61,103</u> | <u>56,335</u> | <u>4,768</u> |
| Deficiency of revenues under expenditures | <u>(17,009)</u> | <u>(17,009)</u> | <u>(12,128)</u> | <u>4,881</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>16,287</u> | <u>16,287</u> | <u>15,636</u> | <u>(651)</u> |
| Total other financing sources | <u>16,287</u> | <u>16,287</u> | <u>15,636</u> | <u>(651)</u> |
| Contingency | <u>(3,000)</u> | <u>(3,000)</u> | <u>-</u> | <u>3,000</u> |
| Net change in fund balances | <u>(3,722)</u> | <u>(3,722)</u> | <u>3,508</u> | <u>7,230</u> |
| Fund balances - beginning | <u>17,083</u> | <u>17,083</u> | <u>16,783</u> | <u>(300)</u> |
| Fund balances - ending | <u>\$ 13,361</u> | <u>\$ 13,361</u> | <u>20,291</u> | <u>\$ 6,930</u> |
| Reconciliation to GAAP Basis: | | | | |
| In kind contributions | | | 965 | |
| Consumption of in kind contributions | | | <u>(965)</u> | |
| Fund balance as reported on the Combined Statement of | | | | |
| Revenues, Expenditures, and Changes in Fund Balance, Page 83 | | | <u>\$ 20,291</u> | |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Excise Tax Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes | \$ 22,532 | \$ 22,532 | \$ 19,325 | \$ (3,207) |
| Interest | 50 | 50 | 14 | (36) |
| Total revenues | 22,582 | 22,582 | 19,339 | (3,243) |
| EXPENDITURES | | | | |
| Nondepartmental | 23,000 | 23,000 | 19,334 | 3,666 |
| Net change in fund balances | (418) | (418) | 5 | 423 |
| Fund balances - beginning | 418 | 418 | 304 | (114) |
| Fund balances - ending | \$ - | \$ - | \$ 309 | \$ 309 |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Land Corner Preservation Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 985 | \$ 985 | \$ 620 | \$ (365) |
| Interest | 80 | 80 | 32 | (48) |
| Total revenues | 1,065 | 1,065 | 652 | (413) |
| EXPENDITURES | | | | |
| Community services | 1,360 | 1,395 | 1,041 | 354 |
| Deficiency of revenues under expenditures | (295) | (330) | (389) | (59) |
| Contingency | (1,320) | (1,285) | - | 1,285 |
| Net change in fund balances | (1,615) | (1,615) | (389) | 1,226 |
| Fund balances - beginning | 1,615 | 1,615 | 1,650 | 35 |
| Fund balances - ending | \$ - | \$ - | \$ 1,261 | \$ 1,261 |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Inmate Welfare Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 1,663 | \$ 1,663 | \$ 1,271 | \$ (392) |
| Interest | 50 | 50 | 11 | (39) |
| Other: | | | | |
| Non-governmental grants | - | - | 6 | 6 |
| Service reimbursements | - | - | - | - |
| Miscellaneous | 13 | 13 | 7 | (6) |
| Total revenues | <u>1,726</u> | <u>1,726</u> | <u>1,295</u> | <u>(431)</u> |
| EXPENDITURES | | | | |
| Community justice | 13 | 13 | 8 | 5 |
| Sheriff | <u>2,513</u> | <u>2,513</u> | <u>1,889</u> | <u>624</u> |
| Total expenditures | <u>2,526</u> | <u>2,526</u> | <u>1,897</u> | <u>629</u> |
| Net change in fund balances | (800) | (800) | (602) | 198 |
| Fund balances - beginning | <u>800</u> | <u>800</u> | <u>825</u> | <u>25</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 223</u> | <u>\$ 223</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Justice Services Special Operations Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Intergovernmental | \$ 2 | \$ 139 | \$ 117 | \$ (22) |
| Licenses and permits | 2,652 | 2,652 | 2,557 | (95) |
| Charges for services | 2,374 | 2,442 | 2,308 | (134) |
| Interest | 16 | 16 | 20 | 4 |
| Other: | | | | |
| Non-governmental grants | - | - | 6 | 6 |
| Service reimbursements | 105 | 105 | 117 | 12 |
| Total revenues | 5,149 | 5,354 | 5,125 | (229) |
| EXPENDITURES | | | | |
| Community justice | 1,160 | 1,160 | 1,024 | 136 |
| Health services | 1,671 | 1,794 | 1,378 | 416 |
| District attorney | 151 | 151 | 49 | 102 |
| Sheriff | 2,797 | 3,002 | 2,717 | 285 |
| Total expenditures | 5,779 | 6,107 | 5,168 | 939 |
| Net change in fund balances | (630) | (753) | (43) | 710 |
| Fund balances - beginning | 630 | 753 | 1,224 | 471 |
| Fund balances - ending | \$ - | \$ - | \$ 1,181 | \$ 1,181 |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Reserve Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|---------------------------|-------------------------|------------------|------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Interest | \$ 600 | \$ 600 | \$ 297 | \$ (303) |
| Fund balances - beginning | 15,000 | 15,000 | 15,040 | 40 |
| Fund balances - ending | <u>\$ 15,600</u> | <u>\$ 15,600</u> | <u>\$ 15,337</u> | <u>\$ (263)</u> |

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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:

Major Fund

- **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.

Nonmajor Funds

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

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2009
(amounts expressed in thousands)

| | <u>Revenue Bond</u> | <u>Capital Debt Retirement</u> | <u>General Obligation Bond</u> | <u>Total</u> |
|-------------------------------------|-------------------------|----------------------------------------|----------------------------------------|------------------|
| ASSETS | | | | |
| Cash and investments | \$ 2,120 | \$ 24,371 | \$ 7,547 | \$ 34,038 |
| Receivables: | | | | |
| Taxes | - | - | 515 | 515 |
| Accounts | - | - | - | - |
| Contracts | 1,687 | - | - | 1,687 |
| Restricted assets: | | | | |
| Cash with fiscal agent | 1 | 1,034 | - | 1,035 |
| Total assets | <u>\$ 3,808</u> | <u>\$ 25,405</u> | <u>\$ 8,062</u> | <u>\$ 37,275</u> |
| LIABILITIES | | | | |
| Deferred revenue | \$ 1,687 | - | \$ 419 | \$ 2,106 |
| Total liabilities | <u>1,687</u> | <u>-</u> | <u>419</u> | <u>2,106</u> |
| FUND BALANCES | | | | |
| Reserved for debt service | 2,121 | 25,405 | 7,643 | 35,169 |
| Total liabilities and fund balances | <u>\$ 3,808</u> | <u>\$ 25,405</u> | <u>\$ 8,062</u> | <u>\$ 37,275</u> |

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Revenue Bond | Capital Debt Retirement | General Obligation Bond | Total |
|-------------------------------------------|-------------------------|----------------------------------------|----------------------------------------|------------------|
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ 8,170 | \$ 8,170 |
| Charges for services | 33 | - | - | 33 |
| Interest | 54 | 88 | 136 | 278 |
| Other - service reimbursements | - | 6,417 | - | 6,417 |
| Total revenues | <u>87</u> | <u>6,505</u> | <u>8,306</u> | <u>14,898</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 8 | 7 | - | 15 |
| Debt service: | | | | |
| Principal | 2,080 | 8,308 | 6,555 | 16,943 |
| Interest | 208 | 3,802 | 2,677 | 6,687 |
| Total expenditures | <u>2,296</u> | <u>12,117</u> | <u>9,232</u> | <u>23,645</u> |
| Deficiency of revenues under expenditures | <u>(2,209)</u> | <u>(5,612)</u> | <u>(926)</u> | <u>(8,747)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 24,200 | - | 24,200 |
| Net change in fund balances | (2,209) | 18,588 | (926) | 15,453 |
| Fund balances - beginning | 4,330 | 6,817 | 8,569 | 19,716 |
| Fund balances - ending | <u>\$ 2,121</u> | <u>\$ 25,405</u> | <u>\$ 7,643</u> | <u>\$ 35,169</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Revenue Bond Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 31 | \$ 31 | \$ 33 | \$ 2 |
| Interest | 180 | 180 | 54 | (126) |
| Total revenues | 211 | 211 | 87 | (124) |
| EXPENDITURES | | | | |
| Nondepartmental | 857 | 857 | 2,296 | (1,439) |
| Net change in fund balances | (646) | (646) | (2,209) | (1,563) |
| Fund balances - beginning | 5,000 | 5,000 | 4,330 | (670) |
| Fund balances - ending | \$ 4,354 | \$ 4,354 | \$ 2,121 | \$ (2,233) |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Debt Retirement Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Interest | \$ 235 | \$ 235 | \$ 88 | \$ (147) |
| Other - service reimbursements | 6,857 | 6,857 | 6,417 | (440) |
| Total revenues | 7,092 | 7,092 | 6,505 | (587) |
| EXPENDITURES | | | | |
| Nondepartmental | 12,159 | 12,159 | 12,117 | 42 |
| Deficiency of revenues under expenditures | (5,067) | (5,067) | (5,612) | (545) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 24,200 | 24,200 | 24,200 | - |
| Total other financing sources | 24,200 | 24,200 | 24,200 | - |
| Contingency | (4,296) | (4,296) | - | 4,296 |
| Net change in fund balances | 14,837 | 14,837 | 18,588 | 3,751 |
| Fund balances - beginning | 5,205 | 5,205 | 6,817 | 1,612 |
| Fund balances - ending | \$ 20,042 | \$ 20,042 | \$ 25,405 | \$ 5,363 |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Obligation Bond Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Taxes: | | | | |
| Property: | | | | |
| Current year | \$ 8,000 | \$ 8,000 | \$ 7,980 | \$ (20) |
| Prior years' | 225 | 225 | 160 | (65) |
| Penalties and interest | - | - | 30 | 30 |
| Interest | 325 | 325 | 136 | (189) |
| Total revenues | 8,550 | 8,550 | 8,306 | (244) |
| EXPENDITURES | | | | |
| Nondepartmental | 9,232 | 9,232 | 9,232 | - |
| Deficiency of revenues under expenditures | (682) | (682) | (926) | (244) |
| Fund balances - beginning | 8,667 | 8,667 | 8,569 | (98) |
| Fund balances - ending | \$ 7,985 | \$ 7,985 | \$ 7,643 | \$ (342) |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
PERS Pension Bond Fund (Major Fund)
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Interest | \$ 900 | \$ 900 | \$ 626 | \$ (274) |
| Other - service reimbursements | 16,250 | 16,250 | 17,156 | 906 |
| Total revenues | 17,150 | 17,150 | 17,782 | 632 |
| EXPENDITURES | | | | |
| Nondepartmental | 13,591 | 13,591 | 13,542 | 49 |
| Excess of revenues over expenditures | 3,559 | 3,559 | 4,240 | 681 |
| Fund balances - beginning | 25,867 | 25,867 | 27,199 | 1,332 |
| Fund balances - ending | \$ 29,426 | \$ 29,426 | \$ 31,439 | \$ 2,013 |

NONMAJOR CAPITAL PROJECTS FUNDS

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

- **Justice Bond Project Fund** – accounts for projects to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities and pay for data processing linkages in the Corrections system.
- **Financed Projects Fund** - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Capital Acquisition Fund** - accounts for purchase of personal computers and capital purchases with economic payoffs of less than five years.
- **Asset Preservation Fund** – accounts for the expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement, etc. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009
(amounts expressed in thousands)

| | Justice Bond Project | Financed Projects | Capital Improvement | Capital Acquisition | Asset Preservation | Total |
|-------------------------------------|-------------------------------------|------------------------------|--------------------------------|--------------------------------|-------------------------------|------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ - | \$ 340 | \$ 20,302 | \$ 505 | \$ 2,024 | \$ 23,171 |
| Receivables: | | | | | | |
| Accounts | - | - | 51 | - | 102 | 153 |
| Contracts | - | - | 411 | - | - | 411 |
| Total assets | <u>\$ -</u> | <u>\$ 340</u> | <u>\$ 20,764</u> | <u>\$ 505</u> | <u>\$ 2,126</u> | <u>\$ 23,735</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 2 | \$ 407 | \$ - | \$ 139 | \$ 548 |
| Payroll payable | - | 3 | - | - | - | 3 |
| Deferred revenue | - | - | 561 | - | - | 561 |
| Total liabilities | <u>-</u> | <u>5</u> | <u>968</u> | <u>-</u> | <u>139</u> | <u>1,112</u> |
| FUND BALANCES | | | | | | |
| Reserved for capital projects | - | 335 | 19,796 | 505 | 1,987 | 22,623 |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 340</u> | <u>\$ 20,764</u> | <u>\$ 505</u> | <u>\$ 2,126</u> | <u>\$ 23,735</u> |

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Justice Bond Project | Financed Projects | Capital Improvement | Capital Acquisition | Asset Preservation | Total |
|--------------------------------------------------------------|-------------------------------------|------------------------------|--------------------------------|--------------------------------|-------------------------------|-----------------|
| REVENUES | | | | | | |
| Licenses and permits | \$ 9 | \$ - | \$ 3 | \$ - | \$ - | \$ 12 |
| Charges for services | - | - | 276 | - | 10 | 286 |
| Interest | 8 | 7 | 310 | 10 | 49 | 384 |
| Other: | | | | | | |
| Service reimbursements | - | - | - | 17 | - | 17 |
| Miscellaneous | - | - | - | 3 | 234 | 237 |
| Total revenues | <u>17</u> | <u>7</u> | <u>589</u> | <u>30</u> | <u>293</u> | <u>936</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | 3,774 | - | - | 3,774 |
| Public safety and justice | 510 | - | - | - | - | 510 |
| Community services | - | - | - | - | 1,302 | 1,302 |
| Capital outlay | - | - | 828 | - | 2,785 | 3,613 |
| Total expenditures | <u>510</u> | <u>-</u> | <u>4,602</u> | <u>-</u> | <u>4,087</u> | <u>9,199</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(493)</u> | <u>7</u> | <u>(4,013)</u> | <u>30</u> | <u>(3,794)</u> | <u>(8,263)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | 9,099 | - | 2,544 | 11,643 |
| Transfers out | (425) | - | (1,923) | - | - | (2,348) |
| Total other financing sources (uses) | <u>(425)</u> | <u>-</u> | <u>7,176</u> | <u>-</u> | <u>2,544</u> | <u>9,295</u> |
| Net change in fund balances | (918) | 7 | 3,163 | 30 | (1,250) | 1,032 |
| Fund balances - beginning | 918 | 328 | 16,633 | 475 | 3,237 | 21,591 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 335</u> | <u>\$ 19,796</u> | <u>\$ 505</u> | <u>\$ 1,987</u> | <u>\$22,623</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Justice Bond Project Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ - | \$ 9 | \$ 9 |
| Interest | - | - | 8 | 8 |
| Total revenues | - | - | 17 | 17 |
| EXPENDITURES | | | | |
| County management | 565 | 565 | 510 | 55 |
| Deficiency of revenues under expenditures | (565) | (565) | (493) | 72 |
| OTHER FINANCING USES | | | | |
| Transfers out | (425) | (425) | (425) | - |
| Net change in fund balances | (990) | (990) | (918) | 72 |
| Fund balances - beginning | 990 | 990 | 918 | (72) |
| Fund balances - ending | \$ - | \$ - | \$ - | \$ - |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Financed Projects Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------------------------------|-------------------------|-----------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ 7 | \$ 7 |
| EXPENDITURES | | | | |
| County management | 2,482 | 2,482 | - | 2,482 |
| Excess (deficiency) of revenues over (under) expenditures | (2,482) | (2,482) | 7 | 2,489 |
| OTHER FINANCING SOURCES | | | | |
| Financing proceeds | 8,350 | 8,350 | - | (8,350) |
| Net change in fund balances | 5,868 | 5,868 | 7 | (5,861) |
| Fund balances - beginning | 200 | 200 | 328 | 128 |
| Fund balances - ending | <u>\$ 6,068</u> | <u>\$ 6,068</u> | <u>\$ 335</u> | <u>\$ (5,733)</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvement Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ - | \$ 3 | \$ 3 |
| Charges for services | 2,221 | 2,221 | 276 | (1,945) |
| Interest | 150 | 150 | 310 | 160 |
| Total revenues | 2,371 | 2,371 | 589 | (1,782) |
| EXPENDITURES | | | | |
| County management | 48,525 | 50,875 | 4,602 | 46,273 |
| Deficiency of revenues under expenditures | (46,154) | (48,504) | (4,013) | 44,491 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of capital assets | 23,200 | 19,500 | - | (19,500) |
| Transfers in | 3,049 | 9,099 | 9,099 | - |
| Transfers out | (1,923) | (1,923) | (1,923) | - |
| Total other financing sources (uses) | 24,326 | 26,676 | 7,176 | (19,500) |
| Net change in fund balances | (21,828) | (21,828) | 3,163 | 24,991 |
| Fund balances - beginning | 21,828 | 21,828 | 16,633 | (5,195) |
| Fund balances - ending | \$ - | \$ - | \$ 19,796 | \$ 19,796 |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Acquisition Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Interest | \$ 10 | \$ 10 | \$ 10 | \$ - |
| Other: | | | | |
| Service reimbursements | 17 | 17 | 17 | - |
| Miscellaneous | - | - | 3 | 3 |
| Total revenues | <u>27</u> | <u>27</u> | <u>30</u> | <u>3</u> |
| EXPENDITURES | | | | |
| Nondepartmental | <u>363</u> | <u>363</u> | <u>-</u> | <u>363</u> |
| Net change in fund balances | (336) | (336) | 30 | 366 |
| Fund balances - beginning | <u>336</u> | <u>336</u> | <u>475</u> | <u>139</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 505</u> | <u>\$ 505</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Asset Preservation Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ - | \$ - | \$ 10 | \$ 10 |
| Interest | 50 | 50 | 49 | (1) |
| Other - miscellaneous | 150 | 150 | 234 | 84 |
| Total revenues | 200 | 200 | 293 | 93 |
| EXPENDITURES | | | | |
| County management | 6,612 | 6,612 | 4,087 | 2,525 |
| Deficiency of revenues under expenditures | (6,412) | (6,412) | (3,794) | 2,618 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 2,544 | 2,544 | 2,544 | - |
| Net change in fund balances | (3,868) | (3,868) | (1,250) | 2,618 |
| Fund balances - beginning | 3,868 | 3,868 | 3,237 | (631) |
| Fund balances - ending | \$ - | \$ - | \$ 1,987 | \$ 1,987 |

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ENTERPRISE FUNDS

The County's Enterprise Funds are listed below.

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

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Dunthorpe-Riverdale Service District No. 1 Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------------------------|-------------------------|----------------------|------------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Assessments - sewer: | | | | |
| Current | \$ 701 | \$ 701 | 684 | \$ (17) |
| Prior | 6 | 6 | 10 | 4 |
| Charges for services | 3 | 3 | 10 | 7 |
| Interest | 12 | 12 | 12 | - |
| Total revenues | <u>722</u> | <u>722</u> | <u>716</u> | <u>(6)</u> |
| EXPENDITURES | | | | |
| Community services | <u>1,022</u> | <u>1,022</u> | <u>531</u> | <u>491</u> |
| Excess (deficiency) of revenues | | | | |
| over (under) expenditures | (300) | (300) | 185 | 485 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from long-term debt | <u>400</u> | <u>400</u> | - | (400) |
| Total other financing sources | <u>400</u> | <u>400</u> | - | (400) |
| Contingency | <u>(25)</u> | <u>(25)</u> | - | 25 |
| Net change in fund balances | 75 | 75 | 185 | 110 |
| Fund balances - beginning | <u>215</u> | <u>215</u> | <u>291</u> | <u>76</u> |
| Fund balances - ending | <u><u>\$ 290</u></u> | <u><u>\$ 290</u></u> | <u>476</u> | <u><u>\$ 186</u></u> |
| Reconciliation to GAAP basis: | | | | |
| Invested in capital assets | | | 1,914 | |
| Advances from other funds | | | (253) | |
| Deferred revenue on assessments | | | 30 | |
| Allowance for uncollectible accounts, assessments | | | (2) | |
| Net Assets as reported on the Statement of Revenues, | | | | |
| Expenses and Changes in Fund Net Assets, page 38 | | | <u><u>\$ 2,165</u></u> | |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Mid County Service District No. 14 Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------------------------|-------------------------|---------------|-----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Assessments - street lighting: | | | | |
| Current | \$ 255 | \$ 255 | 256 | \$ 1 |
| Prior | 5 | 5 | 5 | - |
| Interest | 20 | 20 | 7 | (13) |
| Total revenues | <u>280</u> | <u>280</u> | <u>268</u> | <u>(12)</u> |
| EXPENDITURES | | | | |
| Community services | <u>399</u> | <u>399</u> | <u>359</u> | <u>40</u> |
| Deficiency of revenues under expenditures | (119) | (119) | (91) | 28 |
| Contingency | <u>(25)</u> | <u>(25)</u> | - | 25 |
| Net changes in fund balances | (144) | (144) | (91) | 53 |
| Fund balances - beginning | <u>325</u> | <u>325</u> | <u>329</u> | <u>4</u> |
| Fund balances - ending | <u>\$ 181</u> | <u>\$ 181</u> | <u>238</u> | <u>\$ 57</u> |
| Reconciliation to GAAP basis: | | | | |
| Invested in capital assets | | | 1,528 | |
| Deferred revenue on assessments | | | 13 | |
| Allowance for uncollectible accounts, assessments | | | <u>(1)</u> | |
| Net Assets as reported on the Statement of Revenues, | | | | |
| Expenses and Changes in Fund Net Assets, page 38 | | | <u>\$ 1,778</u> | |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Behavioral Health Managed Care Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------|-------------------------|----------------|-----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal, state and local | \$ 35,882 | \$ 37,350 | \$ 39,023 | \$ 1,673 |
| Interest | - | - | 216 | 216 |
| Other - miscellaneous | - | - | 4 | 4 |
| Total revenues | <u>35,882</u> | <u>37,350</u> | <u>39,243</u> | <u>1,893</u> |
| EXPENDITURES | | | | |
| Human services | <u>35,882</u> | <u>37,350</u> | <u>32,720</u> | <u>4,630</u> |
| Excess of revenues over expenditures | - | - | 6,523 | 6,523 |
| Contingency | <u>(4,694)</u> | <u>(3,226)</u> | <u>-</u> | <u>3,226</u> |
| Net change in fund balances | <u>(4,694)</u> | <u>(3,226)</u> | <u>6,523</u> | <u>9,749</u> |
| Fund balances - beginning | <u>4,694</u> | <u>3,226</u> | <u>2,607</u> | <u>(619)</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,130</u> | <u>\$ 9,130</u> |

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INTERNAL SERVICE FUNDS

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

- **Risk Management Fund** - accounts for the County's risk management activities including insurance coverage.
- **Fleet Management Fund** - accounts for the County's motor vehicle fleet operations and electronics.
- **Information Technology Fund** - accounts for the County's data processing and telephone service operations.
- **Mail / Distribution Fund** - accounts for the County's mail / distribution, central stores and records management operations.
- **Facilities Management Fund** - accounts for the management of all County owned and leased property.

MULTNOMAH COUNTY, OREGON
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

| Government Activities - Internal Service Funds | | | | | | |
|-------------------------------------------------------|-----------------------------------|------------------------------------|------------------------------------------|---------------------------------------|-----------------------------------------|--------------------------------------------------------|
| | <u>Risk Management</u> | <u>Fleet Management</u> | <u>Information Technology</u> | <u>Mail / Distribution</u> | <u>Facilities Management</u> | <u>Total Internal Service Funds</u> |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 33,885 | \$ 4,542 | \$ 13,853 | \$ 1,231 | \$ 5,904 | \$ 59,415 |
| Accounts receivable | - | 349 | 62 | 161 | 846 | 1,418 |
| Inventories | - | 497 | 383 | 715 | - | 1,595 |
| Due from other funds | 80 | - | - | - | - | 80 |
| Prepaid items | 508 | - | 512 | - | 41 | 1,061 |
| Total current assets | <u>34,473</u> | <u>5,388</u> | <u>14,810</u> | <u>2,107</u> | <u>6,791</u> | <u>63,569</u> |
| Noncurrent assets: | | | | | | |
| Advances to other funds | 173 | - | - | - | - | 173 |
| Contracts receivable | - | - | - | - | 650 | 650 |
| Capital assets (net of accumulated depreciation) | 40 | 4,154 | 1,524 | 35 | 24 | 5,777 |
| Total assets | <u>\$ 34,686</u> | <u>\$ 9,542</u> | <u>\$ 16,334</u> | <u>\$ 2,142</u> | <u>\$ 7,465</u> | <u>\$ 70,169</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | \$ 1,509 | \$ 497 | \$ 1,630 | \$ 275 | \$ 1,574 | \$ 5,485 |
| Claims and judgments payable | 12,861 | - | - | - | - | 12,861 |
| Payroll payable | 83 | 45 | 353 | 33 | 191 | 705 |
| Deferred revenue | 38 | - | 3 | - | - | 41 |
| Compensated absences | 87 | 43 | 353 | 28 | 158 | 669 |
| Total current liabilities | <u>14,578</u> | <u>585</u> | <u>2,339</u> | <u>336</u> | <u>1,923</u> | <u>19,761</u> |
| Noncurrent liabilities: | | | | | | |
| Compensated absences | 273 | 133 | 824 | 76 | 456 | 1,762 |
| Incremental leases payable | - | - | - | - | 1,723 | 1,723 |
| Total noncurrent liabilities | <u>273</u> | <u>133</u> | <u>824</u> | <u>76</u> | <u>2,179</u> | <u>3,485</u> |
| Total liabilities | <u>14,851</u> | <u>718</u> | <u>3,163</u> | <u>412</u> | <u>4,102</u> | <u>23,246</u> |
| NET ASSETS | | | | | | |
| Invested in capital assets | 40 | 4,154 | 1,524 | 35 | 24 | 5,777 |
| Unrestricted | 19,795 | 4,670 | 11,647 | 1,695 | 3,339 | 41,146 |
| Total net assets | <u>\$ 19,835</u> | <u>\$ 8,824</u> | <u>\$ 13,171</u> | <u>\$ 1,730</u> | <u>\$ 3,363</u> | <u>\$ 46,923</u> |

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Government Activities - Internal Service Funds | | | | | Total Internal Service Funds |
|----------------------------------------------|-------------------------------------------------------|------------------------------------|------------------------------------------|---------------------------------------|-----------------------------------------|-------------------------------------------------|
| | <u>Risk Management</u> | <u>Fleet Management</u> | <u>Information Technology</u> | <u>Mail / Distribution</u> | <u>Facilities Management</u> | |
| OPERATING REVENUES | | | | | | |
| Charges for services | \$ 66,863 | \$ 6,707 | \$ 32,539 | \$ 5,742 | \$ 36,156 | \$ 148,007 |
| Insurance premiums | 6,843 | - | - | - | - | 6,843 |
| Experience ratings and other | 627 | 99 | 41 | 3 | 112 | 882 |
| Total operating revenues | <u>74,333</u> | <u>6,806</u> | <u>32,580</u> | <u>5,745</u> | <u>36,268</u> | <u>155,732</u> |
| OPERATING EXPENSES | | | | | | |
| Cost of sales and services | 73,467 | 5,040 | 29,761 | 5,062 | 29,835 | 143,165 |
| Administration | 896 | 356 | 938 | 446 | 794 | 3,430 |
| Depreciation | 7 | 1,268 | 960 | 15 | 4 | 2,254 |
| Total operating expenses | <u>74,370</u> | <u>6,664</u> | <u>31,659</u> | <u>5,523</u> | <u>30,633</u> | <u>148,849</u> |
| Operating income (loss) | <u>(37)</u> | <u>142</u> | <u>921</u> | <u>222</u> | <u>5,635</u> | <u>6,883</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest revenue | 601 | 68 | 246 | 19 | 45 | 979 |
| Bad debt expense | - | - | - | - | (193) | (193) |
| Gain on disposal of capital assets | - | 195 | 13 | - | 800 | 1,008 |
| Loss on disposal of capital assets | - | (11) | (86) | - | - | (97) |
| Total nonoperating revenues (expenses) | <u>601</u> | <u>252</u> | <u>173</u> | <u>19</u> | <u>652</u> | <u>1,697</u> |
| Income before contributions and transfers | 564 | 394 | 1,094 | 241 | 6,287 | 8,580 |
| Capital contributions in | - | 84 | 15 | - | - | 99 |
| Capital contributions out | - | - | - | - | - | - |
| Transfers in | - | 300 | - | - | 1,360 | 1,660 |
| Transfers out | - | - | (175) | - | (5,033) | (5,208) |
| Change in net assets | <u>564</u> | <u>778</u> | <u>934</u> | <u>241</u> | <u>2,614</u> | <u>5,131</u> |
| Total net assets - beginning | <u>19,271</u> | <u>8,046</u> | <u>12,237</u> | <u>1,489</u> | <u>749</u> | <u>41,792</u> |
| Total net assets - ending | <u><u>\$ 19,835</u></u> | <u><u>\$ 8,824</u></u> | <u><u>\$ 13,171</u></u> | <u><u>\$ 1,730</u></u> | <u><u>\$ 3,363</u></u> | <u><u>\$ 46,923</u></u> |

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Governmental Activities - Internal Service Funds | | | | | Total Internal Service Funds |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------|-----------------------------------|--------------------------------|----------------------------------|-------------------------------------------------|
| | Risk Management | Fleet Management | Information Technology | Mail / Distribution | Facilities Management | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers | \$ 74,322 | \$ 6,687 | \$ 32,573 | \$ 5,733 | \$ 35,509 | \$ 154,824 |
| Payments to suppliers | (66,272) | (1,886) | (11,813) | (3,137) | (14,927) | (98,035) |
| Payments to employees | (5,701) | (2,306) | (18,355) | (1,653) | (8,294) | (36,309) |
| Internal activity - payments to other funds | (720) | (918) | (1,191) | (833) | (7,745) | (11,407) |
| Net cash provided by operating activities | <u>1,629</u> | <u>1,577</u> | <u>1,214</u> | <u>110</u> | <u>4,543</u> | <u>9,073</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers in | - | 300 | - | - | 1,360 | 1,660 |
| Transfers out | - | - | (175) | - | (5,033) | (5,208) |
| Net cash provided by (used in) noncapital and related financing activities | <u>-</u> | <u>300</u> | <u>(175)</u> | <u>-</u> | <u>(3,673)</u> | <u>(3,548)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Purchases of capital assets | (5) | (917) | (932) | (36) | (13) | (1,903) |
| Internal loan repayment | 75 | - | - | - | - | 75 |
| Proceeds on sales of capital assets | - | 207 | 13 | - | 150 | 370 |
| Net cash provided by (used in) capital and related financing activities | <u>70</u> | <u>(710)</u> | <u>(919)</u> | <u>(36)</u> | <u>137</u> | <u>(1,458)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received | 601 | 68 | 246 | 19 | 45 | 979 |
| Net cash provided by investing activities | <u>601</u> | <u>68</u> | <u>246</u> | <u>19</u> | <u>45</u> | <u>979</u> |
| Net increase in cash and cash equivalents | 2,300 | 1,235 | 366 | 93 | 1,052 | 5,046 |
| Balances at beginning of the year | 31,585 | 3,307 | 13,487 | 1,138 | 4,852 | 54,369 |
| Balances at the end of the year | <u>\$ 33,885</u> | <u>\$ 4,542</u> | <u>\$ 13,853</u> | <u>\$ 1,231</u> | <u>\$ 5,904</u> | <u>\$ 59,415</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | | | |
| Operating income (loss) | \$ (37) | \$ 142 | \$ 921 | \$ 222 | \$ 5,635 | \$ 6,883 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | | |
| Depreciation | 7 | 1,268 | 960 | 15 | 4 | 2,254 |
| Bad debt expense | - | - | - | - | (193) | (193) |
| Changes in assets and liabilities: | | | | | | |
| Receivables | - | (120) | 21 | (12) | (532) | (643) |
| Inventories | - | 65 | (119) | (50) | - | (104) |
| Prepaid items | (11) | - | (30) | - | 10 | (31) |
| Accounts payable | 168 | 196 | (509) | (94) | (395) | (634) |
| Claims and judgments payable | 1,447 | - | - | - | - | 1,447 |
| Deferred revenue | (11) | - | (29) | - | (35) | (75) |
| Compensated absences | 59 | 25 | (2) | 23 | 20 | 125 |
| Incremental leases payable | - | - | - | - | 5 | 5 |
| Payroll payable | 7 | 1 | 1 | 6 | 24 | 39 |
| Total adjustments | <u>1,666</u> | <u>1,435</u> | <u>293</u> | <u>(112)</u> | <u>(1,092)</u> | <u>2,190</u> |
| Net cash provided by operating activities | <u>\$ 1,629</u> | <u>\$ 1,577</u> | <u>\$ 1,214</u> | <u>\$ 110</u> | <u>\$ 4,543</u> | <u>\$ 9,073</u> |
| Noncash financing activities: | | | | | | |
| Contributions of capital assets | <u>\$ -</u> | <u>\$ 84</u> | <u>\$ 15</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 99</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 7,036 | \$ 7,035 | \$ 6,987 | \$ (48) |
| Interest | 400 | 400 | 601 | 201 |
| Other: | | | | |
| Service reimbursements | 69,329 | 69,997 | 66,807 | (3,190) |
| Experience ratings and other | 452 | 453 | 615 | 162 |
| Total revenues | 77,217 | 77,885 | 75,010 | (2,875) |
| EXPENDITURES | | | | |
| County management | 87,095 | 87,564 | 71,092 | 16,472 |
| Nondepartmental | 3,115 | 3,314 | 3,277 | 37 |
| Total expenditures | 90,210 | 90,878 | 74,369 | 16,509 |
| Excess (deficiency) of revenues (over) | | | | |
| under expenditures | (12,993) | (12,993) | 641 | 13,634 |
| Contingency | (4,671) | (4,671) | - | 4,671 |
| Net change in fund balances | (17,664) | (17,664) | 641 | 18,305 |
| Fund balances - beginning | 17,664 | 17,664 | 18,901 | 1,237 |
| Fund balances - ending | \$ - | \$ - | 19,542 | \$ 19,542 |
| Reconciliation to GAAP basis: | | | | |
| Advance to service district | | | 253 | |
| Invested in capital assets | | | 40 | |
| Net Assets as reported on the Statement of Revenues, | | | | |
| Expenses and Changes in Fund Net Assets, page 117 | | | \$ 19,835 | |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fleet Management Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------------------------------------------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 1,349 | \$ 1,349 | \$ 965 | \$ (384) |
| Interest | 150 | 150 | 68 | (82) |
| Other: | | | | |
| Service reimbursements | 5,831 | 6,122 | 5,742 | (380) |
| Miscellaneous | 56 | 56 | 100 | 44 |
| Total revenues | 7,386 | 7,677 | 6,875 | (802) |
| EXPENDITURES | | | | |
| County management | 10,423 | 10,714 | 6,314 | 4,400 |
| Excess (deficiency) of revenues over (under) expenditures | (3,037) | (3,037) | 561 | 3,598 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from sale of assets | 54 | 54 | 207 | 153 |
| Transfers in | 300 | 300 | 300 | - |
| Total other financing sources | 354 | 354 | 507 | 153 |
| Contingency | (860) | (860) | - | 860 |
| Net change in fund balances | (3,543) | (3,543) | 1,068 | 4,611 |
| Fund balances - beginning | 3,543 | 3,543 | 3,602 | 59 |
| Fund balances - ending | \$ - | \$ - | 4,670 | \$ 4,670 |
| Reconciliation to GAAP basis: | | | | |
| Invested in capital assets | | | 4,154 | |
| Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 117 | | | \$ 8,824 | |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Information Technology Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------------------------------------------------------------------------------|-------------------------|-----------------|------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 1,123 | \$ 1,123 | \$ 580 | \$ (543) |
| Interest | 210 | 210 | 246 | 36 |
| Other: | | | | |
| Service reimbursements | 31,312 | 31,220 | 31,959 | 739 |
| Miscellaneous | - | - | 41 | 41 |
| Total revenues | <u>32,645</u> | <u>32,553</u> | <u>32,826</u> | <u>273</u> |
| EXPENDITURES | | | | |
| County management | <u>42,352</u> | <u>42,250</u> | <u>31,631</u> | <u>10,619</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(9,707)</u> | <u>(9,697)</u> | <u>1,195</u> | <u>10,892</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of assets | - | - | 13 | 13 |
| Transfers out | <u>(175)</u> | <u>(175)</u> | <u>(175)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(175)</u> | <u>(175)</u> | <u>(162)</u> | <u>13</u> |
| Contingency | <u>(1,425)</u> | <u>(1,435)</u> | <u>-</u> | <u>1,435</u> |
| Net changes in fund balances | <u>(11,307)</u> | <u>(11,307)</u> | <u>1,033</u> | <u>12,340</u> |
| Fund balances - beginning | <u>11,307</u> | <u>11,307</u> | <u>10,614</u> | <u>(693)</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>11,647</u> | <u>\$ 11,647</u> |
| Reconciliation to GAAP basis: | | | | |
| Invested in capital assets | | | <u>1,524</u> | |
| Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 117 | | | <u>\$ 13,171</u> | |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Mail/Distribution Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------------------------|-------------------------|--------------|-----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 3,357 | \$ 3,357 | \$ 2,574 | \$ (783) |
| Interest | 35 | 35 | 19 | (16) |
| Other: | | | | |
| Service reimbursements | 3,159 | 3,169 | 3,168 | (1) |
| Miscellaneous | 30 | 30 | 4 | (26) |
| Total revenues | <u>6,581</u> | <u>6,591</u> | <u>5,765</u> | <u>(826)</u> |
| EXPENDITURES | | | | |
| County management | <u>7,738</u> | <u>7,748</u> | <u>5,545</u> | <u>2,203</u> |
| Excess (deficiency) of revenues | | | | |
| over (under) expenditures | (1,157) | (1,157) | 220 | 1,377 |
| Contingency | <u>(397)</u> | <u>(397)</u> | <u>-</u> | <u>397</u> |
| Net changes in fund balances | (1,554) | (1,554) | 220 | 1,774 |
| Fund balances - beginning | <u>1,554</u> | <u>1,554</u> | <u>1,475</u> | <u>(79)</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>1,695</u> | <u>\$ 1,695</u> |
| Reconciliation to GAAP basis: | | | | |
| Invested in capital assets | | | <u>35</u> | |
| Net Assets as reported on the Statement of Revenues, | | | | |
| Expenses and Changes in Fund Net Assets, page 117 | | | <u>\$ 1,730</u> | |

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Facilities Management Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------------------------|-------------------------|--------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | favorable |
| | | | | (unfavorable) |
| REVENUES | | | | |
| Charges for services | \$ 2,891 | \$ 2,891 | \$ 3,050 | \$ 159 |
| Interest | - | - | 45 | 45 |
| Other: | | | | |
| Service reimbursements | 32,827 | 33,692 | 33,105 | (587) |
| Miscellaneous | 4,305 | 4,305 | 113 | (4,192) |
| Total revenues | 40,023 | 40,888 | 36,313 | (4,575) |
| EXPENDITURES | | | | |
| County management | 34,374 | 35,609 | 30,835 | 4,774 |
| Excess of revenues over expenditures | 5,649 | 5,279 | 5,478 | 199 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of assets | - | - | 150 | 150 |
| Transfers in | 1,075 | 1,360 | 1,360 | - |
| Transfers out | (5,033) | (5,033) | (5,033) | - |
| Total other financing sources (uses) | (3,958) | (3,673) | (3,523) | 150 |
| Contingency | (1,691) | (1,606) | - | 1,606 |
| Net change in fund balances | - | - | 1,955 | 1,955 |
| Fund balances - beginning | - | - | 734 | 734 |
| Fund balances - ending | \$ - | \$ - | 2,689 | \$ 2,689 |
| Reconciliation to GAAP basis: | | | | |
| Long-term contracts receivable | | | 650 | |
| Invested in capital assets | | | 24 | |
| Net Assets as reported on the Statement of Revenues, | | | | |
| Expenses and Changes in Fund Net Assets, page 117 | | | \$ 3,363 | |

AGENCY FUNDS

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

- **Sundry Taxing Bodies Fund** – accounts for the collection of property taxes for all governmental entities located in Multnomah County and the disbursement of the collections to such entities.
- **Department and Offices Agency Fund** – accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity.
- **Public Guardian Fund** – accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- **Visitors' Facilities Trust Fund** – accounts for collection and disbursement of Motor Vehicle Rental Tax and Transient Lodging Tax used for visitor facilities.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Agency Funds
June 30, 2009
(amounts expressed in thousands)

| | <u>Sundry Taxing Bodies</u> | <u>Department and Offices Agency</u> | <u>Public Guardian</u> | <u>Visitors' Facilities Trust</u> | <u>Total</u> |
|---------------------------------|-------------------------------------|----------------------------------------------|----------------------------|-------------------------------------------|------------------|
| ASSETS: | | | | | |
| Cash and Investments | \$ 6,053 | \$ 6,304 | \$ 727 | \$ 4,301 | \$ 17,385 |
| Receivables: | | | | | |
| Taxes | 48,014 | 108 | - | 1,467 | 49,589 |
| Restricted cash | - | 12 | - | - | 12 |
| Total assets | <u>\$ 54,067</u> | <u>\$ 6,424</u> | <u>\$ 727</u> | <u>\$ 5,768</u> | <u>\$ 66,986</u> |
| LIABILITIES: | | | | | |
| Accounts payable | \$ 6,041 | \$ 1,640 | \$ 54 | \$ 3,029 | \$ 10,764 |
| Due to other governmental units | 48,014 | - | - | - | 48,014 |
| Amounts held in trust | 12 | 4,784 | 673 | 2,739 | 8,208 |
| Total liabilities | <u>\$ 54,067</u> | <u>\$ 6,424</u> | <u>\$ 727</u> | <u>\$ 5,768</u> | <u>\$ 66,986</u> |

MULTNOMAH COUNTY, OREGON
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Balance</u> <u>June 30, 2008</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2009</u> |
|---------------------------------------|----------------------------------------|---------------------|---------------------|----------------------------------------|
| SUNDRY TAXING BODIES: | | | | |
| Assets: | | | | |
| Cash and investments | \$ 5,841 | \$ 1,560,677 | \$ 1,560,465 | \$ 6,053 |
| Taxes receivable | 37,395 | 897,609 | 886,990 | 48,014 |
| Total assets | <u>\$ 43,236</u> | <u>\$ 2,458,286</u> | <u>\$ 2,447,455</u> | <u>\$ 54,067</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 5,812 | \$ 824,228 | \$ 823,999 | \$ 6,041 |
| Due to other governmental units | 37,395 | 853,381 | 842,762 | 48,014 |
| Amounts held in trust | 29 | 823,695 | 823,712 | 12 |
| Total liabilities | <u>\$ 43,236</u> | <u>\$ 2,501,304</u> | <u>\$ 2,490,473</u> | <u>\$ 54,067</u> |
| DEPARTMENT AND OFFICES AGENCY: | | | | |
| Assets: | | | | |
| Cash and investments | \$ 7,063 | \$ 1,336,033 | \$ 1,336,792 | \$ 6,304 |
| Taxes receivable | 148 | 1,105,381 | 1,105,421 | 108 |
| Restricted cash | 15 | 643 | 646 | 12 |
| Total assets | <u>\$ 7,226</u> | <u>\$ 2,442,057</u> | <u>\$ 2,442,859</u> | <u>\$ 6,424</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 1,934 | \$ 42,251 | \$ 42,545 | \$ 1,640 |
| Amounts held in trust | 5,292 | 1,281,967 | 1,282,475 | 4,784 |
| Total liabilities | <u>\$ 7,226</u> | <u>\$ 1,324,218</u> | <u>\$ 1,325,020</u> | <u>\$ 6,424</u> |
| PUBLIC GUARDIAN: | | | | |
| Assets: | | | | |
| Cash and investments | \$ 794 | \$ 2,620 | \$ 2,687 | \$ 727 |
| Accounts receivable | - | 1,323 | 1,323 | - |
| Total assets | <u>\$ 794</u> | <u>\$ 3,943</u> | <u>\$ 4,010</u> | <u>\$ 727</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 46 | \$ 2,915 | \$ 2,907 | \$ 54 |
| Amounts held in trust | 748 | 1,263 | 1,338 | 673 |
| Total liabilities | <u>\$ 794</u> | <u>\$ 4,178</u> | <u>\$ 4,245</u> | <u>\$ 727</u> |
| VISITORS FACILITIES TRUST: | | | | |
| Assets: | | | | |
| Cash and investments | \$ 3,200 | \$ 16,002 | \$ 14,901 | \$ 4,301 |
| Taxes receivable | 2,190 | 7,293 | 8,016 | 1,467 |
| Total assets | <u>\$ 5,390</u> | <u>\$ 23,295</u> | <u>\$ 22,917</u> | <u>\$ 5,768</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 2,262 | \$ 16,022 | \$ 15,255 | \$ 3,029 |
| Amounts held in trust | 3,128 | 10,619 | 11,008 | 2,739 |
| Total liabilities | <u>\$ 5,390</u> | <u>\$ 26,641</u> | <u>\$ 26,263</u> | <u>\$ 5,768</u> |
| TOTAL - ALL AGENCY FUNDS: | | | | |
| Assets: | | | | |
| Cash and investments | \$ 16,898 | \$ 2,915,332 | \$ 2,914,845 | \$ 17,385 |
| Taxes receivable | 39,733 | 2,010,283 | 2,000,427 | 49,589 |
| Accounts receivable | - | 1,323 | 1,323 | - |
| Restricted cash | 15 | 643 | 646 | 12 |
| Total assets | <u>\$ 56,646</u> | <u>\$ 4,927,581</u> | <u>\$ 4,917,241</u> | <u>\$ 66,986</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 10,054 | \$ 885,416 | \$ 884,706 | \$ 10,764 |
| Due to other governmental units | 37,395 | 853,381 | 842,762 | 48,014 |
| Amounts held in trust | 9,197 | 2,117,544 | 2,118,533 | 8,208 |
| Total liabilities | <u>\$ 56,646</u> | <u>\$ 3,856,341</u> | <u>\$ 3,846,001</u> | <u>\$ 66,986</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, 2009
(amounts expressed in thousands)

| | <u>June 30, 2009</u> | <u>June 30, 2008</u> |
|---------------------------------------------------------|----------------------|----------------------|
| GOVERNMENTAL FUNDS CAPITAL ASSETS | | |
| Land | \$ 16,115 | \$ 16,296 |
| Construction in progress | 1,437 | 317 |
| Buildings-not in service | 51,164 | 51,164 |
| Buildings | 367,891 | 365,124 |
| Improvements other than buildings | 461 | 343 |
| Machinery and equipment | 116,465 | 122,180 |
| Bridges | 153,224 | 146,179 |
| Infrastructure | 556,453 | 551,598 |
| Total governmental funds capital assets | <u>\$ 1,263,210</u> | <u>\$ 1,253,201</u> |
| INVESTMENTS IN GOVERNMENTAL FUNDS | | |
| CAPITAL ASSETS BY SOURCE | | |
| Beginning balance | \$ 1,253,201 | \$ 1,247,669 |
| General fund | 767 | (9,680) |
| Road fund | 4,150 | (2,037) |
| Bicycle path construction fund | 598 | - |
| Federal and state program fund | 335 | 58 |
| Willamette river bridges fund | 7,039 | 13,661 |
| Library fund | 902 | (4,305) |
| Land corner preservation fund | (81) | - |
| Justice services special operations | 34 | (23) |
| Justice bond capital project fund | - | 85 |
| Financed projects fund | (13) | 200 |
| Library construction fund/1996 | - | (42) |
| Capital improvement fund | 417 | 5,833 |
| Asset preservation fund | 2,785 | 718 |
| Risk management fund | 6 | - |
| Fleet management fund | (1,390) | 1,240 |
| Information technology fund | (5,554) | (193) |
| Mail distribution fund | 1 | - |
| Facilities management fund | 13 | 17 |
| Total governmental funds capital assets, ending balance | <u>\$ 1,263,210</u> | <u>\$ 1,253,201</u> |

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2009
(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 | \$ 227 | \$ 4 | \$ 6,931 | \$ - | \$ 87 | \$ - | \$ - | \$ 7,249 |
| Administrative | 6,920 | 1,044 | 90,617 | 47 | 34,553 | - | - | 133,181 |
| | <u>7,147</u> | <u>1,048</u> | <u>97,548</u> | <u>47</u> | <u>34,640</u> | <u>-</u> | <u>-</u> | <u>140,430</u> |
| Health and social services: | | | | | | | | |
| Health | 1,727 | 134 | 29,227 | 1 | 593 | - | - | 31,682 |
| Social | 72 | 74 | 8,508 | - | 389 | - | - | 9,043 |
| | <u>1,799</u> | <u>208</u> | <u>37,735</u> | <u>1</u> | <u>982</u> | <u>-</u> | <u>-</u> | <u>40,725</u> |
| Public safety: | | | | | | | | |
| Law enforcement | 986 | 35 | 93,532 | 99 | 7,074 | - | - | 101,726 |
| Justice services | 435 | 13 | 52,184 | 3 | 1,086 | - | - | 53,721 |
| | <u>1,421</u> | <u>48</u> | <u>145,716</u> | <u>102</u> | <u>8,160</u> | <u>-</u> | <u>-</u> | <u>155,447</u> |
| Community services: | | | | | | | | |
| Community service development | - | - | - | 108 | 14 | - | - | 122 |
| Recreation | 203 | - | - | - | 987 | - | - | 1,190 |
| Library | 4,151 | 51 | 61,208 | 140 | 69,064 | - | - | 134,614 |
| | <u>4,354</u> | <u>51</u> | <u>61,208</u> | <u>248</u> | <u>70,065</u> | <u>-</u> | <u>-</u> | <u>135,926</u> |
| Roads and bridges: | | | | | | | | |
| Roads and bridges | 1,261 | 1 | 2,699 | 59 | 2,618 | 153,224 | 556,453 | 716,315 |
| | <u>1,261</u> | <u>1</u> | <u>2,699</u> | <u>59</u> | <u>2,618</u> | <u>153,224</u> | <u>556,453</u> | <u>716,315</u> |
| External organizations: | | | | | | | | |
| External use | 133 | 81 | 74,149 | 4 | - | - | - | 74,367 |
| | <u>\$16,115</u> | <u>\$1,437</u> | <u>\$419,055</u> | <u>\$ 461</u> | <u>\$ 116,465</u> | <u>\$153,224</u> | <u>\$ 556,453</u> | <u>\$1,263,210</u> |

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| FUNCTION AND ACTIVITY | Governmental Funds Capital Assets June 30, 2008 | Additions | Deductions & Reclassifications | Governmental Funds Capital Assets June 30, 2009 |
|-------------------------------|--------------------------------------------------------------------|------------------|-----------------------------------------------|--------------------------------------------------------------------|
| General government: | | | | |
| Legislative | \$ 7,231 | \$ 14 | \$ 4 | \$ 7,249 |
| Administrative | 134,856 | 2,924 | (4,599) | 133,181 |
| | <u>142,087</u> | <u>2,938</u> | <u>(4,595)</u> | <u>140,430</u> |
| Health and social services: | | | | |
| Health | 32,574 | 192 | (1,084) | 31,682 |
| Social | 9,830 | 380 | (1,167) | 9,043 |
| | <u>42,404</u> | <u>572</u> | <u>(2,251)</u> | <u>40,725</u> |
| Public safety: | | | | |
| Law enforcement | 151,374 | 720 | (50,368) | 101,726 |
| Justice services | 52,774 | 1,688 | (741) | 53,721 |
| | <u>204,148</u> | <u>2,408</u> | <u>(51,109)</u> | <u>155,447</u> |
| Community services: | | | | |
| Community service development | 1,601 | - | (1,479) | 122 |
| Recreation | 203 | 80 | 907 | 1,190 |
| Library | 131,920 | 7,009 | (4,315) | 134,614 |
| | <u>133,724</u> | <u>7,089</u> | <u>(4,887)</u> | <u>135,926</u> |
| Roads and bridges: | | | | |
| Roads and bridges | 707,546 | 13,142 | (4,373) | 716,315 |
| | <u>707,546</u> | <u>13,142</u> | <u>(4,373)</u> | <u>716,315</u> |
| External organizations: | | | | |
| External use | 23,292 | 370 | 50,705 | 74,367 |
| | <u>\$ 1,253,201</u> | <u>\$ 26,519</u> | <u>\$ (16,510)</u> | <u>\$ 1,263,210</u> |

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OTHER SCHEDULES

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

MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2009
(amounts expressed in thousands)

| Tax Year | Taxes Receivable June 30, 2008 | 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, 2009 |
|-------------------|---------------------------------------|---------------------|-------------------------------------------------|-----------------------------------------|---------------------------------|------------------------------------------------------------------|---------------------------------------|
| 2008-09 | \$ - | \$ 1,126,815 | \$ (4,468) | \$ 451 | \$ (27,511) | \$(1,055,035) | \$ 40,252 |
| 2007-08 | 32,284 | - | (2,540) | 919 | 73 | (16,762) | 13,974 |
| 2006-07 | 9,599 | - | (1,656) | 506 | 8 | (2,952) | 5,505 |
| 2005-06 and prior | 7,612 | - | (2,144) | 923 | 9 | (2,545) | 3,855 |
| | <u>\$ 49,495</u> | <u>\$ 1,126,815</u> | <u>\$ (10,808)</u> | <u>\$ 2,799</u> | <u>\$ (27,421)</u> | <u>\$(1,077,294)</u> | <u>\$ 63,586</u> |

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2009

| | Current Years' Levy | Prior Years' Levies | Total Property Taxes | Other Taxes* | Total |
|---------------------------------------------|----------------------------|----------------------------|-----------------------------|---------------------|------------------|
| General fund | \$ 8,054 | \$ 4,700 | \$ 12,754 | \$ 6,681 | \$ 19,435 |
| Special revenue funds: | | | | | |
| Library fund | 1,471 | 779 | 2,250 | - | 2,250 |
| Tax title land sales fund | - | - | - | 17 | 17 |
| Land corner preservation fund | - | - | - | 3 | 3 |
| Special excise tax fund | - | - | - | 1,844 | 1,844 |
| Total special revenue funds | <u>1,471</u> | <u>779</u> | <u>2,250</u> | <u>1,864</u> | <u>4,114</u> |
| General obligation bond fund | 303 | 212 | 515 | - | 515 |
| Agency funds | <u>30,389</u> | <u>17,624</u> | <u>48,013</u> | <u>1,576</u> | <u>49,589</u> |
| Sub-total taxes receivable | 40,217 | 23,315 | 63,532 | 10,121 | 73,653 |
| Special assessments collected through taxes | 35 | 19 | 54 | - | 54 |
| Total receivables | <u>\$ 40,252</u> | <u>\$ 23,334</u> | <u>\$ 63,586</u> | <u>\$ 10,121</u> | <u>\$ 73,707</u> |

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

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
For the Year Ended June 30, 2009
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

| | Outstanding June 30, 2008 | | 2008-09 Transactions | | | Outstanding June 30, 2009 | |
|------------------------|--------------------------------------|------------------|---------------------------------|----------------|-----------------------------|--------------------------------------|------------------|
| | Matured | Unmatured | Issued | Matured | Refunded or Paid | Matured | Unmatured |
| Dated October 1, 1996 | \$ - | \$ 3,680 | \$ - | \$ 3,680 | \$ 3,680 | \$ - | \$ - |
| Dated February 1, 1999 | - | 59,445 | - | 2,875 | 2,875 | - | 56,570 |
| | - | \$ 63,125 | - | \$ 6,555 | \$ 6,555 | - | \$ 56,570 |

GENERAL OBLIGATION BOND INTEREST COUPONS

| | |
|------------------------|-----------------|
| Dated October 1, 1996 | \$ 92 |
| Dated February 1, 1999 | 2,585 |
| | <u>\$ 2,677</u> |

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds Outstanding
June 30, 2009
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

| Fiscal Year of Maturity | Series 1999 Dated 2/01/99 3.90 to 5.65% | | Total | |
|----------------------------------------|--------------------------------------------------------|------------------|------------------|------------------|
| | Principal | Interest | Principal | Interest |
| | | | | |
| 2010 | \$ 6,860 | \$ 2,387 | \$ 6,860 | \$ 2,387 |
| 2011 | 7,160 | 2,093 | 7,160 | 2,093 |
| 2012 | 7,470 | 1,780 | 7,470 | 1,780 |
| 2013 | 7,490 | 1,451 | 7,490 | 1,451 |
| 2014 | 7,835 | 1,106 | 7,835 | 1,106 |
| 2015 | 6,780 | 773 | 6,780 | 773 |
| 2016 | 6,330 | 466 | 6,330 | 466 |
| 2017 | 6,645 | 158 | 6,645 | 158 |
| | <u>\$ 56,570</u> | <u>\$ 10,214</u> | <u>\$ 56,570</u> | <u>\$ 10,214</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Purchases Outstanding
June 30, 2009
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS

| Fiscal Year of Maturity | Dated 02/01/98 3.75 to 4.90% | | Dated 01/01/02 2.50% | | Total | |
|----------------------------------------|-----------------------------------------|-----------------|---------------------------------|-----------------|------------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 2,265 | \$ 617 | \$ 12 | \$ 106 | \$ 2,277 | \$ 723 |
| 2011 | 2,370 | 480 | 14 | 104 | 2,384 | 584 |
| 2012 | 2,485 | 333 | 15 | 103 | 2,500 | 436 |
| 2013 | 2,605 | 175 | 17 | 101 | 2,622 | 276 |
| 2014 | - | - | 19 | 100 | 19 | 100 |
| 2015 | - | - | 21 | 98 | 21 | 98 |
| 2016 | - | - | 23 | 95 | 23 | 95 |
| 2017 | - | - | 25 | 93 | 25 | 93 |
| 2018 | - | - | 28 | 90 | 28 | 90 |
| 2019 | - | - | 31 | 87 | 31 | 87 |
| 2020 | - | - | 34 | 84 | 34 | 84 |
| 2021 | - | - | 38 | 80 | 38 | 80 |
| 2022 | - | - | 42 | 76 | 42 | 76 |
| 2023 | - | - | 47 | 71 | 47 | 71 |
| 2024 | - | - | 52 | 66 | 52 | 66 |
| 2025 | - | - | 57 | 61 | 57 | 61 |
| 2026 | - | - | 64 | 55 | 64 | 55 |
| 2027 | - | - | 70 | 48 | 70 | 48 |
| 2028 | - | - | 78 | 40 | 78 | 40 |
| 2029 | - | - | 86 | 32 | 86 | 32 |
| 2030 | - | - | 96 | 22 | 96 | 22 |
| 2031 | - | - | 106 | 12 | 106 | 12 |
| 2032 | - | - | 57 | 2 | 57 | 2 |
| | <u>\$ 9,725</u> | <u>\$ 1,605</u> | <u>\$ 1,032</u> | <u>\$ 1,626</u> | <u>\$ 10,757</u> | <u>\$ 3,231</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Revenue Bonds Outstanding
June 30, 2009
(amounts expressed in thousands)

REVENUE BONDS

| Fiscal Year of Maturity | 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 |
| 2009 | | | | | | |
| 2010 | \$ 145 | \$ 55 | \$ 250 | \$ 97 | \$ 395 | \$ 152 |
| 2011 | 150 | 48 | 265 | 85 | 415 | 133 |
| 2012 | 160 | 41 | 275 | 72 | 435 | 113 |
| 2013 | 165 | 33 | 295 | 58 | 460 | 91 |
| 2014 | 175 | 24 | 310 | 42 | 485 | 66 |
| 2015 | 185 | 15 | 325 | 26 | 510 | 41 |
| 2016 | 195 | 5 | 345 | 9 | 540 | 14 |
| | <u>\$ 1,175</u> | <u>\$ 221</u> | <u>\$ 2,065</u> | <u>\$ 389</u> | <u>\$ 3,240</u> | <u>\$ 610</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
June 30, 2009
(amounts expressed in thousands)

FULL FAITH AND CREDIT BONDS

| Fiscal Year of Maturity | Series 1999A Dated 04/01/99 4.00 to 4.75% | | Series 2000A Dated 04/01/00 5.00 to 5.50% | | Series 1999 Dated 12/01/99 6.49 to 7.74% | | Series 2003 Dated 05/15/03 1.50 to 3.25% | |
|----------------------------------------|----------------------------------------------------------|-----------------|----------------------------------------------------------|-----------------|---------------------------------------------------------|-------------------|---------------------------------------------------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 1,685 | \$ 36 | \$ 2,820 | \$ 141 | \$ 7,740 | \$ 6,609 | \$ 960 | \$ 138 |
| 2011 | - | - | - | - | 9,150 | 6,052 | 990 | 113 |
| 2012 | - | - | - | - | 10,710 | 5,388 | 1,025 | 84 |
| 2013 | - | - | - | - | 4,479 | 12,563 | 1,060 | 52 |
| 2014 | - | - | - | - | 4,472 | 13,565 | 1,100 | 19 |
| 2015 | - | - | - | - | 4,469 | 14,618 | - | - |
| 2016 | - | - | - | - | 6,845 | 13,341 | - | - |
| 2017 | - | - | - | - | 16,985 | 4,358 | - | - |
| 2018 | - | - | - | - | 19,470 | 3,096 | - | - |
| 2019 | - | - | - | - | 22,200 | 1,649 | - | - |
| 2020 | - | - | - | - | 5,319 | 19,876 | - | - |
| 2021 | - | - | - | - | 5,208 | 21,407 | - | - |
| 2022 | - | - | - | - | 5,098 | 23,012 | - | - |
| 2023 | - | - | - | - | 4,989 | 24,686 | - | - |
| 2024 | - | - | - | - | 4,881 | 26,444 | - | - |
| 2025 | - | - | - | - | 4,775 | 28,285 | - | - |
| 2026 | - | - | - | - | 4,670 | 30,215 | - | - |
| 2027 | - | - | - | - | 4,566 | 32,234 | - | - |
| 2028 | - | - | - | - | 4,463 | 34,347 | - | - |
| 2029 | - | - | - | - | 4,362 | 36,563 | - | - |
| 2030 | - | - | - | - | 4,262 | 38,887 | - | - |
| | <u>\$ 1,685</u> | <u>\$ 36</u> | <u>\$ 2,820</u> | <u>\$ 141</u> | <u>\$ 159,113</u> | <u>\$ 397,195</u> | <u>\$ 5,135</u> | <u>\$ 406</u> |

| Series 2004 | | | |
|------------------|------------------|-------------------|-------------------|
| Dated 10/01/04 | | | |
| 3.00 to 5.00% | | Total | |
| Principal | Interest | Principal | Interest |
| \$ 565 | \$ 2,611 | \$ 13,770 | \$ 9,535 |
| 5,410 | 2,468 | 15,550 | 8,633 |
| 5,705 | 2,190 | 17,440 | 7,662 |
| 6,010 | 1,897 | 11,549 | 14,512 |
| 5,965 | 1,597 | 11,537 | 15,181 |
| 6,185 | 1,294 | 10,654 | 15,912 |
| 4,600 | 1,027 | 11,445 | 14,368 |
| 4,810 | 794 | 21,795 | 5,152 |
| 5,055 | 560 | 24,525 | 3,656 |
| 4,845 | 338 | 27,045 | 1,987 |
| 5,085 | 114 | 10,404 | 19,990 |
| - | - | 5,208 | 21,407 |
| - | - | 5,098 | 23,012 |
| - | - | 4,989 | 24,686 |
| - | - | 4,881 | 26,444 |
| - | - | 4,775 | 28,285 |
| - | - | 4,670 | 30,215 |
| - | - | 4,566 | 32,234 |
| - | - | 4,463 | 34,347 |
| - | - | 4,362 | 36,563 |
| - | - | 4,262 | 38,887 |
| <u>\$ 54,235</u> | <u>\$ 14,890</u> | <u>\$ 222,988</u> | <u>\$ 412,668</u> |

MULTNOMAH COUNTY, OREGON
Schedule of Loans Outstanding
June 30, 2009
(amounts expressed in thousands)

| Fiscal Year of Maturity | Dated 09/04/08 3.98% | | Total | |
|----------------------------------------|---------------------------------|-----------------|------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2010 | \$ - | \$ - | \$ - | \$ - |
| 2011 | - | 2 | - | 2 |
| 2012 | 413 | 2 | 413 | 2 |
| 2013 | 210 | 2 | 210 | 2 |
| | <u>\$ 623</u> | <u>\$ 6</u> | <u>\$ 623</u> | <u>\$ 6</u> |

STATISTICAL INFORMATION SECTION (UNAUDITED)

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

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

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

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

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities: | | | | |
| Invested in capital assets, net of related debt | \$ 470,426 | \$ 465,079 | \$ 456,502 | \$ 434,866 |
| Restricted | 98,542 | 77,979 | 76,266 | 71,388 |
| Unrestricted | <u>(10,907)</u> | <u>27,954</u> | <u>17,731</u> | <u>32,205</u> |
| Total governmental activities net assets | <u>\$ 558,061</u> | <u>\$ 571,012</u> | <u>\$ 550,499</u> | <u>\$ 538,459</u> |
| Business-Type Activities: | | | | |
| Invested in capital assets, net of related debt | \$ 3,442 | \$ 3,424 | \$ 3,020 | \$ 2,985 |
| Unrestricted | <u>9,631</u> | <u>2,928</u> | <u>4,612</u> | <u>2,830</u> |
| Total business-type activities net assets | <u>\$ 13,073</u> | <u>\$ 6,352</u> | <u>\$ 7,632</u> | <u>\$ 5,815</u> |
| Primary Government: | | | | |
| Invested in capital assets, net of related debt | \$ 473,868 | \$ 468,503 | \$ 459,522 | \$ 437,851 |
| Restricted | 98,542 | 77,979 | 76,266 | 71,388 |
| Unrestricted | <u>(1,276)</u> | <u>30,882</u> | <u>22,343</u> | <u>35,035</u> |
| Total primary government net assets | <u>\$ 571,134</u> | <u>\$ 577,364</u> | <u>\$ 558,131</u> | <u>\$ 544,274</u> |

Source: Current and prior years' financial statements

| Restated 2005 | 2004 | 2003 | 2002 |
|--------------------------|-------------------|-------------------|-------------------|
| \$ 523,606 | \$ 511,277 | \$ 475,949 | \$ 472,133 |
| 100,156 | 62,954 | 62,535 | 74,973 |
| 18,912 | (12,431) | (26,225) | (139,086) |
| <u>\$ 642,674</u> | <u>\$ 561,800</u> | <u>\$ 512,259</u> | <u>\$ 408,020</u> |
| | | | |
| \$ 2,577 | \$ 2,480 | \$ 2,474 | \$ 2,405 |
| 2,012 | 1,915 | 2,095 | 3,136 |
| <u>\$ 4,589</u> | <u>\$ 4,395</u> | <u>\$ 4,569</u> | <u>\$ 5,541</u> |
| | | | |
| \$ 526,183 | \$ 513,757 | \$ 478,423 | \$ 474,538 |
| 100,156 | 62,954 | 62,535 | 74,973 |
| 20,924 | (10,516) | (24,130) | (135,950) |
| <u>\$ 647,263</u> | <u>\$ 566,195</u> | <u>\$ 516,828</u> | <u>\$ 413,561</u> |

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

| | 2009 | 2008 | 2007 | 2006 |
|-------------------------------------------------|----------------|----------------|----------------|----------------|
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Fees, fines and charges for services: | | | | |
| General government | \$ 21,936 | \$ 21,721 | \$ 23,703 | \$ 25,531 |
| Health services | 60,340 | 52,241 | 45,765 | 44,406 |
| Social services | 1,125 | 1,615 | 1,309 | 1,210 |
| Public safety and justice | 17,597 | 17,765 | 17,904 | 16,600 |
| Community services | 10 | 10 | 31 | 8 |
| Library | 1,754 | 1,855 | 1,745 | 1,641 |
| Roads and bridges | 1,227 | 2,141 | 1,962 | 1,784 |
| Operating grants and contributions | 291,018 | 265,271 | 257,810 | 247,933 |
| Capital grants and contributions | 3,831 | 10,505 | 5,594 | 5,272 |
| Total governmental activities program revenues | <u>398,838</u> | <u>373,124</u> | <u>355,823</u> | <u>344,385</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Dunthorpe | 713 | 627 | 574 | 455 |
| Mid County | 264 | 268 | 306 | 294 |
| Behavioral Health | 39,027 | 36,072 | 34,879 | 34,519 |
| Operating grants and contributions | - | - | - | - |
| Capital grants and contributions | 80 | 10 | 76 | 82 |
| Total business-type activities program revenues | <u>40,084</u> | <u>36,977</u> | <u>35,835</u> | <u>35,350</u> |
| Total primary government program revenues | <u>438,922</u> | <u>410,101</u> | <u>391,658</u> | <u>379,735</u> |
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | 64,660 | 75,547 | 87,472 | 114,378 |
| Health services | 133,751 | 125,355 | 118,380 | 112,201 |
| Social services | 210,590 | 196,537 | 185,672 | 177,891 |
| Public safety and justice | 217,215 | 208,253 | 199,850 | 196,167 |
| Community services | 24,320 | 26,069 | 24,136 | 23,336 |
| Library | 55,181 | 52,087 | 47,872 | 43,530 |
| Roads and bridges | 53,462 | 56,716 | 53,701 | 54,256 |
| Interest on long-term debt | 14,041 | 16,443 | 16,954 | 21,822 |
| Total governmental activities expenses | <u>773,220</u> | <u>757,007</u> | <u>734,037</u> | <u>743,581</u> |
| Business-type activities: | | | | |
| Dunthorpe | 458 | 476 | 405 | 407 |
| Mid County | 420 | 377 | 354 | 328 |
| Behavioral Health | 32,720 | 37,803 | 34,221 | 33,640 |
| Total business-type activities expenses | <u>33,598</u> | <u>38,656</u> | <u>34,980</u> | <u>34,375</u> |
| Total primary government expenses | <u>806,818</u> | <u>795,663</u> | <u>769,017</u> | <u>777,956</u> |

| 2005 | 2004 | 2003 | 2002 |
|-----------|-----------|-----------|-----------|
| \$ 20,486 | \$ 16,394 | \$ 15,976 | \$ 12,712 |
| 44,145 | 44,006 | 40,901 | 13,762 |
| 1,175 | 1,805 | 759 | 543 |
| 16,394 | 15,901 | 23,216 | 14,224 |
| 1 | 4 | - | 6 |
| 1,887 | 2,042 | 2,537 | 1,745 |
| 1,867 | 1,880 | 1,250 | 910 |
| 256,489 | 249,079 | 256,659 | 277,418 |
| 34,149 | 9,809 | 4,461 | 86 |
| 376,593 | 340,920 | 345,759 | 321,406 |
| 423 | 344 | 248 | 249 |
| 289 | 235 | 233 | 235 |
| 29,472 | 25,603 | 32,486 | 32,781 |
| - | 435 | 897 | 337 |
| 238 | - | - | - |
| 30,422 | 26,617 | 33,864 | 33,602 |
| 407,015 | 367,537 | 379,623 | 355,008 |
| 128,871 | 154,646 | 36,374 | 17,673 |
| 106,551 | 110,968 | 110,322 | 92,109 |
| 181,194 | 167,746 | 169,218 | 188,043 |
| 192,005 | 182,941 | 180,503 | 184,213 |
| 21,795 | 18,391 | 17,925 | 23,877 |
| 41,357 | 40,843 | 43,934 | 39,529 |
| 56,781 | 57,374 | 58,354 | 57,478 |
| 18,058 | 19,543 | 20,127 | 21,139 |
| 746,612 | 752,452 | 636,757 | 624,061 |
| 487 | 355 | 344 | 306 |
| 495 | 723 | 468 | 419 |
| 29,480 | 25,787 | 33,739 | 34,951 |
| 30,462 | 26,865 | 34,551 | 35,676 |
| 777,074 | 779,317 | 671,308 | 659,737 |

(continued)

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

| (continued) | | | | |
|--------------------------------------------------------------|-------------------|------------------|------------------|---------------------|
| | 2009 | 2008 | 2007 | 2006 |
| Net Expense | | | | |
| Governmental activities | \$ (374,382) | \$ (383,883) | \$ (378,214) | \$ (399,196) |
| Business-type activities | 6,486 | (1,679) | 855 | 975 |
| Total primary government net expense | <u>(367,896)</u> | <u>(385,562)</u> | <u>(377,359)</u> | <u>(398,221)</u> |
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property and other local taxes levied for: | | | | |
| General purposes | 258,200 | 249,446 | 231,073 | 219,854 |
| Debt service | 8,227 | 9,077 | 9,249 | 9,373 |
| Personal income taxes | (5,341) | 2,748 | 21,237 | 59,764 |
| Business income taxes | 42,900 | 65,650 | 57,399 | 50,980 |
| Selective excise and use taxes | 39,161 | 42,812 | 39,582 | 36,914 |
| Payments in lieu of taxes | 1,516 | 1,537 | 1,738 | 2,249 |
| State government shared revenues | 8,562 | 9,613 | 9,517 | 8,692 |
| Grants and contributions not restricted to specific programs | 14 | 10 | 6 | 2 |
| Interest and investment earnings | 5,767 | 11,887 | 13,454 | 10,094 |
| Miscellaneous | 1,797 | 1,410 | 6,771 | 4,007 |
| Gain on sale of capital assets | 628 | 10,206 | 228 | 1,607 |
| Transfers | - | - | - | - |
| Special items: | | | | |
| Loss on transfer of County roads | - | - | - | (108,555) |
| Total governmental activities | <u>361,431</u> | <u>404,396</u> | <u>390,254</u> | <u>294,981</u> |
| Business-type activities: | | | | |
| Interest and investment earnings | 235 | 398 | 495 | 251 |
| Miscellaneous | - | 1 | 467 | - |
| Transfers | - | - | - | - |
| Total business-type activities | <u>235</u> | <u>399</u> | <u>962</u> | <u>251</u> |
| Total primary government | <u>361,666</u> | <u>404,795</u> | <u>391,216</u> | <u>295,232</u> |
| Change in Net Assets | | | | |
| Governmental activities | (12,951) | 20,513 | 12,040 | (104,215) |
| Cumulative effect of change in accounting principle | - | - | - | - |
| Total governmental activities | <u>(12,951)</u> | <u>20,513</u> | <u>12,040</u> | <u>(104,215)</u> |
| Business-type activities | <u>6,721</u> | <u>(1,280)</u> | <u>1,817</u> | <u>1,226</u> |
| Total primary government change in net assets | <u>\$ (6,230)</u> | <u>\$ 19,233</u> | <u>\$ 13,857</u> | <u>\$ (102,989)</u> |

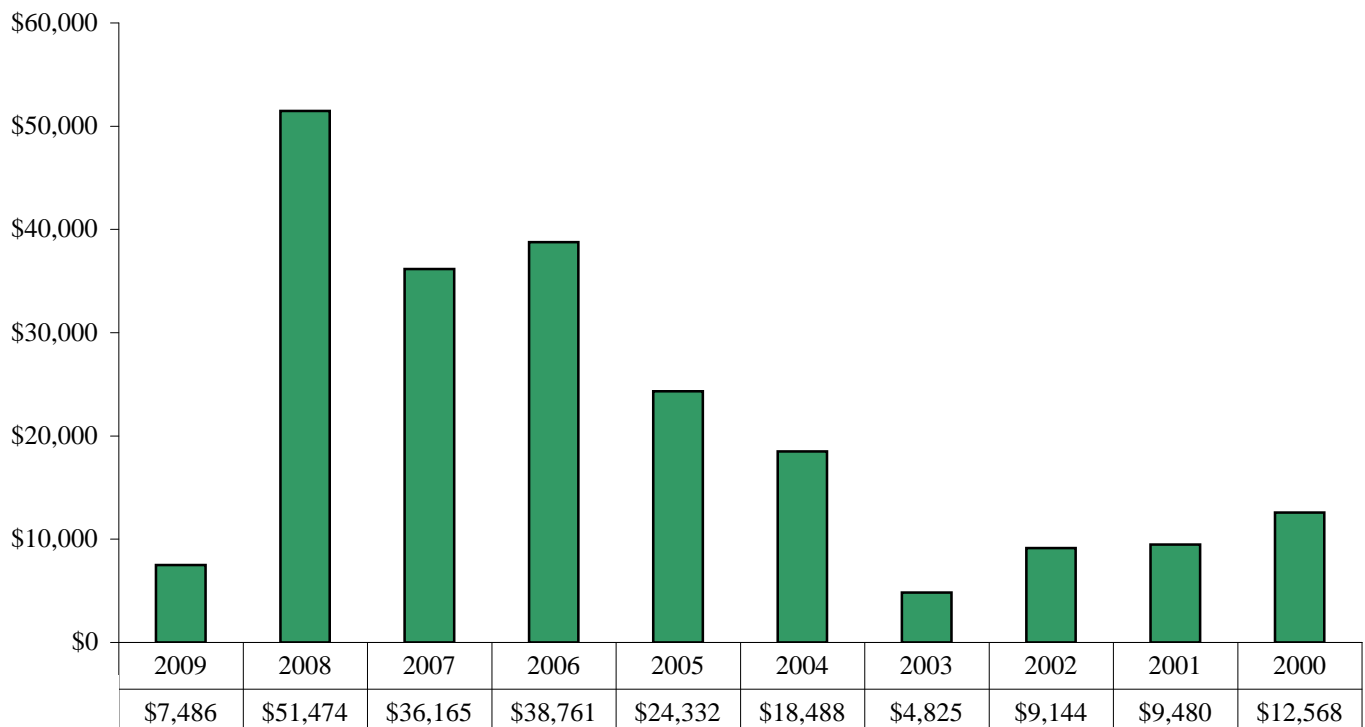
Source: Current and prior years' financial statements

| 2005 | 2004 | 2003 | 2002 |
|--------------|--------------|--------------|--------------|
| \$ (370,019) | \$ (411,532) | \$ (290,998) | \$ (302,655) |
| (40) | (248) | (687) | (2,074) |
| (370,059) | (411,780) | (291,685) | (304,729) |
| 209,056 | 201,278 | 193,912 | 195,130 |
| 7,815 | 7,326 | 9,699 | 11,114 |
| 124,577 | 175,325 | - | - |
| 36,463 | 30,286 | 26,491 | 26,935 |
| 33,646 | 32,404 | 33,199 | 32,799 |
| 3,012 | 2,184 | 2,899 | 1,810 |
| 6,741 | 7,584 | 6,206 | - |
| 1,150 | 166 | 70 | 60 |
| 4,943 | 2,443 | 4,226 | 7,982 |
| 2,233 | 1,877 | 2,917 | 4,496 |
| 166 | 200 | 1,711 | - |
| - | - | 440 | (3) |
| - | - | - | - |
| 429,802 | 461,073 | 281,770 | 280,323 |
| 121 | 74 | 131 | 339 |
| 113 | - | 24 | 6 |
| - | - | (440) | 3 |
| 234 | 74 | (285) | 348 |
| 430,036 | 461,147 | 281,485 | 280,671 |
| 59,783 | 49,541 | (9,228) | (22,332) |
| 21,091 | - | - | - |
| 80,874 | 49,541 | (9,228) | (22,332) |
| 194 | (174) | (972) | (1,726) |
| \$ 81,068 | \$ 49,367 | \$ (10,200) | \$ (24,058) |

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

| | 2009 | 2008 | 2007 | 2006 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund (1) | | | | |
| Reserved | \$ 23,891 | \$ 20,139 | \$ 24,053 | \$ 16,203 |
| Unreserved | 7,486 | 51,474 | 36,165 | 38,761 |
| Total general fund | <u>31,377</u> | <u>71,613</u> | <u>60,218</u> | <u>54,964</u> |
| All Other Governmental Funds | | | | |
| Reserved | 91,256 | 70,605 | 51,317 | 53,964 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 49,718 | 46,863 | 49,135 | 57,257 |
| Total all other governmental funds | <u>140,974</u> | <u>117,468</u> | <u>100,452</u> | <u>111,221</u> |
| Total governmental funds | <u>\$ 172,351</u> | <u>\$ 189,081</u> | <u>\$ 160,670</u> | <u>\$ 166,185</u> |

Unreserved General Fund Balance



(1) Reclassifications were made to amounts reported as Reserved and Unreserved in the General Fund for fiscal years 2000 - 2007 reported above in order to be consistent with the current reporting of amounts reserved for interfund receivables.

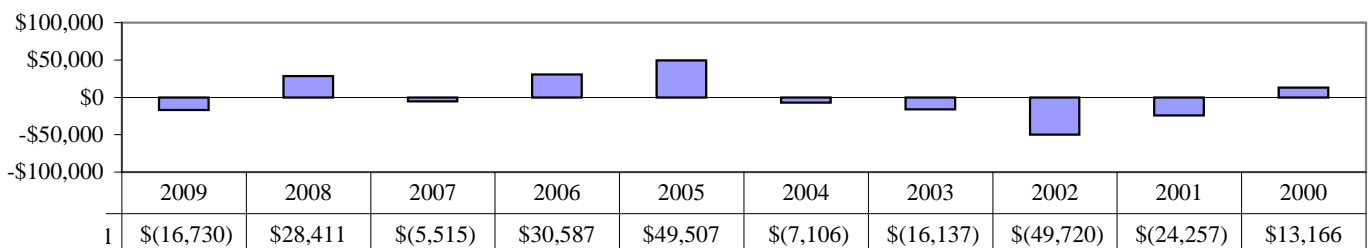
Source: Current and prior years' financial statements

| 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 18,084 | \$ 1,004 | \$ 961 | \$ - | \$ 6,279 | \$ 1,694 |
| 24,332 | 18,488 | 4,825 | 9,144 | 9,480 | 12,568 |
| 42,416 | 19,492 | 5,786 | 9,144 | 15,759 | 14,262 |
| 37,292 | 39,224 | 63,810 | 75,627 | 123,342 | 145,418 |
| 55,890 | 27,375 | 23,601 | 24,563 | 19,953 | 23,625 |
| 93,182 | 66,599 | 87,411 | 100,190 | 143,295 | 169,043 |
| \$ 135,598 | \$ 86,091 | \$ 93,197 | \$ 109,334 | \$ 159,054 | \$ 183,305 |

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

| | 2009 | 2008 | 2007 | 2006 |
|-----------------------------------------------------------|--------------------|------------------|-------------------|------------------|
| Revenues | | | | |
| Taxes | \$ 350,296 | \$ 375,044 | \$ 356,682 | \$ 441,579 |
| Intergovernmental | 292,689 | 277,099 | 260,549 | 250,855 |
| Licenses and permits | 14,806 | 15,441 | 15,934 | 16,025 |
| Charges for services | 74,827 | 67,750 | 62,791 | 62,245 |
| Interest | 4,391 | 9,557 | 10,837 | 8,347 |
| Miscellaneous | 43,916 | 50,342 | 46,880 | 46,090 |
| Total revenues | <u>780,925</u> | <u>795,233</u> | <u>753,673</u> | <u>825,141</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 59,960 | 69,224 | 73,559 | 136,726 |
| Health services | 138,941 | 128,914 | 122,029 | 115,778 |
| Social services | 211,832 | 197,210 | 187,256 | 178,736 |
| Public safety and justice | 219,797 | 209,119 | 202,477 | 198,774 |
| Community services | 24,080 | 25,904 | 24,040 | 23,468 |
| Library | 50,872 | 48,051 | 44,411 | 46,228 |
| Roads and bridges | 38,148 | 40,723 | 39,875 | 42,283 |
| Capital Outlay | 20,783 | 27,367 | 31,589 | 22,150 |
| Debt service: | | | | |
| Principal | 23,424 | 21,522 | 19,861 | 18,256 |
| Interest | 13,989 | 16,394 | 16,958 | 18,235 |
| Total expenditures | <u>801,826</u> | <u>784,428</u> | <u>762,055</u> | <u>800,634</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(20,901)</u> | <u>10,805</u> | <u>(8,382)</u> | <u>24,507</u> |
| Other Financing Sources (Uses) | | | | |
| Certificates of participation proceeds | - | - | - | - |
| Proceeds from sale of capital assets | - | 14,219 | 35 | 1,988 |
| Issuance of capital lease | - | - | 33 | 1,093 |
| Issuance of debt | 623 | - | - | - |
| Payment to escrow agent - refunded debt | - | - | - | - |
| Premium on short-term debt | - | - | 157 | - |
| Premium on long-term debt | - | - | - | - |
| Transfers in | 61,978 | 29,266 | 26,996 | 47,004 |
| Transfers out | (58,430) | (25,879) | (24,354) | (44,005) |
| Total other financing sources (uses) | <u>4,171</u> | <u>17,606</u> | <u>2,867</u> | <u>6,080</u> |
| Net change in fund balances | <u>\$ (16,730)</u> | <u>\$ 28,411</u> | <u>\$ (5,515)</u> | <u>\$ 30,587</u> |
| Debt service as a percentage of noncapital expenditures | <u>4.8%</u> | <u>5.0%</u> | <u>5.0%</u> | <u>4.7%</u> |

Net Change in Fund Balance, Governmental Funds



Source: Current and prior years' financial statements

| 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|------------|------------|-------------|-------------|-------------|------------|
| \$ 422,212 | \$ 375,204 | \$ 268,225 | \$ 267,641 | \$ 266,466 | \$ 254,514 |
| 284,527 | 252,978 | 261,020 | 290,077 | 308,993 | 242,966 |
| 14,743 | 14,760 | 14,496 | 8,134 | 5,037 | 2,734 |
| 61,399 | 55,180 | 66,325 | 18,586 | 20,234 | 15,008 |
| 4,134 | 1,960 | 3,499 | 6,972 | 14,760 | 12,201 |
| 51,926 | 50,385 | 37,495 | 58,415 | 51,994 | 49,575 |
| 838,941 | 750,467 | 651,060 | 649,825 | 667,484 | 576,998 |
| 146,626 | 124,459 | 52,375 | 53,134 | 36,612 | 219,323 |
| 112,562 | 111,745 | 106,408 | 95,847 | 285,999 | 237,566 |
| 184,335 | 168,648 | 168,329 | 186,280 | - | - |
| 198,608 | 197,251 | 200,114 | 190,122 | 183,897 | 179,799 |
| 22,266 | 19,318 | 19,398 | 21,552 | 85,143 | 72,429 |
| 44,546 | 42,753 | 40,741 | 42,706 | - | - |
| 39,844 | 40,454 | 39,497 | 36,829 | 35,110 | 35,969 |
| 9,288 | 11,968 | 17,770 | 31,822 | 30,517 | 37,141 |
| 16,929 | 25,179 | 15,186 | 18,711 | 17,863 | 13,695 |
| 17,928 | 19,543 | 20,082 | 21,050 | 22,069 | 14,857 |
| 792,932 | 761,318 | 679,900 | 698,053 | 697,210 | 810,779 |
| 46,009 | (10,851) | (28,840) | (48,228) | (29,726) | (233,781) |
| - | - | - | - | - | 60,835 |
| 5 | 425 | - | - | - | - |
| - | - | - | - | - | - |
| 54,235 | - | 9,615 | - | 5,499 | 184,752 |
| (58,847) | - | - | - | - | - |
| - | - | - | - | - | - |
| 5,089 | - | - | - | - | - |
| 29,907 | 32,641 | 39,819 | 128,682 | 124,819 | 131,026 |
| (26,891) | (29,321) | (36,731) | (130,174) | (124,849) | (129,666) |
| 3,498 | 3,745 | 12,703 | (1,492) | 5,469 | 246,947 |
| \$ 49,507 | \$ (7,106) | \$ (16,137) | \$ (49,720) | \$ (24,257) | \$ 13,166 |
| 4.4% | 6.0% | 5.3% | 6.0% | 6.0% | 3.7% |

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

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Function/Program | | | | |
| Governmental activities: | | | | |
| General government | \$ 26,142 | \$ 35,044 | \$ 28,530 | \$ 32,587 |
| Health services | 91,457 | 81,507 | 74,024 | 74,003 |
| Social services | 171,782 | 152,905 | 142,100 | 134,894 |
| Public safety and justice | 61,855 | 57,364 | 58,188 | 54,278 |
| Community services | 3,943 | 3,196 | 3,278 | 4,712 |
| Library | 5,306 | 5,359 | 5,302 | 4,106 |
| Roads and bridges | 38,353 | 37,749 | 44,401 | 39,805 |
| Total governmental activities | <u>398,838</u> | <u>373,124</u> | <u>355,823</u> | <u>344,385</u> |
| Business-type activities: | | | | |
| Dunthorpe-Riverdale | 713 | 627 | 574 | 455 |
| Mid County | 344 | 278 | 382 | 376 |
| Behavioral Health | 39,027 | 36,072 | 34,879 | 34,519 |
| Total business-type activities | <u>40,084</u> | <u>36,977</u> | <u>35,835</u> | <u>35,350</u> |
| Total primary government | <u>\$ 438,922</u> | <u>\$ 410,101</u> | <u>\$ 391,658</u> | <u>\$ 379,735</u> |

Source: Current and prior years' financial statements

| 2005 | 2004 | 2003 | 2002 |
|-------------------|-------------------|-------------------|-------------------|
| \$ 33,367 | \$ 31,429 | \$ 23,463 | \$ 24,644 |
| 71,924 | 77,315 | 72,730 | 63,191 |
| 139,569 | 126,534 | 136,045 | 140,391 |
| 62,497 | 63,534 | 71,518 | 57,336 |
| 4,387 | 1,830 | 2,730 | 2,530 |
| 4,079 | 4,018 | 4,572 | 3,502 |
| 60,770 | 36,260 | 34,701 | 29,812 |
| <u>376,593</u> | <u>340,920</u> | <u>345,759</u> | <u>321,406</u> |
| 423 | 344 | 256 | 251 |
| 527 | 235 | 484 | 570 |
| <u>29,472</u> | <u>26,038</u> | <u>33,124</u> | <u>32,781</u> |
| <u>30,422</u> | <u>26,617</u> | <u>33,864</u> | <u>33,602</u> |
| <u>\$ 407,015</u> | <u>\$ 367,537</u> | <u>\$ 379,623</u> | <u>\$ 355,008</u> |

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

| Year | Property Taxes | Business Income Taxes | Transient Lodging Taxes | Motor Vehicle Rental Taxes | County Gasoline Taxes | Personal Income Taxes | Other Taxes | Total |
|-------------|---------------------------|--------------------------------------|----------------------------------------|-----------------------------------------------|--------------------------------------|--------------------------------------|------------------------|--------------|
| 2000 | \$187,255 | \$ 39,934 | \$ 5,956 | \$ 12,445 | \$ 7,111 | \$ - | \$ 1,813 | \$254,514 |
| 2001 | 197,724 | 30,377 | 15,228 | 14,593 | 7,262 | - | 1,282 | 266,466 |
| 2002 | 206,097 | 26,935 | 11,131 | 13,717 | 7,832 | - | 1,929 | 267,641 |
| 2003 | 204,447 | 26,491 | 12,227 | 13,429 | 7,432 | - | 4,199 | 268,225 |
| 2004 | 209,018 | 30,286 | 12,352 | 12,930 | 7,011 | 100,114 | 3,493 | 375,204 |
| 2005 | 217,750 | 36,463 | 13,467 | 13,321 | 6,744 | 130,187 | 4,280 | 422,212 |
| 2006 | 229,312 | 50,980 | 14,794 | 14,886 | 7,115 | 120,919 | 3,573 | 441,579 |
| 2007 | 240,710 | 57,399 | 16,726 | 15,644 | 7,110 | 16,038 | 3,055 | 356,682 |
| 2008 | 257,225 | 65,650 | 18,491 | 16,852 | 7,356 | 6,611 | 2,859 | 375,044 |
| 2009 | 263,630 | 42,900 | 16,115 | 16,101 | 6,878 | 2,122 | 2,550 | 350,296 |

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Assessed Valuation and Actual Values of Taxable Property
Last Ten Fiscal Years
(dollar amounts expressed in thousands, except total direct tax rate)

| Year | Residential Property | Commercial Property | Public Utility Property | Personal Property | Total Taxable Assessed Value | Total Direct Tax Rate (1) | Estimated Real Market Value |
|-------------|---------------------------------|--------------------------------|------------------------------------|------------------------------|---------------------------------------------|------------------------------------------|--------------------------------------------|
| 2000 | \$21,177,768 | \$11,853,881 | \$ 2,401,538 | \$2,167,686 | \$37,600,873 | \$ 5.13 | \$52,268,770 |
| 2001 | 22,163,841 | 12,407,629 | 2,709,063 | 2,315,045 | 39,595,578 | 5.19 | 56,377,119 |
| 2002 | 23,115,866 | 13,273,892 | 2,799,601 | 2,549,782 | 41,739,141 | 5.09 | 61,345,077 |
| 2003 | 24,165,517 | 13,294,395 | 2,558,357 | 2,330,850 | 42,349,119 | 4.97 | 63,391,339 |
| 2004 | 25,057,728 | 13,606,043 | 2,392,404 | 2,352,588 | 43,408,763 | 4.96 | 66,491,001 |
| 2005 | 26,264,819 | 14,003,443 | 2,484,887 | 2,158,073 | 44,911,222 | 5.01 | 70,457,625 |
| 2006 | 27,361,638 | 14,456,811 | 2,262,162 | 2,269,165 | 46,349,776 | 5.10 | 78,109,995 |
| 2007 | 28,695,852 | 14,825,459 | 2,376,350 | 2,328,560 | 48,226,221 | 5.12 | 87,070,081 |
| 2008 | 30,569,475 | 15,426,621 | 2,355,692 | 2,319,890 | 50,671,678 | 5.25 | 100,302,763 |
| 2009 | 32,075,253 | 15,987,533 | 2,390,005 | 2,362,074 | 52,814,865 | 5.21 | 107,381,958 |

(1) See Property Tax Rates - Total Direct on page 152

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

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year (Original Levy) | | Adjustments | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|----------------------------------------------|---------------------------------------------------------------------|---------|--------------------|------------------------------------|---------------------------------------------------------|-------------------------------|------------------------------------------------|----------------------------------|-------------------------------|
| | | | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2000 | \$ | 193,076 | \$ (5,752) | \$187,324 | \$181,772 | 94.15 % | \$ 5,534 | \$187,306 | 97.01 % |
| 2001 | | 205,468 | (5,917) | 199,551 | 192,777 | 93.82 | 6,750 | 199,527 | 97.11 |
| 2002 | | 212,329 | (7,780) | 204,549 | 198,884 | 93.67 | 5,625 | 204,509 | 96.32 |
| 2003 | | 210,411 | (7,147) | 203,264 | 197,233 | 93.74 | 5,982 | 203,215 | 96.58 |
| 2004 | | 215,031 | (6,825) | 208,206 | 202,692 | 94.26 | 5,437 | 208,129 | 96.79 |
| 2005 | | 224,978 | (8,092) | 216,886 | 211,480 | 94.00 | 5,294 | 216,774 | 96.35 |
| 2006 | | 236,631 | (7,432) | 229,199 | 223,312 | 94.37 | 5,345 | 228,657 | 96.63 |
| 2007 | | 246,944 | (7,212) | 239,732 | 233,608 | 94.60 | 4,746 | 238,354 | 96.52 |
| 2008 | | 265,938 | (8,192) | 257,746 | 250,542 | 94.21 | 3,828 | 254,370 | 95.65 |
| 2009 | | 275,133 | (7,808) | 267,325 | 257,497 | 93.59 | - | 257,497 | 93.59 |

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

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

| <u>Year</u> | <u>Multnomah County Direct Rates</u> | | | | <u>Overlapping Rates</u> | | | | | | <u>Total</u> |
|-------------|--------------------------------------|----------------------------|-------------------------|--------------|--------------------------|------------------------------------------|--------------------------------|----------------------------|-------------------------------------|----------------------------------------|--------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Total</u> | <u>Cities</u> | <u>Special Purpose Districts</u> | <u>Education Districts</u> | <u>Water Districts</u> | <u>Rural Fire Districts</u> | <u>Urban Renewal Districts</u> | |
| 2000 | \$ 4.31 | \$ 0.51 | \$ 0.31 | \$5.13 | \$5.97 | \$ 0.61 | \$ 6.93 | \$ - | \$ 0.07 | \$ 0.97 | \$19.68 |
| 2001 | 4.32 | 0.50 | 0.37 | 5.19 | 6.06 | 0.62 | 7.21 | 0.01 | 0.07 | 1.06 | 20.22 |
| 2002 | 4.32 | 0.50 | 0.27 | 5.09 | 5.91 | 0.60 | 7.58 | 0.01 | 0.07 | 1.15 | 20.41 |
| 2003 | 4.25 | 0.48 | 0.24 | 4.97 | 6.04 | 0.55 | 7.77 | 0.01 | 0.08 | 1.26 | 20.68 |
| 2004 | 4.22 | 0.55 | 0.19 | 4.96 | 6.74 | 0.55 | 7.73 | 0.01 | 0.08 | 1.32 | 21.39 |
| 2005 | 4.25 | 0.58 | 0.18 | 5.01 | 6.68 | 0.55 | 7.75 | 0.01 | 0.08 | 1.40 | 21.48 |
| 2006 | 4.27 | 0.62 | 0.21 | 5.10 | 6.66 | 0.58 | 6.25 | 0.01 | 0.08 | 1.44 | 20.12 |
| 2007 | 4.28 | 0.64 | 0.20 | 5.12 | 6.61 | 0.55 | 6.56 | 0.01 | 0.08 | 1.55 | 20.48 |
| 2008 | 4.29 | 0.78 | 0.18 | 5.25 | 6.70 | 0.72 | 7.25 | - | 0.08 | 1.72 | 21.72 |
| 2009 | 4.27 | 0.78 | 0.16 | 5.21 | 6.35 | 0.70 | 7.18 | 0.01 | 0.08 | 1.81 | 21.34 |

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

Source: Multnomah County Division of Assessment and Taxation

MULTNOMAH COUNTY, OREGON
Principal Taxpayers
December 31, 2008 and December 31, 1999
(dollar amounts expressed in thousands)

| December 31, 2008 | | | | |
|---------------------------|------------------|----------------------|-------------|-----------------------|
| Taxpayer | Tax | Real Property | Rank | Percentage of |
| | | Assessed | | Total Assessed |
| | | Valuation (1) | | Valuation |
| Port of Portland | \$ 8,683 | \$ 422,051 | 1 | 0.80 % |
| Portland General Electric | 5,761 | 360,560 | 2 | 0.68 |
| QWEST Corporation | 4,461 | 277,369 | 3 | 0.53 |
| Pacificorp (PP&L) | 3,992 | 249,364 | 4 | 0.47 |
| Weston Investment Co LLC | 4,585 | 222,420 | 5 | 0.42 |
| Verizon Communications | 3,106 | 190,967 | 6 | 0.36 |
| Boeing Co | 2,970 | 181,111 | 7 | 0.34 |
| Oregon Steel Mills | 3,436 | 179,314 | 8 | 0.34 |
| Northwest Natural Gas | 2,681 | 165,077 | 9 | 0.31 |
| LC Portland LLC | 3,250 | 153,028 | 10 | 0.29 |
| | <u>\$ 42,925</u> | <u>\$ 2,401,261</u> | | <u>4.55 %</u> |
| Total Assessed Valuation | | <u>\$ 52,814,865</u> | | |

| December 31, 1999 | | | |
|-------------------------------|----------------------|----------------------|-----------------------|
| Taxpayer | Real Property | Rank | Percentage of |
| | | | Total Assessed |
| | Assessed | | Valuation |
| | Valuation (1) | | |
| Fujitsu Microelectronics Inc. | \$ 493,694 | 1 | 1.31 % |
| QWEST Communications | 400,376 | 2 | 1.06 |
| Portland General Electric | 260,856 | 3 | 0.69 |
| Pacificcorp (PP&L) | 250,858 | 5 | 0.67 |
| Boeing Co | 177,360 | 4 | 0.47 |
| United Airlines | 155,877 | 7 | 0.41 |
| Alaska Airlines | 134,424 | 6 | 0.36 |
| Delta Airlines | 129,292 | 8 | 0.34 |
| Northwest Natural Gas | 110,360 | 9 | 0.21 |
| Glimcher Lloyd Venture LLC | 94,354 | 10 | 0.25 |
| | <u>\$ 2,207,451</u> | | <u>5.87 %</u> |
| Total Assessed Valuation | | <u>\$ 37,600,873</u> | |

(1) Assessed valuation based on the valuation of property for tax collection years 2008-09 and 1999-00 respectively.
Note: Tax amounts not available for year ended December 31, 1999

Source: Multnomah County Division of Assessment & Taxation

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

| Fiscal Year | Governmental Activities | | | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita |
|------------------------|-----------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------|--------------------------|-----------------------------------------|--------------------------------------------------|-----------------------|
| | General Obligation Bonds | Capitalized Lease Obligations | Full Faith and Credit Bonds | Revenue Bonds | Loans Payable | | | |
| 2000 | \$115,555 | \$ 57,705 | \$281,888 | \$ 3,155 | \$ 939 | \$ 459,242 | 2.15 % | \$ 693 |
| 2001 | 106,260 | 51,942 | 277,713 | 8,500 | 870 | 445,285 | 1.97 | 668 |
| 2002 | 96,535 | 46,613 | 272,833 | 8,335 | 797 | 425,113 | 1.84 | 634 |
| 2003 | 91,610 | 41,501 | 276,763 | 7,890 | 718 | 418,482 | 1.79 | 617 |
| 2004 | 86,445 | 28,596 | 270,203 | 7,425 | 634 | 393,303 | 1.64 | 573 |
| 2005 | 81,025 | 27,971 | 266,063 | 6,935 | 542 | 382,536 | 1.55 | 552 |
| 2006 | 75,340 | 19,444 | 256,833 | 6,420 | 449 | 358,486 | 1.34 | 511 |
| 2007 | 69,380 | 16,620 | 246,413 | 5,880 | 362 | 338,655 | 1.19 | 477 |
| 2008 | 63,125 | 13,604 | 234,688 | 5,320 | 242 | 316,979 | 1.12 | 442 |
| 2009 | 56,570 | 10,757 | 222,988 | 3,240 | 623 | 294,178 | 1.04 | 410 |

Note: 2008 and 2009 percentages calculated using 2007 personal income data, which is the most recent available.

(1) See population and personal income data on page 160

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

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

| Fiscal Year | General Obligation Bonds | Less: Amounts Restricted to Repaying Principal | Total | Percentage of Personal Income (2) | Percentage of Actual Taxable Value of Property (1) | Per Capita (2) |
|--------------------|---------------------------------|-------------------------------------------------------|--------------|------------------------------------------|-----------------------------------------------------------|-----------------------|
| 2000 | \$ 115,555 | \$ (11,775) | \$ 103,780 | 0.49 % | 0.28 % | 157 |
| 2001 | 106,260 | (12,223) | 94,037 | 0.42 | 0.24 | 141 |
| 2002 | 96,535 | (9,484) | 87,051 | 0.38 | 0.21 | 129 |
| 2003 | 91,610 | (10,335) | 81,275 | 0.35 | 0.19 | 120 |
| 2004 | 86,445 | (8,716) | 77,729 | 0.32 | 0.18 | 113 |
| 2005 | 81,025 | (7,557) | 73,468 | 0.30 | 0.16 | 106 |
| 2006 | 75,340 | (7,993) | 67,347 | 0.25 | 0.15 | 96 |
| 2007 | 69,380 | (8,433) | 60,947 | 0.23 | 0.13 | 86 |
| 2008 | 63,125 | (8,569) | 54,556 | 0.19 | 0.11 | 76 |
| 2009 | 56,570 | (7,643) | 48,927 | 0.17 | 0.09 | 68 |

Note: 2008 and 2009 percentages calculated using 2007 personal income data, which is the most recent available.

(1) See taxable assessed value schedule on page 150

(2) See population and personal income data on page 160

Source: Current Prior year financial statements, Multnomah County division of Assessment and Taxation, Center for Population Research and Census at Portland State University and US Department of Commerce-Bureau of Economic Analysis

MULTNOMAH COUNTY, OREGON
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

| Fiscal Year | Revenue Bonds | | | | | |
|----------------|-------------------------|--------------------------------|-----------------------------|--------------|----------|----------|
| | Charges for Services | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| | | | | | | |
| 2000 | \$ 217 | \$ - | \$ 217 | \$ - | \$ 134 | 1.62 % |
| 2001 | 292 | - | 292 | 155 | 263 | 0.70 |
| 2002 | 420 | 5 | 415 | 165 | 389 | 0.75 |
| 2003 | 2,389 | 7 | 2,382 | 445 | 376 | 2.90 |
| 2004 | 464 | 5 | 459 | 465 | 357 | 0.56 |
| 2005 | 450 | 247 | 203 | 490 | 336 | 0.25 |
| 2006 | 1,152 | 5 | 1,147 | 515 | 315 | 1.38 |
| 2007 | 335 | 12 | 323 | 540 | 292 | 0.39 |
| 2008 | 80 | - | 80 | 560 | 268 | 0.10 |
| 2009 | 33 | 8 | 25 | 2,080 | 208 | 0.01 |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest, depreciation or amortization expenses.

Source: Current and prior year financial statements

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

ORS 287A.100 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.054.

| | 2009 | 2008 | 2007 | 2006 |
|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Real market value | \$ 107,381,958 | \$ 100,302,763 | \$ 87,070,081 | \$ 78,109,995 |
| Debt limit rate | 2.00% | 2.00% | 2.00% | 2.00% |
| Debt limit | 2,147,639 | 2,006,055 | 1,741,402 | 1,562,200 |
| Less bonded debt at June 30 | 56,570 | 63,125 | 69,380 | 75,340 |
| Legal debt margin | <u>\$ 2,091,069</u> | <u>\$ 1,942,930</u> | <u>\$ 1,672,022</u> | <u>\$ 1,486,860</u> |
| Total net debt applicable to the limit as a percentage of debt limit. | 2.63% | 3.15% | 3.98% | 4.82% |

ORS 287A.105 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.053.

| | | | | |
|-----------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Real market value | \$ 107,381,958 | \$ 100,302,763 | \$ 87,070,081 | \$ 78,109,995 |
| Debt limit rate | 1.00% | 1.00% | 1.00% | 1.00% |
| Debt limit | 1,073,820 | 1,003,028 | 870,701 | 781,100 |
| Less bonded debt at June 30 | 222,988 | 234,688 | 246,413 | 256,833 |
| Legal debt margin | <u>\$ 850,832</u> | <u>\$ 768,340</u> | <u>\$ 624,288</u> | <u>\$ 524,267</u> |
| Total net debt applicable to the limit as a percentage of debt limit. | 20.77% | 23.40% | 28.30% | 32.88% |

ORS 238.694 provides a debt limit on revenue bonds to finance pension liabilities of 5% of the real market value of all taxable property within the County's boundaries.

| | | | | |
|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Real market value | \$ 107,381,958 | \$ 100,302,763 | \$ 87,070,081 | \$ 78,109,995 |
| Debt limit rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Debt limit | 5,369,098 | 5,015,138 | 4,353,504 | 3,905,500 |
| Less bonded debt at June 30 | 159,113 | 165,583 | 170,908 | 175,203 |
| Legal debt margin | <u>\$ 5,209,985</u> | <u>\$ 4,849,555</u> | <u>\$ 4,182,596</u> | <u>\$ 3,730,297</u> |
| Total net debt applicable to the limit as a percentage of debt limit. | 2.96% | 3.30% | 3.93% | 4.49% |

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

| 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 70,457,625 | \$ 66,491,001 | \$ 63,391,339 | \$ 61,345,077 | \$ 56,377,119 | \$ 52,268,770 |
| 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 1,409,153 | 1,329,820 | 1,267,827 | 1,226,902 | 1,127,542 | 1,045,375 |
| 81,025 | 86,445 | 91,610 | 96,535 | 106,260 | 115,555 |
| \$ 1,328,128 | \$ 1,243,375 | \$ 1,176,217 | \$ 1,130,367 | \$ 1,021,282 | \$ 929,820 |
| 5.75% | 6.50% | 7.23% | 7.87% | 9.42% | 11.05% |
| | | | | | |
| \$ 70,457,625 | \$ 66,491,001 | \$ 63,391,339 | \$ 61,345,077 | \$ 56,377,119 | \$ 52,268,770 |
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| 704,576 | 664,910 | 633,913 | 613,451 | 563,771 | 522,688 |
| 266,063 | 270,203 | 276,763 | 272,833 | 277,713 | 281,888 |
| \$ 438,513 | \$ 394,707 | \$ 357,150 | \$ 340,618 | \$ 286,058 | \$ 240,800 |
| 37.76% | 40.64% | 43.66% | 44.48% | 49.26% | 53.93% |
| | | | | | |
| \$ 70,457,625 | \$ 66,491,001 | \$ 63,391,339 | \$ 61,345,077 | \$ 56,377,119 | \$ 52,268,770 |
| 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| 3,522,881 | 3,324,550 | 3,169,567 | 3,067,254 | 2,818,856 | 2,613,439 |
| 178,568 | 181,103 | 182,893 | 184,018 | 184,548 | 184,548 |
| \$ 3,344,313 | \$ 3,143,447 | \$ 2,986,674 | \$ 2,883,236 | \$ 2,634,308 | \$ 2,428,891 |
| 5.07% | 5.45% | 5.77% | 6.00% | 6.55% | 7.06% |

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
June 30, 2009
(dollar amounts expressed in thousands)
(unaudited)

| Overlapping District (1) | Gross (2) Property-tax Backed Debt | Net (3) Property-tax Backed Debt | Percent (4) Overlapping | Total Direct and Overlapping |
|------------------------------------------|---------------------------------------------------|-------------------------------------------------|------------------------------------|---------------------------------------------|
| City of Fairview | \$ 2,110 | \$ 1,625 | 100.00 % | \$ 1,625 |
| City of Gresham | 27,365 | 0 | 100.00 | 0 |
| City of Lake Oswego | 83,380 | 23,380 | 6.60 | 1,544 |
| City of Milwaukie | 5,140 | 875 | 0.97 | 9 |
| City of Portland | 707,117 | 97,430 | 99.60 | 97,040 |
| City of Troutdale | 9,450 | 9,450 | 100.00 | 9,450 |
| Metro | 258,672 | 187,667 | 48.56 | 91,128 |
| Port of Portland | 72,316 | 0 | 44.63 | 0 |
| Tri-Metropolitan Transport District | 36,380 | 36,380 | 48.90 | 17,789 |
| Clackamas County ESD | 26,985 | 0 | 0.35 | 0 |
| Multnomah ESD | 36,785 | 0 | 97.84 | 0 |
| Northwest Regional ESD | 7,590 | 0 | 0.60 | 0 |
| Multnomah County SD 1 (Portland) | 480,712 | 15,090 | 99.32 | 14,987 |
| Multnomah County SD 3 (Parkrose) | 8,470 | 8,470 | 100.00 | 8,470 |
| Multnomah County SD 7 (Reynolds) | 142,488 | 50,325 | 100.00 | 50,325 |
| Multnomah County SD 10J (Gresham-Barlow) | 108,841 | 52,090 | 81.74 | 42,579 |
| Multnomah County SD 10J (Orient 6 Bond) | 175 | 175 | 65.10 | 114 |
| Multnomah County SD 28J (Centennial) | 35,380 | 34,841 | 92.47 | 32,218 |
| Multnomah County SD 39 (Corbett) | 3,495 | 3,495 | 100.00 | 3,495 |
| Multnomah County SD 40 (David Douglas) | 72,400 | 72,400 | 100.00 | 72,400 |
| Multnomah County SD 51J (Riverdale) | 30,590 | 30,590 | 94.23 | 28,826 |
| Mt Hood Community College | 58,199 | 5,645 | 82.09 | 4,634 |
| Portland Community College | 425,430 | 234,345 | 46.00 | 107,797 |
| Clackamas County SD 7J (Lake Oswego) | 117,611 | 75,407 | 1.80 | 1,354 |
| Columbia County SD 1J (Scappoose) | 36,620 | 36,620 | 19.20 | 7,030 |
| Washington County SD 48J (Beaverton) | 599,810 | 418,585 | 0.48 | 2,006 |
| Washington County SD 1J (Hillsboro) | 367,288 | 264,958 | 0.00 | 10 |
| Clackamas County RFPD #1 | 25,235 | 4,985 | 0.14 | 7 |
| Sauvie Island RFPD 30 | 145 | 145 | 96.07 | 139 |
| Tualatin Valley Fire & Rescue Dist | 47,000 | 29,000 | 1.81 | 524 |
| Sunrise Water Authority | 520 | 520 | 0.45 | 2 |
| East Multnomah Soil & Water Conservation | 1,320 | 1,320 | 100.00 | 1,320 |
| Multnomah County Drainage Dist No 1 | 5,105 | 0 | 100.00 | 0 |
| Subtotal, overlapping debt | | | | \$ 596,822 |
| Multnomah County direct debt | 279,558 | 56,570 | 100.00 | 56,570 |
| Total direct and overlapping debt | | | | <u>\$ 653,392</u> |

(1) The overlapping debt calculation was performed by Municipal Debt Advisory Commission as of June 30, 2009

(2) Gross Property-tax Backed Debt includes all General Obligation (GO) bonds and Full Faith & Credit bonds.

(3) Net Property-tax Backed Debt is Gross Property-tax Backed Debt less Self-supporting Unlimited Tax GO and less Self-supporting Full Faith & Credit debt.

(4) Percent overlapping equals the RMV of the overlapping area of the overlapping district divided by the RMV of the County.

Source: Municipal Debt Advisory Commission, Oregon State Treasury

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

| Year | Population | Personal Income (thousands) | Per Capita Income | PMSA* Unemployment Rate |
|-------------|-------------------|--------------------------------------------|------------------------------|----------------------------------------|
| 2000 | 662,400 | \$ 21,384,426 | \$ 32,314 | 4.4 % |
| 2001 | 666,350 | 22,589,707 | 33,728 | 6.0 |
| 2002 | 670,250 | 23,078,170 | 34,100 | 7.8 |
| 2003 | 677,850 | 23,388,512 | 34,436 | 8.3 |
| 2004 | 685,950 | 24,052,307 | 35,757 | 7.0 |
| 2005 | 692,825 | 24,744,957 | 36,650 | 5.8 |
| 2006 | 701,545 | 26,714,807 | 39,017 | 5.0 |
| 2007 | 710,025 | 28,385,388 | 40,598 | 4.8 |
| 2008 | 717,880 | N/A | N/A | 5.8 |
| 2009 | 717,880 (1) | N/A | N/A | 11.5 (2) |

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

(1) Population data for July 1, 2009 is not available at this time.

(2) As of June 30, 2009

* Portland Metropolitan Statistical Area

MULTNOMAH COUNTY, OREGON

Principal Employers

Current Year and Nine Years Ago

| 2008-09 | | | |
|--------------------------------------|----------------------|-------------|-----------------------------------------------------|
| Employer | Employees | Rank | Percentage of Total PMSA* Employment |
| State of Oregon | 21,100 | 1 | 1.78 % |
| U.S. Government | 18,400 | 2 | 1.56 |
| Intel Corporation | 15,141 | 3 | 1.28 |
| Providence Health System | 13,825 | 4 | 1.17 |
| Oregon Health and Science University | 12,700 | 5 | 1.07 |
| Fred Meyer Stores | 9,630 | 6 | 0.81 |
| Kaiser Foundation Health Plan | 8,759 | 7 | 0.74 |
| Legacy Health System | 8,251 | 8 | 0.70 |
| Nike, Inc. | 7,000 | 9 | 0.59 |
| City of Portland | 6,900 | 10 | 0.58 |
| | 121,706 | | 10.28 % |
| Total PMSA* employment | 1,183,130 (1) | | |

| 1999-00 | | | |
|-----------------------------------|------------------|-------------|-----------------------------------------------------|
| Employer | Employees | Rank | Percentage of Total PMSA* Employment |
| U.S. Government | 17,600 | 1 | 1.64 % |
| Intel Corporation | 12,000 | 2 | 1.12 |
| Fred Meyer Stores | 10,100 | 3 | 0.94 |
| Oregon Health Sciences University | 9,300 | 4 | 0.86 |
| Providence Health System | 8,938 | 5 | 0.83 |
| State of Oregon | 8,400 | 6 | 0.78 |
| Legacy Health System | 6,731 | 7 | 0.63 |
| Portland School District | 6,200 | 8 | 0.58 |
| City of Portland | 5,172 | 9 | 0.48 |
| Freightliner | 5,000 | 10 | 0.46 |
| | 89,441 | | 8.32 % |
| Total PMSA* employment | 1,075,853 | | |

* Portland Metropolitan Statistical Area

(1) As of June 30, 2009

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

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

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Function/Program | | | | |
| Governmental activities: | | | | |
| General government | 622.5 | 614.5 | 603.5 | 665.5 |
| Health services | 914.0 | 874.5 | 864.5 | 841.5 |
| Social services | 677.0 | 621.0 | 582.5 | 573.0 |
| Public safety and justice | 1,531.0 | 1,561.5 | 1,538.5 | 1,559.0 |
| Community services | 60.5 | 69.5 | 75.0 | 81.0 |
| Library | 467.5 | 440.5 | 423.0 | 411.0 |
| Roads and bridges | 143.0 | 149.0 | 150.0 | 139.0 |
| Total governmental activities | <u>4,415.5</u> | <u>4,330.5</u> | <u>4,237.0</u> | <u>4,270.0</u> |
| Business-type activities: | | | | |
| Behavioral Health | <u>7.0</u> | <u>8.0</u> | <u>7.0</u> | <u>11.0</u> |
| Total business-type activities | <u>7.0</u> | <u>8.0</u> | <u>7.0</u> | <u>11.0</u> |
| Total primary government budgeted FTE | <u>4,422.5</u> | <u>4,338.5</u> | <u>4,244.0</u> | <u>4,281.0</u> |
| MULTNOMAH COUNTY EMPLOYEES | | | | |
| Management and exempt | <u>716</u> | <u>704</u> | <u>659</u> | <u>668</u> |
| Bargaining units: | | | | |
| General employees (Local 88) | 2,724 | 2,664 | 2,602 | 2,623 |
| Electricians (Local 48) | 19 | 18 | 19 | 17 |
| Operating engineers (Local 701) | 13 | 10 | 11 | 12 |
| Paint makers (Local 1094) | 2 | 2 | 2 | 2 |
| Corrections (Teamsters 223) | 429 | 437 | 432 | 449 |
| Deputy sheriffs association | 88 | 88 | 91 | 98 |
| Oregon nurses association | 220 | 221 | 228 | 238 |
| Juvenile group workers (Local 86) | 56 | 59 | 60 | 58 |
| Prosecuting attorneys association | 81 | 88 | 83 | 85 |
| Parole and Probation Officers | 131 | 134 | 133 | 133 |
| Total bargaining units | <u>3,763</u> | <u>3,721</u> | <u>3,661</u> | <u>3,715</u> |
| Temporary County employees | <u>72</u> | <u>103</u> | <u>114</u> | <u>91</u> |
| Total actual County employees | <u>4,551</u> | <u>4,528</u> | <u>4,434</u> | <u>4,474</u> |

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

Source: Multnomah County payroll records

| 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------|---------|---------|---------|---------|---------|
| 676.0 | 695.0 | 657.5 | 658.5 | 565.0 | 583.0 |
| 802.5 | 832.5 | 892.5 | 884.5 | 864.5 | 820.5 |
| 596.0 | 538.5 | 565.5 | 754.0 | 788.5 | 783.0 |
| 1,585.0 | 1,584.5 | 1,596.0 | 1,740.5 | 1,803.0 | 1,863.0 |
| 73.0 | 73.0 | 72.0 | 96.0 | 93.0 | 91.0 |
| 413.5 | 487.5 | 465.5 | 462.0 | 491.5 | 456.0 |
| 159.5 | 164.0 | 176.0 | 184.0 | 182.0 | 186.0 |
| 4,305.5 | 4,375.0 | 4,425.0 | 4,779.5 | 4,787.5 | 4,782.5 |
| 17.0 | 45.5 | 34.5 | 38.0 | 32.0 | 35.0 |
| 17.0 | 45.5 | 34.5 | 38.0 | 32.0 | 35.0 |
| 4,322.5 | 4,420.5 | 4,459.5 | 4,817.5 | 4,819.5 | 4,817.5 |
| 669 | 654 | 668 | 735 | 794 | 742 |
| 2,648 | 2,785 | 2,792 | 3,012 | N/A | N/A |
| 21 | 21 | 22 | 22 | N/A | N/A |
| 14 | 13 | 12 | 13 | N/A | N/A |
| 2 | 2 | 3 | 3 | N/A | N/A |
| 450 | 454 | 467 | 497 | N/A | N/A |
| 96 | 97 | 93 | 89 | N/A | N/A |
| 239 | 256 | 269 | 263 | N/A | N/A |
| 56 | 58 | 65 | 69 | N/A | N/A |
| 86 | 86 | 79 | 85 | N/A | N/A |
| 133 | 0 | 0 | 0 | N/A | N/A |
| 3,745 | 3,772 | 3,802 | 4,053 | 4,033 | 4,068 |
| 109 | 92 | 100 | 481 | N/A | N/A |
| 4,523 | 4,518 | 4,570 | 5,269 | N/A | N/A |

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

| FUNCTION/PROGRAM | 2009 | 2008 | 2007 |
|--------------------------------------------------------------|-------------|-------------|-------------|
| Governmental Activities: | | | |
| General Government | | | |
| Number of property tax accounts - residential | 240,212 | 234,567 | 225,597 |
| Number of property tax accounts - personal | 63,086 | 63,279 | 64,126 |
| Number of property tax accounts - commercial | 34,226 | 34,210 | 34,152 |
| Number of marriage licenses issued | 6,257 | 6,383 | 6,542 |
| Health Services | | | |
| Total clinic visits | 358,692 | 330,105 | 312,661 |
| County residents who rate their health good or better | N/A | 89% | 87% |
| Environmental health inspections | 11,873 | 11,672 | 10,130 |
| Women, infants, and children (WIC) served in the WIC program | 31,179 | 30,850 | 30,339 |
| Flu vaccinations at health clinics | 13,140 | 9,600 | 6,148 |
| Social Services | | | |
| Households that have received assistance with energy bills | 22,129 | 14,606 | 13,676 |
| Clients with developmental disabilities served | 4,270 | 3,950 | 3,780 |
| Senior and physically disabled clients served | N/A | N/A | N/A |
| Alcohol and drug treatment clients / episodes (e) | 4,617 | 10,503 | 10,829 |
| Early childhood mental health clients | 4,869 | 4,726 | 7,700 |
| Families served in early childhood programs | 693 | 718 | 768 |
| Students enrolled in extended day school activities | 14,773 | 15,041 | 17,052 |
| Public Safety and Justice | | | |
| Sheriff | | | |
| Responses to calls for services | 36,848 | N/A | 41,601 |
| Number of arrests (parts 1, 2 and 3 crimes) | 3,037 | 2,938 | 2,708 |
| Corrections | | | |
| Number of inmates booked | 32,992 | 35,533 | 37,113 |
| Average daily jail population | 1,378 | 1,559 | 1,641 |
| Average length of jail stay in days | 17 | 18 | 18 |
| Inmates held for court at Courthouse | 10,898 | 11,737 | 11,632 |
| Juvenile | | | |
| Youth admitted to detention center | 2,112 | 2,021 | 1,992 |
| Average length of stay in days in youth detention center | 7.9 | 8.3 | 11.7 |
| Community service hours completed | 6,521 | 6,623 | 10,894 |
| Average number of youth on probation per month | 567 | 533 | 523 |
| (continued) | | | |

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

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

(e) Prior to 2003, number of Alcohol and Drug Treatment episodes reported

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---------|---------|---------|---------|---------|---------|---------|
| 225,445 | 224,367 | 219,682 | 218,911 | 217,041 | 214,770 | 213,138 |
| 58,082 | 63,497 | 62,171 | 60,999 | 60,140 | 39,346 | 36,626 |
| 34,199 | 33,173 | 33,182 | 33,410 | 33,683 | 31,744 | 33,488 |
| 6,203 | 9,037 | 6,297 | 5,878 | 6,270 | 6,078 | 6,006 |
| 301,263 | 277,736 | 288,201 | 348,619 | 340,639 | 342,869 | 339,478 |
| 86% | 85% | 82% | 84% | 86% | 88% | N/A |
| 9,126 | 9,039 | 9,978 | 9,204 | 10,245 | 9,847 | 10,503 |
| 30,672 | 31,144 | 31,471 | 24,810 | 25,158 | 24,091 | 22,337 |
| 5,084 | 3,283 | 3,629 | 3,666 | 2,640 | 2,251 | 3,017 |
| 12,482 | 12,450 | 10,868 | 11,787 | 15,813 | 15,733 | 11,754 |
| 3,613 | 3,477 | 3,417 | 3,300 | 3,336 | 2,577 | 3,050 |
| 44,664 | 45,241 | 41,454 | 44,055 | 47,678 | 43,562 | N/A |
| 9,391 | 8,478 | 8,284 | 7,508 | 22,386 | 23,780 | 27,114 |
| 7,737 | 7,708 | 7,899 | 7,053 | 7,226 | 7,000 | 3,038 |
| 887 | 848 | 687 | 956 | 1,004 | 798 | N/A |
| 16,315 | 14,384 | 9,721 | 3,863 | 3,798 | N/A | N/A |
| 43,327 | 41,260 | 35,500 | 36,972 | 36,063 | 37,414 | 36,346 |
| 3,204 | 3,548 | 3,383 | 3,714 | 3,165 | 3,634 | 3,311 |
| 38,726 | 37,577 | 36,260 | 35,532 | 37,658 | 40,120 | 43,078 |
| 1,612 | 1,577 | 1,654 | 1,682 | 1,871 | 2,054 | 2,036 |
| 17 | 17 | 18 | 19 | 20 | 20 | 18 |
| 13,905 | 12,506 | 14,144 | 13,545 | 13,558 | 14,334 | 14,133 |
| 2,161 | 2,161 | 2,207 | 2,357 | 2,611 | 2,816 | 2,913 |
| 9.0 | 9.0 | 10.0 | 10.3 | 11.1 | 10.9 | 8.9 |
| 5,531 | 5,531 | 6,733 | 7,672 | 10,117 | 9,606 | 11,754 |
| 582 | 582 | 573 | 606 | 704 | 735 | 850 |

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

| FUNCTION/PROGRAM | 2009 | 2008 | 2007 |
|-----------------------------------------------------------------|-------------|-------------|-------------|
| Public Safety and Justice (continued) | | | |
| <u>Adult</u> | | | |
| Community service hours completed | 123,442 | 82,429 | 80,131 |
| Adults participating in educational classes | 639 | 588 | 481 |
| Clients receiving GED's | 60 | 38 | 62 |
| Average no. adults on probation & post-prison supervision/month | 8,793 | 9,261 | 9,619 |
| <u>District Attorney</u> | | | |
| Cases of adult criminal activity prosecuted | 27,149 | 27,377 | 21,415 |
| Juvenile delinquency cases prosecuted | 869 | 1,064 | 817 |
| Hours of Community Court community service completed | 17,004 | 16,742 | 15,477 |
| Community Services | | | |
| Number of registered voters | 426,567 | 380,298 | 380,298 |
| Number of votes cast in last general election (a) | 367,540 | 262,628 | 262,628 |
| Percent of registered voters who voted in last general election | 86% | 69% | 69% |
| Animal Control - Total Intake - Dogs and Cats | 8,096 | 8,886 | 9,879 |
| Library | | | |
| New library cards issued annually | 74,677 | 71,843 | 67,379 |
| Books circulated | 21,513,255 | 20,394,496 | 19,900,816 |
| Borrowers who used their cards in last three years | 421,199 | 440,311 | 431,429 |
| Library satisfaction (b) | 90.4% | 91.3% | 92.4% |
| Web site visits/hits(c) | 6,810,872 | 6,695,693 | 6,647,087 |
| Business-type activities: | | | |
| Dunthorpe-Riverdale Service Districts | | | |
| Sewage disposal - number of accounts | 590 | 583 | 582 |

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

(a) Community Service general elections are held in November on even years.

(b) Library satisfaction is % found library materials of interest starting in fiscal year 2004. Library satisfaction is from countywide citizen survey prior to fiscal year 2004.

(c) Website visits starting in fiscal year 2006, website hits in fiscal year 2005 and prior.

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|------------|-------------|------------|------------|------------|------------|------------|
| 84,818 | 91,886 | 109,349 | 122,391 | 127,439 | 117,890 | N/A |
| 584 | 630 | 554 | 596 | 567 | 531 | 446 |
| 67 | 99 | 50 | 73 | 95 | 66 | 49 |
| 9,763 | 9,118 | 9,347 | 9,171 | 9,042 | 10,603 | 10,674 |
| 22,563 | 21,936 | 22,008 | 22,530 | 20,436 | 21,933 | 23,154 |
| 946 | 944 | 1,013 | 947 | 1,127 | 1,487 | 1,236 |
| 16,984 | 18,123 | 4,668 | 8,464 | 11,403 | 11,516 | 3,064 |
| 430,693 | 430,693 | 363,589 | 363,843 | 383,915 | 365,596 | 341,210 |
| 365,530 | 365,530 | 245,238 | 245,238 | 300,065 | 300,065 | 217,894 |
| 85% | 85% | *67% | 67% | *82% | 82% | *57% |
| 9,808 | 9,597 | 8,939 | 8,448 | 7,739 | 7,534 | 6,979 |
| 69,973 | 74,805 | 76,161 | 73,012 | 70,219 | 68,599 | 68,752 |
| 19,589,530 | 19,462,344 | 18,762,556 | 17,854,110 | 16,133,945 | 14,008,166 | 12,152,743 |
| 455,296 | 474,292 | 465,223 | 436,104 | 509,949 | 515,184 | 444,219 |
| 92.5% | 92.5% | 86.5% | 96.8% | 96.1% | 97.3% | N/A |
| 6,410,053 | 111,433,518 | 93,764,392 | 66,650,158 | 44,568,574 | 43,346,524 | 42,323,312 |
| 579 | 578 | 578 | 575 | 570 | 569 | 567 |

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

| FUNCTION/PROGRAM | 2009 | 2008 | 2007 | 2006 |
|------------------------------------------|-------------|-------------|-------------|-------------|
| Governmental Activities: | | | | |
| General Government | | | | |
| Buildings owned | 79 | 79 | 83 | 84 |
| Buildings leased | 52 | 53 | 59 | 59 |
| Automobiles | 325 | 328 | 301 | 311 |
| Vehicles (excluding automobiles) | 298 | 300 | 292 | 295 |
| Heavy equipment | 122 | 141 | 132 | 136 |
| Health Services | | | | |
| Health & dental centers | 7 | 7 | 7 | 7 |
| School based health centers | 13 | 13 | 13 | 13 |
| Social Services | | | | |
| Aging & Disability offices | 7 | 7 | 7 | 7 |
| Public Safety and Justice | | | | |
| Sheriff | | | | |
| Vehicular patrol units | 50 | 45 | 47 | 43 |
| Number of employees (sworn and civilian) | 786 | 786 | 798 | 794 |
| River Patrol offices | 3 | 3 | 3 | 3 |
| Corrections | | | | |
| Jails: | | | | |
| Facilities | 3 | 3 | 3 | 3 |
| Population | 1,539 | 1,633 | 1,690 | 1,690 |
| Community Justice | | | | |
| Adult probation & parole offices | 6 | 6 | 6 | 6 |
| Adult housing program offices | 4 | 4 | 4 | 4 |
| Juvenile counseling offices | 4 | 4 | 4 | 4 |
| Library | | | | |
| Regional | 2 | 2 | 2 | 2 |
| Neighborhood | 14 | 14 | 14 | 14 |
| Leased | 4 | 4 | 4 | 4 |
| Roads & Bridges | | | | |
| Miles of streets maintained by County: | | | | |
| Paved | 271 | 271 | 273 | 273 |
| Unpaved | 24 | 24 | 24 | 24 |
| Bridges: | | | | |
| Major | 6 | 6 | 6 | 6 |
| Minor | 19 | 18 | 18 | 18 |
| Business-type activities: | | | | |
| Mid County | | | | |
| Street lighting - lights and poles | 4,536 | 4,484 | 4,439 | 4,400 |
| Dunthorpe-Riverdale | | | | |
| Pump stations | 1 | 1 | 1 | 1 |
| Miles of sewer (approximate) | 15 | 15 | 15 | 15 |

Sources: Multnomah County Departments
N/A = not available

| 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|-------|-------|-------|-------|-------|-------|
| 87 | 88 | 86 | 86 | 85 | N/A |
| 59 | 62 | 67 | 71 | 72 | N/A |
| 302 | 311 | 322 | 339 | 419 | 355 |
| 292 | 300 | 272 | 289 | 320 | 296 |
| 135 | 139 | 140 | 138 | 146 | 142 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 14 | 14 | 14 | 13 | 13 | 13 |
| 9 | 9 | 11 | 13 | 13 | 13 |
| 48 | 44 | 35 | 36 | 34 | 34 |
| 814 | 847 | 835 | 896 | 934 | 961 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 4 | 4 | 3 | 5 | 5 | 5 |
| 1,537 | 1,651 | 1,531 | 1,775 | 1,860 | 2,001 |
| 6 | 6 | 7 | 8 | 9 | 9 |
| 5 | 5 | 5 | 6 | 5 | N/A |
| 4 | 5 | 6 | 6 | 6 | 6 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 14 | 13 | 13 | 13 | 15 | 15 |
| 4 | 4 | 4 | 4 | 1 | 1 |
| 326 | 326 | 326 | 365 | 365 | 245 |
| 24 | 24 | 24 | 11 | 11 | 25 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 23 | 23 | 23 | 23 | 23 | 23 |
| 4,219 | 3,974 | 3,710 | 3,837 | 3,837 | 3,612 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 15 | 15 | 15 | 15 | 15 | 15 |

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REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS REQUIRED BY STATE STATUTES

- 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 Oregon Auditing Standards

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *OREGON AUDITING STANDARDS***

Board of Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2009 and have issued our report thereon dated November 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2009 and 2010.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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 test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, except those noted below.

Excess of Expenditures over Appropriations

As described in Note 2, *Stewardship, compliance, and accountability*, the results of testing indicated three instances of non-compliance related to excess expenditures over appropriations.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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



For Moss Adams LLP
Eugene, Oregon
November 24, 2009