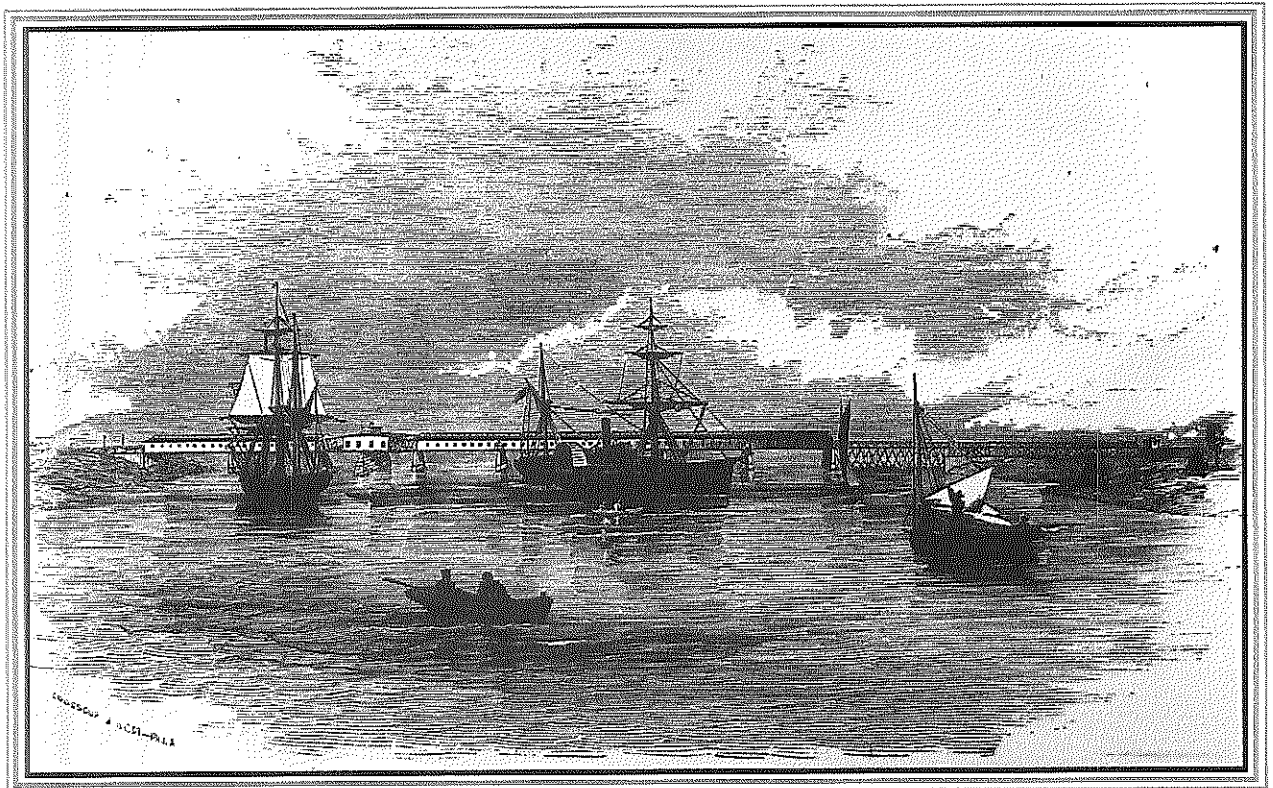


MULTNOMAH COUNTY OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 1998



About the Cover

The cover is a reproduction of an engraving, described as "*Bridge Across the Willamette, Between Columbia Street, Portland and Asylum Street, East Portland, Now in Course of Construction*" (OrHi 95713). It is part of the collection of the Oregon Historical Society, located at 1200 SW Park Avenue in downtown Portland. The engraving is a rendering of one of the precursors to the Hawthorne Bridge – either Madison Street Bridge No. 1 or No. 2.

The bridge, originally the Madison Street Bridge, is now called the Hawthorne Street Bridge. It is named after Dr. J. C. Hawthorne who moved to Oregon in 1859 and helped found the Oregon Hospital for the Insane, which was located on Asylum and 12th Street in East Portland. The street was renamed Hawthorne in 1888, five years after the hospital was moved to Salem. There have been three structures on this site. The original bridge was constructed in 1891, the second bridge in 1900. The current structure replaced it in 1910.

In 1893, on Madison Bridge No. 1, a motorman disregarded the bridge's red light during heavy early morning fog, and the trolley car *inez* tumbled into the Willamette's murky water. Seven people drowned. In 1901, a fire destroyed an iron works company and swept away six blocks of the eastside waterfront, including Madison Bridge No. 2's eastern approach.

Hawthorne Street Bridge

The current Hawthorne Street Bridge, designed by John Alexander Low Waddell, opened December 19, 1910 at a cost of \$500,000 and is the oldest operating vertical lift span bridge in the world. It is eligible for listing in the National Historic Register. The bridge is, however, showing wear and will be closed during the next year for approximately 12 months for painting and deck replacement.

A variety of commuters – trucks, cars, bikers and walkers – depend on the Hawthorne Bridge. The number of bridge users is substantial enough that the Hawthorne Bridge is recognized as a main artery for crossing the Willamette River. To continue carrying this traffic, the bridge needs vital repairs and improvements.

- the Hawthorne's paint has completely failed in many places exposing metal surfaces to the effects of corrosion and deterioration. The old lead-based paint must be removed and replaced.
- the current bridge deck, which was installed in 1945, is worn and must be replaced. The deck is the grated surface where cars and trucks travel to cross the bridge. If the rehabilitation work is not completed soon, bus and truck travel will be restricted and the service life of the bridge will be dramatically shortened.
- the support system needs to be upgraded. The counterweight ropes, which are responsible for raising the vertical lift, may need replacement.

This current project is Phase III of a four-phase rehabilitation program which began in 1985. Phase IV, not yet scheduled, will include seismic upgrades.

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1998



Prepared by:

Finance Division
David A. Boyer, Finance Director
1120 SW Fifth Avenue, Suite 1430
P.O. Box 14700
Portland, Oregon 97293-0700

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



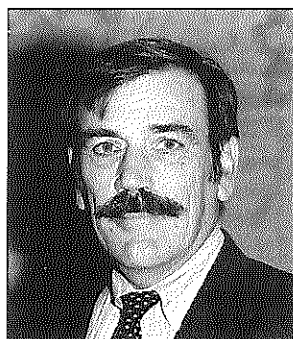
BEVERLY STEIN
Chair



DIANE LINN
Commissioner



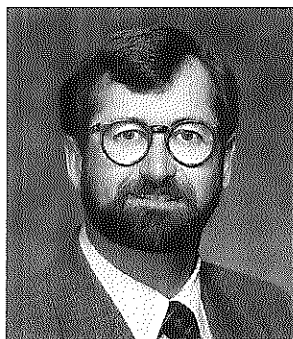
SHARRON KELLEY
Commissioner



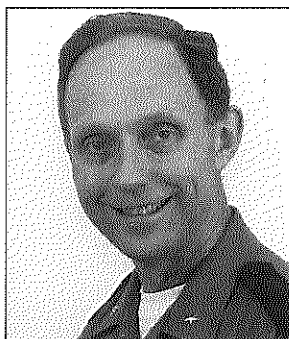
GARY HANSEN
Commissioner



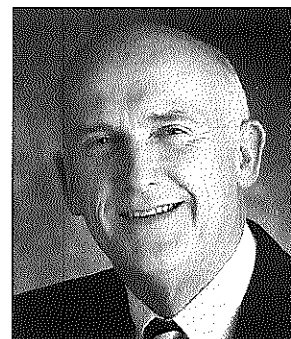
LISA NAITO
Commissioner



GARY BLACKMER
Auditor



DAN NOELLE
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 1998

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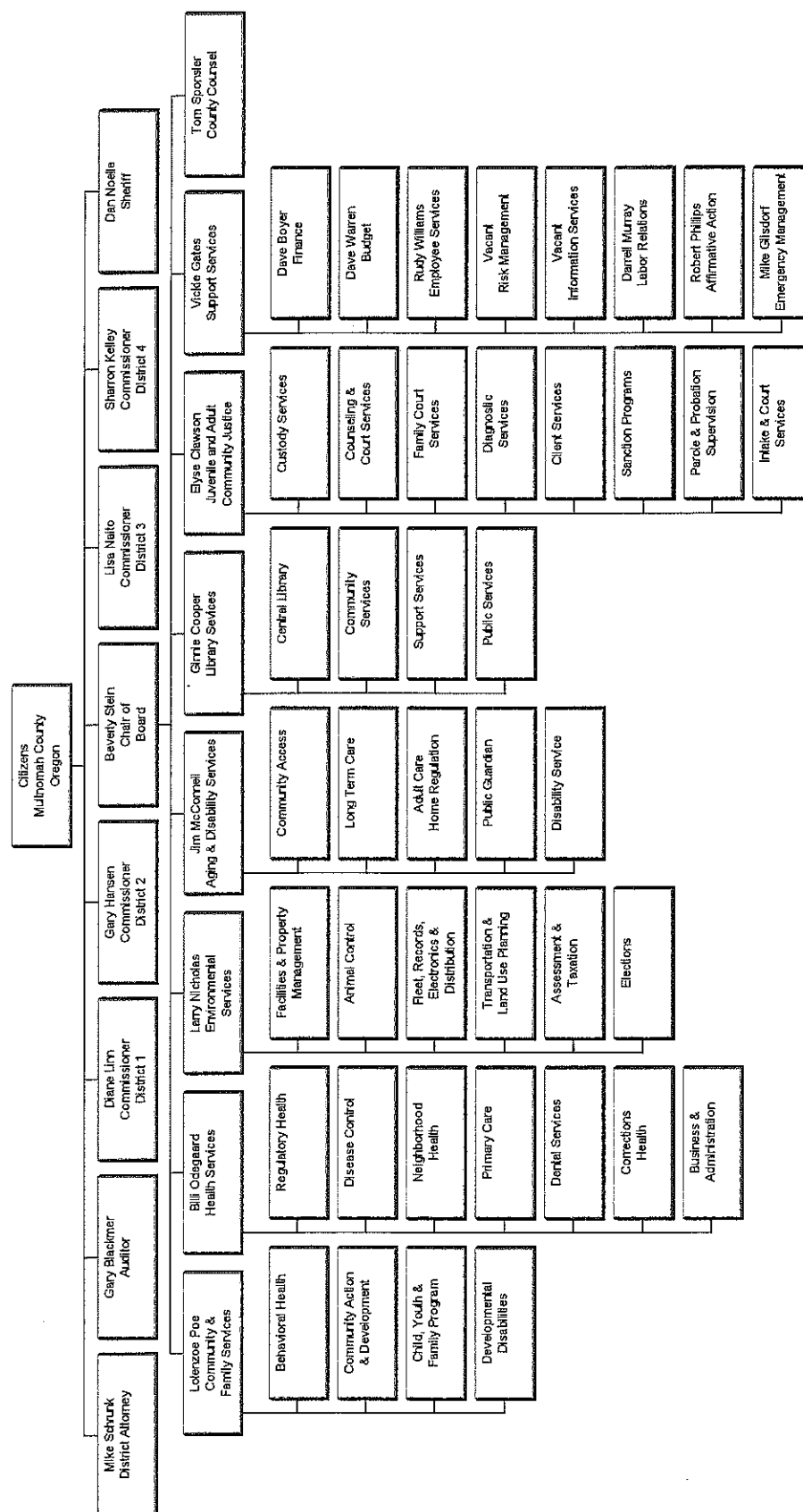
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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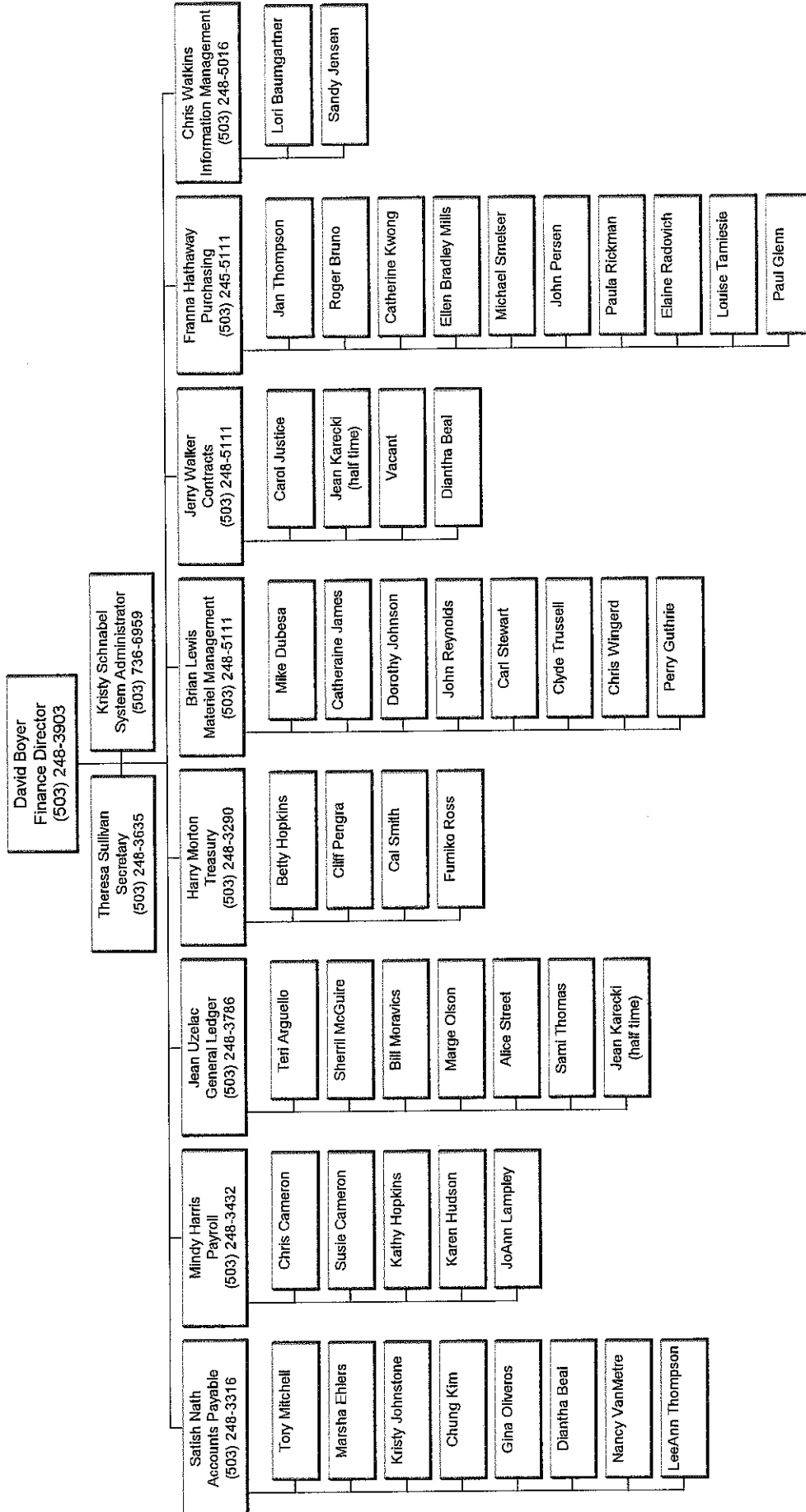
INTRODUCTORY SECTION

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MULTNOMAH COUNTY, OREGON

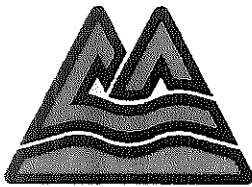
Finance Division



MULTNOMAH COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 1998

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
<u>Board of County Commissioners</u>		
Chair of Board	Beverly Stein 1120 SW Fifth Ave., Suite 1510 Portland, OR 97204-1976	12/31/98
District No. 1	Diane Linn 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/00
District No. 2	Gary Hansen 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/98
District No. 3	Lisa Naito 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/00
District No. 4	Sharron E. Kelley 1120 SW Fifth Ave., Suite 1500 Portland, OR 97204-1976	12/31/00
<u>Other Elected Officers</u>		
County Auditor	Gary Blackmer 1120 SW Fifth Ave., Suite 1400 Portland, OR 97204-1976	12/31/98
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/00
County Sheriff	Dan Noelle 12240 NE Glisan Street Portland, OR 97230	12/31/98
<u>Other Appointed Officers</u>		
Department of Support Services Director	Vickie S. Gates	Not elected
Finance Director	David A. Boyer, CCM	Not elected
Accounting Manager	Jean M. Uzelac	Not elected
County Counsel	Thomas Sponsler	Not elected

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MULTNOMAH COUNTY OREGON

DEPARTMENT OF SUPPORT SERVICES				
FINANCE DIVISION				
COUNTY COMMISSIONERS	DIRECTORS OFFICE	PORTLAND BUILDING	CONTRACTS	FORD BUILDING
BEVERLY STEIN, CHAIR	ACCOUNTS PAYABLE	1120 SW FIFTH AVE, SUITE 1430	MATERIEL MANAGEMENT	2505 SE 11 TH 1 ST FLOOR
DIANE LINN, DISTRICT #1	GENERAL LEDGER	PO BOX 14700	PURCHASING	PORTLAND, OR 97202
GARY HANSEN, DISTRICT #2	PAYROLL	PORTLAND, OR 97293-0700		PHONE (503) 248-5111
LISA NAITO, DISTRICT #3	TREASURY	PHONE (503) 248-3312		FAX (503) 248-3252
SHARRON KELLEY, DISTRICT #4	LAN ADMINISTRATION	FAX (503) 248-3292		TDD (503) 248-5170

December 4, 1998

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, 1998, together with the opinion thereon of our independent certified public accountants, KPMG Peat Marwick LLP.

This report, required by State law, Oregon Revised Statutes 297.425, is prepared by the Finance Division and is organized into three primary sections: Introductory, Financial and Statistical. The Introductory Section includes this letter of transmittal, the County's and Finance Division's organizational charts and a list of principal officers. This section is intended to inform the reader of the organization, services, scope and financial activities of the County. The Financial Section includes the General Purpose Financial Statements, the related notes and additional information. The additional information contains the combining and individual fund and account group statements and schedules, and other schedules. This section provides summary and more detailed financial statements and schedules of County activities. The Statistical Section contains historical financial and statistical information, generally presented on a multi-year basis. The Statistical Section provides broader financial data for a more comprehensive understanding of the County.

This report also includes Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

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

Multnomah County management is responsible for the information in this report and we believe that the information presented is accurate in all material respects and is organized in a manner to

clearly present the financial position and results of the operations of the County's various funds and account groups. Further, all necessary disclosures have been included to enable the reader to gain maximum understanding of the financial affairs of the County.

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

REPORTING ENTITY

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

ECONOMY AND FINANCIAL OUTLOOK

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

Multnomah County is the most populous county in the state with a July 1, 1997, population of 639,000. The cities of Portland, with a population of 508,500, and Gresham, with a population of 81,865, are the largest incorporated cities located in the County.

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

The Portland-Vancouver, OR-WA PMSA's (Primary Metropolitan Statistical Area), which includes Multnomah, Clackamas, Washington, Columbia and Yamhill counties in Oregon and Clark County in Washington, economy remained strong during fiscal year 1998. Over the last 12 months the Portland PMSA's payrolls have added 29,600 jobs, a growth rate of about 3%. Slower than average growth in manufacturing (+1.8%) finance, insurance, and real estate (+3%) and construction (-2.2%) over the past year has been offset by above average growth in transportation, communication and utilities (+4.1%), government (+3.6%), trade (+3.4%) and services (3.0%). The Portland PMSA's total employment rose from 979,700 employees at June 30, 1997, to 1,009,300 employees at June 30, 1998. The area's preliminary unemployment rate was 4.2% at June 30, 1998, compared to the same 4.2% rate at June 30, 1997. The Portland-Vancouver Consumer Price Index (CPI) (1982-84 = 100) was 166.1 at June 30, 1998, and represents a 2.2% increase from June 30, 1997.

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

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

While a slowdown in the rate of economic growth is likely to have some impact on the County's revenue stream, we are expecting our Business Income Tax and Motor Vehicle Rental Tax to grow by 4% or slightly higher. Overall revenue growth is forecast between 3% to 3.5% over the next few years. If inflation remains at its current low levels, the level of revenue growth should be sufficient to provide funding at current service levels.

There are also some uncertainties surrounding the status of Asian economies, which have become important to the state's economy. Asia is the largest export market for Oregon's agriculture and forest products, but is also a player in the high technology sector.

COUNTY STRUCTURE AND SERVICES PROVIDED

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

Department of Community and Family Services: Services include:

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

Department of Health Services: Services include:

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

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

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

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

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

Department of Library Services: Services include:

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

Department of Environmental Services: Services include:

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

Sheriff's Office: Services include:

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

District Attorney's Office: Services include:

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

Department of Support Services: Services include:

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

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

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

Employees: At June 30, 1998, the County had 4,270 employees not including temporary employees. There are nine bargaining units representing 3,668 employees as listed below. In addition, there are 602 management and exempt employees.

<u>Bargaining Unit</u>	<u>Employees</u>
General Employees (Local 88)	2,604
Electricians (Local 48)	22
Operating Engineers (Local 87)	13
Paint Makers (Local 55)	3
Corrections (Teamsters 223)	478
Deputy Sheriffs Association	94
Oregon Nurses Association	279
Juvenile Group Workers (Local 86)	89
Prosecuting Attorneys Association	86
Total	<u>3,668</u>

MAJOR INITIATIVES

In fiscal year 1998. The County continued the RESULTS campaign. RESULTS stands for Reaching Excellent Service Using Leadership and Team Strategies and is Multnomah County's program for redesigning government. The goals of RESULTS are to build our capacity to meet our community and county benchmarks, to make sure we use tax dollars efficiently and to ensure quality services.

On July 1, 1997, the State of Oregon transferred 137 employees to the County. Beginning in fiscal year 1998 the County will be responsible for Disability Services. The County received about \$7,000 from Title XIX funds to provide for operations for this program.

In August 1997, the Board of County Commissioners approved a Resolution to call for an election to be held November 4, 1997, to ask the voters to approve a five-year Public Library Levy (local option tax). The levy was passed by the voters. The levy will cost property owners 59 cents per thousand dollars of assessed value per year. The typical home will pay about \$72 (dollars) in additional property taxes per year. The levy dedicated to library operations is estimated to provide \$16,000 in fiscal year 1999.

During the year the County has spent about \$2,988 to assess and remediate Year 2000 compliance issues. A more detailed disclosure is included in the footnotes of this report.

In December 1997, the Board of County Commissioners proposed and in March 1998, the voters approved a one-year Business Income Tax (BIT) surcharge of .5% for schools. The increase is expected to raise \$12,500 in revenues for schools located within Multnomah County.

During the year, several County Departments underwent long range strategic planning processes which included alignment with the three long-term benchmarks and other County benchmarks.

In the spring of 1998, 330 jail beds opened at the Inverness Jail to handle felons with sentences of 12 months or less.

For the future. School funding continues to be a high priority of the County. While the County is not in a position to repeat the fiscal year 1997 \$10,000 one-time-only contribution to county schools, and the BIT \$12,500 surcharge approved in fiscal year 1998 is for one year only, the

County has included funds in its fiscal year 1999 budget to pay for a number of initiatives, including school based health clinics and \$1,500 in funding to pay for alternative school teachers who might otherwise be cut. In addition, the County is providing for \$1,500 without restrictions. The County will continue working with City of Portland officials, school district officials, members of the business community and citizens to find short-term and long-term solutions to funding schools.

The County continues to use the three long-term benchmarks adopted September 16, 1996, as a factor in developing the fiscal year 1999 budget. Agencies charged with community planning will continue to develop strategies and outcomes, work with community experts, analyze research data and determine the most cost effective ways to deliver these services. The Departments will also work to align programs and services around common strategies.

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

FINANCIAL AND ACCOUNTING POLICIES

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds and account groups of the County at June 30, 1998, and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles (GAAP).

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

INTERNAL ACCOUNTING CONTROLS AND BUDGETARY PROCESS

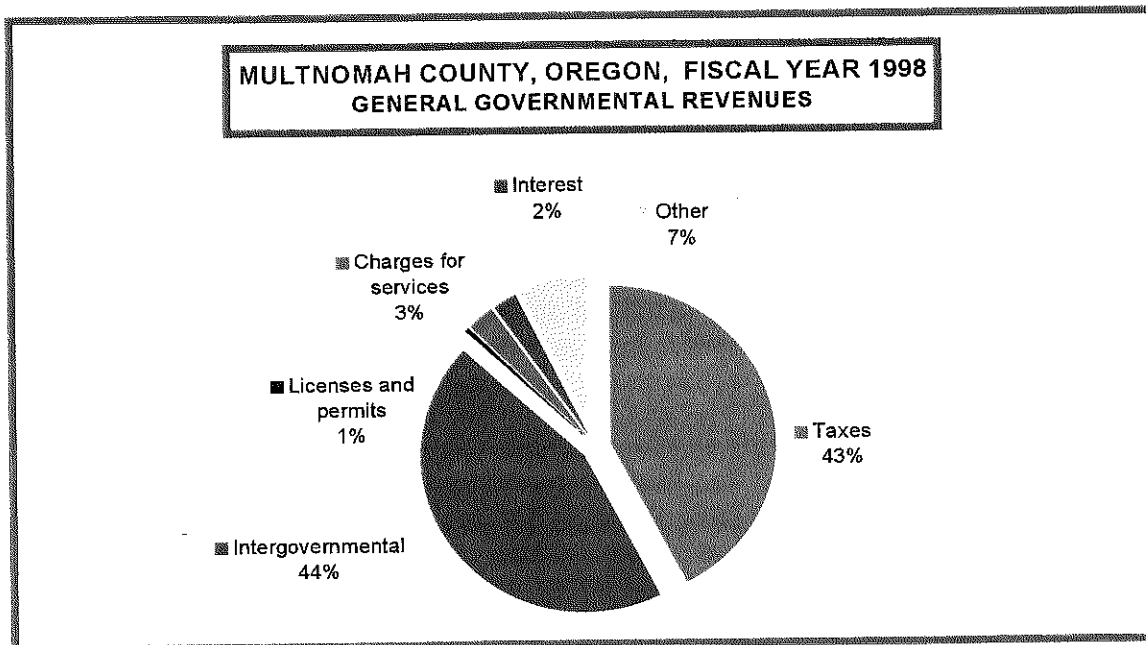
Multnomah County maintains, and management relies upon, a system of internal controls designed to provide reasonable assurance that assets are safeguarded, that accounting transactions are executed and properly recorded so that financial statements can be prepared in accordance with GAAP and the County's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

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County budget is adopted by the Board of County Commissioners by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding

appropriations may be added to the budget during the fiscal year through a supplemental budget process. The original and supplemental budgets require budget hearings before the public, publications in newspapers and final adoption by the Board of County Commissioners. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between categories. The appropriation transfers must be approved by the Board of County Commissioners in public meetings. During the fiscal year, no supplemental budget was needed.

FINANCIAL SUMMARY OF GENERAL GOVERNMENT FUNCTIONS

Governmental Fund Type Revenues: Revenues accounted for in the Governmental Fund Types totaled \$505,737 for the fiscal year 1998, an increase of \$39,177 over fiscal year 1997. The revenues, percent of total revenue by source and changes from 1997 are shown in the following chart and table:

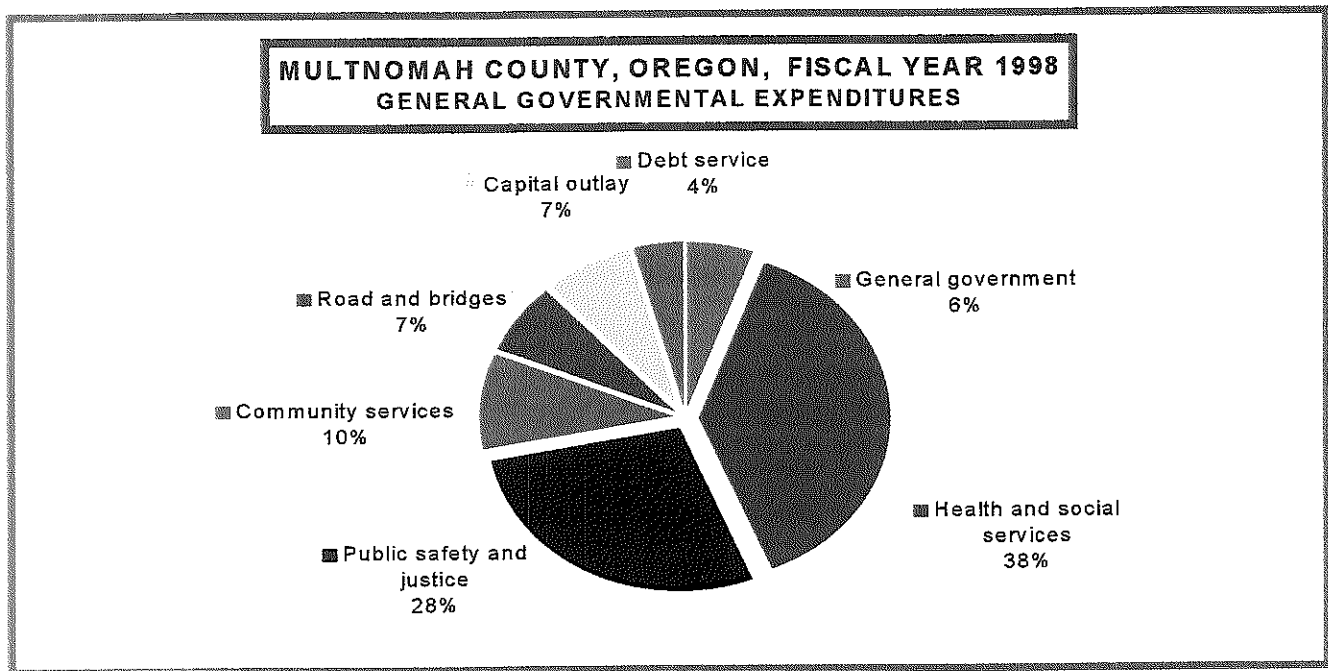


	1998 Amount	1997 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$ 215,100	\$ 217,295	\$ (2,195)	-1.0%
Intergovernmental	223,962	184,697	39,265	21.3%
Licenses and permits	2,934	2,751	183	6.7%
Charges for services	14,471	14,882	(411)	-2.8%
Interest	12,080	9,691	2,389	24.7%
Other	37,190	37,244	(54)	-0.1%
Total	\$ 505,737	\$ 466,560	\$ 39,177	8.4%

The major increases (decreases) are:

- The decrease of taxes is due to the decrease in property tax collections as a result of Ballot Measure 50.
- The increase of intergovernmental revenues is due to an increase in federal and state funded programs.
- The increase in interest is due to higher daily cash balance in bond construction funds.

Governmental Fund Type Expenditures: Expenditures accounted for in the Governmental Fund Types totaled \$500,901 for fiscal year 1998, an increase of \$25,755 over fiscal year 1997. The expenditures, percent of total by function and changes from the previous fiscal year are shown in the following chart and table.



	1998 Amount	1997 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
General government	\$ 28,474	\$ 28,298	\$ 176	0.6%
Health and social services	190,941	190,540	401	0.2%
Public safety and justice	140,510	113,263	27,247	24.1%
Community services	47,764	56,913	(9,149)	-16.1%
Road and bridges	35,197	34,052	1,145	3.4%
Capital outlay	36,773	33,717	3,056	9.1%
Debt service	21,242	18,363	2,879	15.7%
Total	\$ 500,901	\$ 475,146	\$ 25,755	5.4%

The major increases (decreases) are:

- Public safety and justice increased due to cost of living increases and an increase in state funded programs.
- Community services decreased due to program cuts as a result of Ballot Measure 50.
- Debt service increased due to the first principal payment of the library and public safety general obligation bonds issued in October of 1996.

PROPRIETARY OPERATIONS

Operating revenues accounted for in the Proprietary Funds, exclusive of the pension trust fund, for the fiscal year ended June 30, 1998, were \$85,028, a decrease of \$23,559 from fiscal year 1997. Operating expenses totaled \$88,352 for the fiscal year ended June 30, 1998, a decrease of \$20,488 from fiscal year 1997. The net loss for the year ended June 30, 1998, was \$1,807.

compared to the net income of \$2,931 for fiscal year 1997. This decrease in revenues and expenses is a result of the CareOregon program being spun off to operate as a private non-profit organization in the last quarter of fiscal year 1997.

FIDUCIARY OPERATIONS

Multnomah County manages and accounts for monies received from various sources in a fiduciary capacity. Such monies are reported in the Agency Funds within the Fiduciary Fund Types. Disbursements are made in accordance with the agreement or applicable legislative enactment for each fund.

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

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

RISK MANAGEMENT

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

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

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

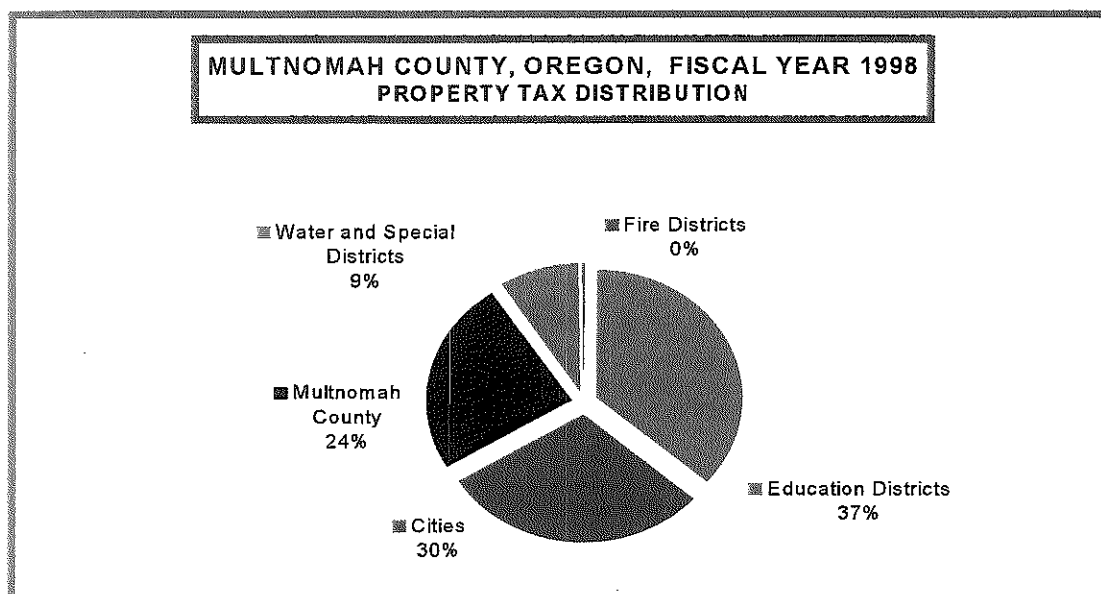
The County also funds post retirement benefits for a portion of medical insurance benefits for retirees between the ages of 58 to 65. Every two years an actuarial valuation is performed on the program to evaluate the unfunded liability and funding requirements. The next actuarial valuation will be performed in the spring of 1998 and will include the costs associated with the Retirement Incentive Program approved by the Board of County Commissioners.

GENERAL FIXED ASSETS

The general fixed assets of the County are those fixed assets used in the performance of general governmental functions and exclude fixed assets of the Enterprise and Internal Service Funds. At June 30, 1998, the general fixed assets of the County amounted to \$273,785. This amount represents the original or estimated cost of the assets and is considerably less than the estimated replacement cost.

PROPERTY TAXES

Multnomah County serves as the property tax assessor and collector for all taxing bodies located in the County. The total levy for all entities within the County, as extended by the assessor, was \$653,119 for fiscal year 1998, a decrease of \$703 from fiscal year 1997. The major levying entities, amounts, and changes from the previous year are displayed in the following chart and table:



	1998 Amount	1997 Amount	Amount Increase (Decrease)	Percent Increase (Decrease)
Education Districts	\$ 237,275	\$ 238,347	\$ (1,072)	-0.4%
Cities	196,846	210,568	(13,722)	-6.5%
Multnomah County	158,856	162,985	(4,129)	-2.5%
Water and Special Districts	57,819	39,159	18,660	47.7%
Fire Districts	2,323	2,763	(440)	-15.9%
Total	\$ 653,119	\$ 653,822	\$ (703)	-0.1%

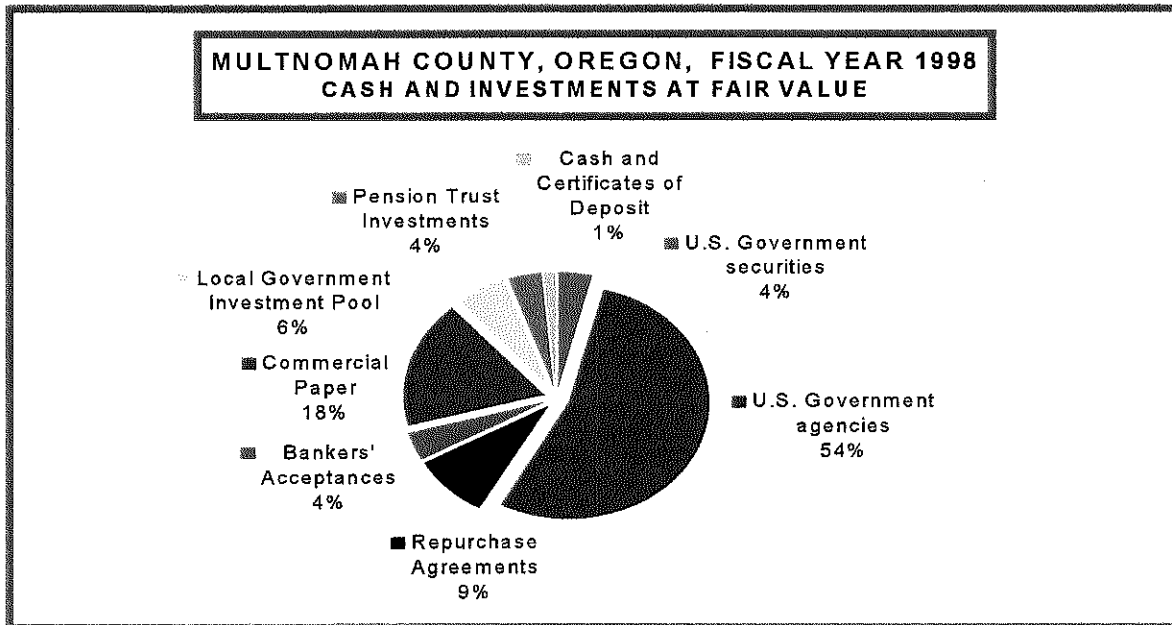
CASH AND INVESTMENTS

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

The average daily balance of investments for all funds, including trust funds, for fiscal year 1998 was \$244,648 and the average yield on these investments was 5.64%, as compared to the fiscal year 1997 average balance of \$228,859 and average yield of 5.51%. Investment interest earnings on all funds, excluding trust funds, for the fiscal year 1998 was \$13,824. The fair value of Cash and Investments at June 30, 1998, totaled \$265,704, as compared to \$233,503 at June

30, 1997. The June 30, 1997, amount has been adjusted for deferred compensation funds which are no longer accounted for on the County's balance sheet as a result of implementing GASB 32. The County recorded \$163 of unrealized gains as a result of marking its investments to fair value.

The investments are displayed in a note to the financial statements disclosing the fair values. The note also discloses the "level of credit risk" associated with the investment types. The following table and chart represents the various cash and investment types, at fair value, changes from fiscal year 1997 and percent of total:



	1998 Amount	1997 Amount	Amount Increase (Decrease)
U.S. Government securities	\$ 10,166	\$ 90,301	\$ (80,135)
U.S. Government agencies	143,805	25,301	118,504
Repurchase Agreements	24,000	3,000	21,000
Bankers' Acceptances	9,902	27,699	(17,797)
Commercial Paper	47,234	37,766	9,468
Local Government Investment Pool	16,354	31,905	(15,551)
Pension Trust Investments	10,722	10,544	178
Cash and Certificates of Deposit	3,521	6,987	(3,466)
Total	<u>\$ 265,704</u>	<u>\$ 233,503</u>	<u>\$ 32,201</u>

DEBT ADMINISTRATION

General Obligation Bonds: Under Oregon Revised Statutes 287.054 the County's total general obligation bonded debt issues are subject to a limitation of 2% of the latest true cash value of taxable property. On June 30, 1998, this limit was \$845,356 and the County had \$128,470 outstanding. Multnomah County has an Aa1 rating from Moody's Investors Service, Inc. on all general obligation bonds issued.

On March 1, 1994, the County issued general obligation bonds in the amount of \$22,000 to renovate the Central Library and to build a new Midland Branch Library. The debt service is paid

from the proceeds of a property tax levy. The bonds mature each October through October 2014. At June 30, 1998, \$18,430 was outstanding.

On October 1, 1994, the County issued general obligation bonds in the amount of \$9,000 to renovate the Central Library and to build a new Midland Branch Library. The debt service is paid from the proceeds of a property tax levy. The bonds mature each October through October 2015. At June 30, 1998, \$8,175 was outstanding.

On October 1, 1996, the County issued \$29,000 in General Obligation Library Bonds Series 1996A to finance the construction, acquisition and reconstruction of certain library facilities and equipment. The debt service is paid from the proceeds of a property tax levy. The bonds mature each October through October 2016. At June 30, 1998, \$25,745 was outstanding.

On October 1, 1996, the County issued \$79,700 in General Obligation Public Safety Bonds Series 1996B to finance the construction, acquisition and reconstruction of certain public safety facilities and equipment. The debt service is paid from the proceeds of a property tax levy. The bonds mature each October through October 2016. At June 30, 1998, \$76,120 was outstanding.

Revenue Bonds: The County does not have any revenue bonds outstanding.

Tax and Revenue Anticipation Notes: On July 1, 1997, the County issued \$11,000 in Tax and Revenue Anticipation Notes "TRANS". The notes had a stated interest rate of 4.50% and a yield of 3.80%. The TRANS were rated MIG1 by Moody's Investors Service, Inc. The notes matured on June 30, 1998.

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

	Values	Per Capita	Percent of RMV
Population June 30, 1997	639,000		
1997-98 real market value (RMV)	\$42,267,791	\$66,146	
Gross G. O. bonded debt	\$128,470	\$201	.30%
Net direct debt (G.O. only)	\$128,470	\$201	.30%
Net direct debt (G.O.) and overlapping debt	\$826,295	\$1,293	1.95%

INTERGOVERNMENTAL AGREEMENTS, LOANS AND CAPITAL LEASES

Multnomah County has entered into various lease/purchase, loan and intergovernmental agreements to acquire or improve facilities and to acquire equipment. These acquisitions have been capitalized in the Data Processing Fund and Telephone Fund, Internal Service Funds, or in the General Fixed Assets Account Group. At June 30, 1998, the total amount payable in the General Long-Term Obligations Account Group is \$64,623, \$5,170 in the Data Processing Fund, and \$242 in the Telephone Fund. The following is a summary of the various types of transactions the County has entered into:

Intergovernmental Agreement: On January 22, 1981, the County entered into an intergovernmental agreement in the amount of \$3,475 with the City of Portland for the purchase of two floors in the Portland Building. This agreement will be paid in full in fiscal year 2008. At June 30, 1998, \$2,170 was outstanding.

Loans: On February 15, 1996, the County entered into an intergovernmental agreement in the amount of \$528 with the State of Oregon to obtain an energy loan to replace the Multnomah County Courthouse chillers. This agreement will be paid in full in fiscal year 2011. At June 30, 1998, \$484 was outstanding.

On October 1, 1996, the County entered into an intergovernmental agreement in the amount of \$86 with the State of Oregon to obtain an energy loan for conservation measures at the McCoy Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1998, \$74 was outstanding.

On December 1, 1996, the County entered into an intergovernmental agreement in the amount of \$35 with the State of Oregon to obtain an energy loan for conservation measures at the Elections Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1998, \$30 was outstanding.

On January 15, 1997, the County entered into an intergovernmental agreement in the amount of \$56 with the State of Oregon to obtain an energy loan for conservation measures at the Kelly Building. This agreement will be paid in full in fiscal year 2007. At June 30, 1998, \$50 was outstanding.

On July 5, 1996, the County entered into two intergovernmental agreements in the total amount of \$42 with the City of Gresham for sewer assessment loans. These agreement will be paid in full in fiscal year 2016. At June 30, 1998, \$39 was outstanding.

Lease/Purchase Contracts: On June 15, 1993, the County entered into a lease/purchase contract in the amount of \$149 with U.S. National Bank to purchase data processing equipment. The contract was paid in full in fiscal year 1998.

On February 1, 1994, the County entered into a lease/purchase contract in the amount of \$534 with U.S. National Bank to purchase data processing equipment. The contract will be paid in full in fiscal year 1999. At June 30, 1998, \$97 was outstanding.

On January 9, 1996, the County entered into a lease/purchase contract in the amount of \$317 with Ameritech to purchase library data processing equipment. The contract will be paid in full in fiscal year 2000. At June 30, 1998, \$137 was outstanding.

On March 21, 1996, the County entered into a lease/purchase contract in the amount of \$1,787 with IBM to purchase data processing equipment. The contract will be paid in full in fiscal year 1999. At June 30, 1998, \$520 was outstanding.

On September 1, 1996, the County entered into a lease/purchase contract in the amount of \$299 with Xerox to purchase a laser printer. The contract will be paid in full in fiscal year 2002. At June 30, 1998, \$189 was outstanding.

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

On July 1, 1990, the County acquired an office for the County's probation program by issuing \$455 in Certificates of Participation "Series 1990C". At June 30, 1998, \$165 was outstanding. The certificates mature each July through July 2000.

On August 1, 1992, the County issued Certificates of Participation "Series 1992A" in the amount of \$36,000 to construct the Juvenile Justice Complex. On February 1, 1998, the outstanding balance of \$30,200 on this issue was advance refunded. The economic gain on this transaction was \$1,005.

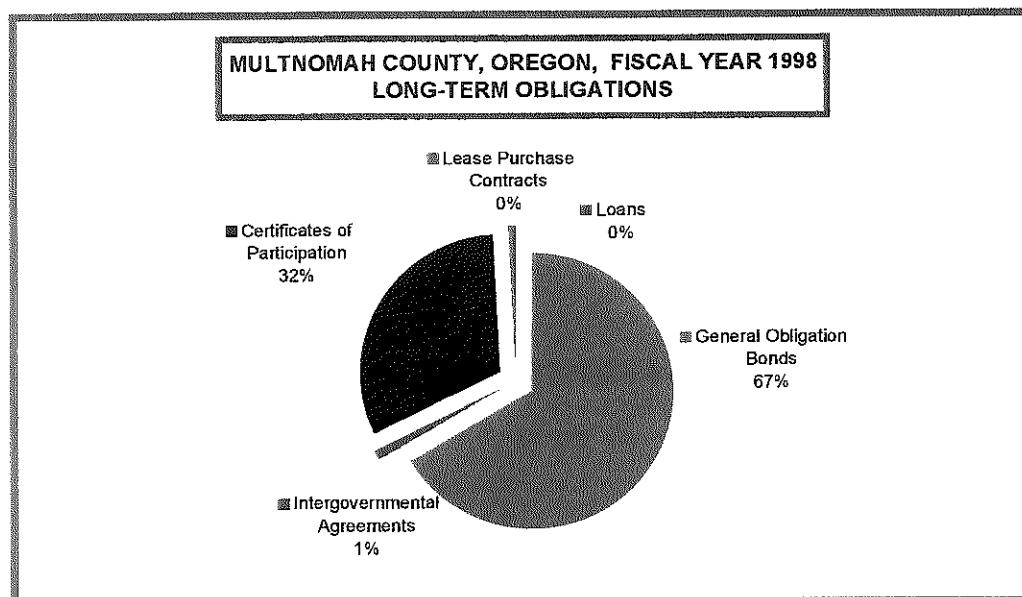
On May 1, 1993, the County advance refunded three certificate of participation issues and issued additional certificates for the purpose of financing the acquisition and improvements of certain other health care facilities. The certificates were issued in two series, "1993A and 1993B". The 1993A was issued in the amount of \$17,845 and the Series 1993B, a taxable issue, was issued in the amount of \$2,045, for a total of \$19,890. At June 30, 1998, \$ 15,265 was outstanding. These certificates mature each July through July 2013.

On March 1, 1995, the County issued Certificates of Participation in the amount of \$2,445 to purchase computer equipment. At June 30, 1998, \$1,045 was outstanding. \$642 is recorded in the General Long-Term Obligations Account Group and \$403 is recorded in the Internal Service Funds. The certificates mature each September through September 1999.

On June 1, 1996, the County issued Certificates of Participation in the amount of \$1,845 to purchase computer equipment. At June 30, 1998, \$1,155 was outstanding. The certificates mature each December through December 2000.

On February 1, 1998, the County issued Certificates of Participation in the amount of \$48,615 to advance refund the August 1, 1992, (Series 1992A) Certificate of Participation and to finance the acquisition of computer equipment and the construction and improvements of certain other County facilities and structures. At June 30, 1998, \$48,615 was outstanding. \$44,315 is recorded in the General Long-term Obligations Account Group and \$4,300 is recorded in the Internal Service Funds. The certificates mature each August through August 2017.

The outstanding amount of general obligation bonds, certificates of participation, lease purchases, loans and intergovernmental agreements for 1998 and 1997, changes from the previous fiscal year and percent of total are shown in the following chart and table:



	1998 Amount	1997 Amount	Increase (Decrease)
General Obligation Bonds	\$ 128,470	\$ 136,375	\$ (7,905)
Intergovernmental Agreements	2,170	2,304	(134)
Certificates of Participation	60,900	49,290	11,610
Lease Purchase Contracts	876	1,332	(456)
Loans	677	715	(38)
Total	<u>\$ 193,093</u>	<u>\$ 190,016</u>	<u>\$ 3,077</u>

SUBSEQUENT EVENTS

On July 1, 1998, the County issued \$11,000 in Tax and Revenue Anticipation Notes to meet anticipated cash flow requirements prior to the collection of property taxes in November and other revenues received after November. The stated interest rate is 4.50% with a yield of 3.50%. The notes mature on June 30, 1999, and are rated MIG1 by Moody's Investors Service, Inc.

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

INDEPENDENT AUDIT

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada "GFOA" awarded the Certificate of Achievement for Excellence in Financial Reporting to Multnomah County, Oregon, for its comprehensive annual financial report for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. Multnomah County has received a Certificate of Achievement award for fourteen consecutive years. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

SUMMARY

Multnomah County's financial position continues to remain strong. As of June 30, 1998, the fund balances in the Governmental Fund Types was \$178,991, as compared to the June 30, 1997, balance of \$163,205. At June 30, 1998, \$16,240 of the fund balances is reserved for debt retirement, \$106,886 is reserved for capital projects, \$1,214 is reserved for inventories, \$694 is reserved for prepaid items, \$831 is reserved for foreclosed property and \$250 is reserved for the Oregon Medical Assistance Program.

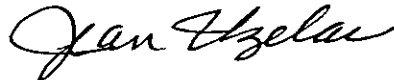
ACKNOWLEDGMENTS

We wish to express our sincere appreciation to the employees in the Finance Division who maintained the records and assisted in the preparation of this report. Special thanks is extended to the General Ledger Staff who were instrumental in preparing this report. Appreciation is also extended to the Chair of the Board, Board of County Commissioners, Department Managers, Budget & Quality Services and other County personnel for their assistance and support in planning and conducting the financial operations of the County in a prudent manner.

Respectfully Submitted,



David A. Boyer, CCM
Finance Director



Jean Uzelac
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, 1997

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.



Douglas R. Ellsworth
President

Jeffrey L. Esser
Executive Director

FINANCIAL SECTION

Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

Independent Auditors' Report

The Board of County Commissioners
Multnomah County, Oregon
Portland, Oregon:

We have audited the accompanying general purpose financial statements of Multnomah County, Oregon (the County) as of and for the year ended June 30, 1998 as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue. The County has included such disclosures in note 20. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the County's disclosures with respect to the Year 2000 issue made in note 20. Further, we do not provide assurance that the County is, or will be, Year 2000 ready, that the County's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the County does business will be Year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding Year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types and the changes in plan net assets for its pension trust funds for the year then ended in conformity with generally accepted accounting principles.

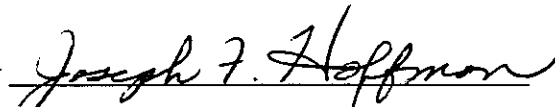
As discussed in note 17 to the financial statements, Multnomah County adopted Governmental Accounting Standards Board Statement No. 32 during the year ended June 30, 1998.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 1998 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The other data included in this report, designated as "Statistical Section" in the accompanying table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

KPMG PEAT MARWICK LLP

By 
Joseph F. Hoffman, Partner

December 1, 1998

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

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MULTNOMAH COUNTY, OREGON
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1998
(amounts expressed in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Cash and investments	\$ 23,739	\$ 37,095	\$ 16,143	\$ 108,133
Receivables:				
Taxes	5,852	2,290	782	
Accounts	6,291	21,832	4	3,623
Loans		1,635		
Interest	713	9		
Special assessments	22			
Contracts	20	995		1,540
Due from other funds				62
Inventories	537	677		
Prepaid items	79	614	1	
Foreclosed properties		831		
Fixed assets (net, where applicable, of accumulated depreciation)				
Other debits:				
Amount available for retirement of long-term obligations				
Amount to be provided for retirement of long-term obligations				
Total assets and other debits	\$ 37,253	\$ 65,978	\$ 16,930	\$ 113,358
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Payrolls payable	\$ 3,003	\$ 19,732	\$ 31	\$ 4,297
Accounts payable				62
Due to other funds				
Assistance receipts unapplied		5,179		
Compensated absences	3,380	5,644		10
Deferred revenue	4,997	5,432	658	2,103
Due to other governmental units				
Amounts held in trust				
General obligation bonds payable				
Capitalized leases				
Loans payable				
Total liabilities	11,380	35,987	689	6,472
Equity and other credits:				
Investment in general fixed assets				
Contributed capital				
Retained earnings:				
Unreserved				
Fund balances:				
Reserved for capital projects				106,886
Reserved for debt service			16,240	
Reserved for employees' retirement benefits				
Reserved for inventories	537	677		
Reserved for foreclosed properties		831		
Reserved for prepaid items	79	614	1	
Reserved for Oregon Medical Assistance Program		250		
Unreserved, undesignated	25,257	27,619		
Total equity and other credits	25,873	29,991	16,241	106,886
Total liabilities, equity and other credits	\$ 37,253	\$ 65,978	\$ 16,930	\$ 113,358

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	
\$ 6,893	\$ 27,170	\$ 46,531	\$	\$	\$ 265,704
		28,198			37,122
503	575	104			32,932
					1,635
					722
11					33
					2,555
	438				62
7	587				1,652
					1,288
					831
1,237	6,917		273,785		281,939
				16,240	16,240
				178,898	178,898
<u>\$ 8,651</u>	<u>\$ 35,687</u>	<u>\$ 74,833</u>	<u>\$ 273,785</u>	<u>\$ 195,138</u>	<u>\$ 821,613</u>
\$	\$	\$	\$	\$	\$
3,061	10,415	11,714			11,714
		10,677			51,216
					62
56	827			2,045	5,179
					11,962
					13,190
		28,198			28,198
		13,522			13,522
	1,112			128,470	128,470
	4,300			63,946	65,058
				677	4,977
<u>3,117</u>	<u>16,654</u>	<u>64,111</u>		<u>195,138</u>	<u>333,548</u>
			273,785		273,785
3,058	7,866				10,924
2,476	11,167				13,643
					106,886
					16,240
		10,722			10,722
					1,214
					831
					694
					250
<u>5,534</u>	<u>19,033</u>	<u>10,722</u>	<u>273,785</u>		<u>52,876</u>
<u>\$ 8,651</u>	<u>\$ 35,687</u>	<u>\$ 74,833</u>	<u>\$ 273,785</u>	<u>\$ 195,138</u>	<u>\$ 821,613</u>

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	General	Special Revenue	Debt Service	Capital Projects	Totals (memorandum only)
REVENUES:					
Taxes	\$ 141,079	\$ 56,729	\$ 17,292	\$	\$ 215,100
Intergovernmental	17,185	189,342		17,435	223,962
Licenses and permits	1,724	1,210			2,934
Charges for services	6,975	7,378		118	14,471
Interest	3,391	1,567	1,809	5,313	12,080
Other	18,492	12,236	6,074	388	37,190
Total revenues	<u>188,846</u>	<u>268,462</u>	<u>25,175</u>	<u>23,254</u>	<u>505,737</u>
EXPENDITURES:					
Current:					
General government	15,614	11,609	483	768	28,474
Health and social services	13,686	177,255			190,941
Public safety and justice	77,987	59,558		2,965	140,510
Community services	10,449	35,086		2,229	47,764
Roads and bridges		35,197			35,197
Capital outlay	583	5,577		30,613	36,773
Debt service:					
Principal			14,071		14,071
Interest	494		9,712		10,206
Total expenditures	<u>118,813</u>	<u>324,282</u>	<u>24,266</u>	<u>36,575</u>	<u>503,936</u>
Excess of revenues over (under) expenditures	<u>70,033</u>	<u>(55,820)</u>	<u>909</u>	<u>(13,321)</u>	<u>1,801</u>
OTHER FINANCING SOURCES (USES):					
Certificates of participation proceeds		1,000		14,694	15,694
Proceeds of refunding certificates of participation			28,621		28,621
Payment to refunded certificates of participation escrow agent			(28,886)		(28,886)
Operating transfers in	3,541	67,299	2,937	4,037	77,814
Operating transfers out	(71,000)	(5,321)	(2,317)	(620)	(79,258)
Total other financing sources (uses)	<u>(67,459)</u>	<u>62,978</u>	<u>355</u>	<u>18,111</u>	<u>13,985</u>
Excess of revenues and other sources over expenditures and other uses	<u>2,574</u>	<u>7,158</u>	<u>1,264</u>	<u>4,790</u>	<u>15,786</u>
FUND BALANCES, JUNE 30, 1997	<u>23,299</u>	<u>22,833</u>	<u>14,977</u>	<u>102,096</u>	<u>163,205</u>
FUND BALANCES, JUNE 30, 1998	<u>\$ 25,873</u>	<u>\$ 29,991</u>	<u>\$ 16,241</u>	<u>\$ 106,886</u>	<u>\$ 178,991</u>

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

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MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
REVENUES:						
Taxes	\$ 150,153	\$ 141,079	\$ (9,074)	\$ 54,865	\$ 56,729	\$ 1,864
Intergovernmental	15,395	17,185	1,790	208,041	189,342	(18,699)
Licenses and permits	1,783	1,724	(59)	1,448	1,210	(238)
Charges for services	7,198	6,975	(223)	9,119	7,378	(1,741)
Interest	3,215	3,391	176	1,077	1,567	490
Other	20,912	18,492	(2,420)	13,111	12,236	(875)
Total revenues	<u>198,656</u>	<u>188,846</u>	<u>(9,810)</u>	<u>287,661</u>	<u>268,462</u>	<u>(19,199)</u>
EXPENDITURES:						
Current:						
General government	16,819	15,614	1,205	13,982	11,609	2,373
Health and social services	14,140	13,686	454	192,750	177,255	15,495
Public safety and justice	82,025	77,987	4,038	72,503	59,558	12,945
Community services	12,046	10,449	1,597	39,488	35,086	4,402
Roads and bridges				37,631	35,197	2,434
Capital outlay	701	583	118	11,929	5,577	6,352
Debt service:						
Principal						
Interest	550	494	56			
Contingency	5,064		5,064	3,781		3,781
Total expenditures	<u>131,345</u>	<u>118,813</u>	<u>12,532</u>	<u>372,064</u>	<u>324,282</u>	<u>47,782</u>
Excess of revenues over (under) expenditures	<u>67,311</u>	<u>70,033</u>	<u>2,722</u>	<u>(84,403)</u>	<u>(55,820)</u>	<u>28,583</u>
OTHER FINANCING SOURCES (USES):						
Certificates of participation proceeds					1,000	1,000
Proceeds of refunding certificates of participation						
Loan proceeds						
Bond sales						
Payment to refunded certificates of participation escrow agent						
Operating transfers in	3,763	3,541	(222)	73,923	67,299	(6,624)
Operating transfers out	(77,956)	(71,000)	6,956	(5,543)	(5,321)	222
Total other financing sources (uses)	<u>(74,193)</u>	<u>(67,459)</u>	<u>6,734</u>	<u>68,380</u>	<u>62,978</u>	<u>(5,402)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(6,882)</u>	<u>2,574</u>	<u>9,456</u>	<u>(16,023)</u>	<u>7,158</u>	<u>23,181</u>
FUND BALANCES, JUNE 30, 1997	<u>15,022</u>	<u>23,299</u>	<u>8,277</u>	<u>16,023</u>	<u>22,833</u>	<u>6,810</u>
FUND BALANCES, JUNE 30, 1998	<u>\$ 8,140</u>	<u>\$ 25,873</u>	<u>\$ 17,733</u>	<u>\$</u>	<u>\$ 29,991</u>	<u>\$ 29,991</u>

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

Debt Service Funds			Capital Projects Funds			Totals (Memorandum only)		
Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
\$ 16,421	\$ 17,292	\$ 871	\$ 42,629	\$ 17,435	\$ (25,194)	\$ 221,439	\$ 215,100	\$ (6,339)
						266,065	223,962	(42,103)
						3,231	2,934	(297)
292		(292)	145	118	(27)	16,754	14,471	(2,283)
537	1,809	1,272	5,100	5,313	213	9,929	12,080	2,151
6,591	6,074	(517)	338	388	50	40,952	37,190	(3,762)
<u>23,841</u>	<u>25,175</u>	<u>1,334</u>	<u>48,212</u>	<u>23,254</u>	<u>(24,958)</u>	<u>558,370</u>	<u>505,737</u>	<u>(52,633)</u>
39	483	(444)	3,207	768	2,439	34,047	28,474	5,573
						206,890	190,941	15,949
			4,893	2,965	1,928	159,421	140,510	18,911
			5,362	2,229	3,133	56,896	47,764	9,132
						37,631	35,197	2,434
			148,143	30,613	117,530	160,773	36,773	124,000
11,143	14,071	(2,928)				11,143	14,071	(2,928)
10,732	9,712	1,020				11,282	10,206	1,076
6,517		6,517	4,374		4,374	19,736		19,736
<u>28,431</u>	<u>24,266</u>	<u>4,165</u>	<u>165,979</u>	<u>36,575</u>	<u>129,404</u>	<u>697,819</u>	<u>503,936</u>	<u>193,883</u>
<u>(4,590)</u>	<u>909</u>	<u>5,499</u>	<u>(117,767)</u>	<u>(13,321)</u>	<u>104,446</u>	<u>(139,449)</u>	<u>1,801</u>	<u>141,250</u>
			13,008	14,694	1,686	13,008	15,694	2,686
1,055	28,621	27,566				1,055	28,621	27,566
			330		(330)	330		(330)
295		(295)				295		(295)
	(28,886)	(28,886)					(28,886)	(28,886)
2,937	2,937		4,387	4,037	(350)	85,010	77,814	(7,196)
(2,317)	(2,317)		(620)	(620)		(86,436)	(79,258)	7,178
<u>1,970</u>	<u>355</u>	<u>(1,615)</u>	<u>17,105</u>	<u>18,111</u>	<u>1,006</u>	<u>13,262</u>	<u>13,985</u>	<u>723</u>
(2,620)	1,264	3,884	(100,662)	4,790	105,452	(126,187)	15,786	141,973
14,341	14,977	636	100,662	102,096	1,434	146,048	163,205	17,157
<u>\$ 11,721</u>	<u>\$ 16,241</u>	<u>\$ 4,520</u>	<u>\$</u>	<u>\$ 106,886</u>	<u>\$ 106,886</u>	<u>\$ 19,861</u>	<u>\$ 178,991</u>	<u>\$ 159,130</u>

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum only)</u>
OPERATING REVENUES:			
Charges for sales and services	\$ 20,956	\$ 63,122	\$ 84,078
Insurance premiums		801	801
Experience ratings and refunds		149	149
Total operating revenues	<u>20,956</u>	<u>64,072</u>	<u>85,028</u>
OPERATING EXPENSES:			
Salaries and wages	971	9,673	10,644
Employee benefits	288	2,742	3,030
Repairs and maintenance		2,111	2,111
Utilities	334	3,074	3,408
Equipment rental		3,950	3,950
Facility rental	50	654	704
Professional services	982	9,412	10,394
Communications	26	1,721	1,747
Operating supplies	124	4,558	4,682
Medical claims	17,729		17,729
Insurance claims and premiums		19,575	19,575
Administrative	409		409
Internal support	24	285	309
Depreciation	118	3,160	3,278
Other expenses	32	6,350	6,382
Total operating expenses	<u>21,087</u>	<u>67,265</u>	<u>88,352</u>
Operating loss	<u>(131)</u>	<u>(3,193)</u>	<u>(3,324)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	279	1,465	1,744
Interest expense		(63)	(63)
Loss on disposal of fixed assets		(1,608)	(1,608)
Total nonoperating revenues	<u>279</u>	<u>(206)</u>	<u>73</u>
Net income (loss) before operating transfers	148	(3,399)	(3,251)
OPERATING TRANSFERS IN	1,485	709	2,194
OPERATING TRANSFERS OUT		(750)	(750)
Net income (loss)	<u>1,633</u>	<u>(3,440)</u>	<u>(1,807)</u>
RETAINED EARNINGS, JUNE 30, 1997	843	14,607	15,450
RETAINED EARNINGS, JUNE 30, 1998	<u>\$ 2,476</u>	<u>\$ 11,167</u>	<u>\$ 13,643</u>

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

MULTNOMAH COUNTY, OREGON
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

ADDITIONS:

Contributions	\$ 79
Investments income - interest	771
Total additions	<u>850</u>

DEDUCTIONS:

Benefits	620
Refunds	30
Administrative expense	23
Total deductions	<u>673</u>
Net increase	177

Net assets held in trust for
pensions benefits

Beginning of year	<u>10,545</u>
End of year	<u>\$ 10,722</u>

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

MULTNOMAH COUNTY, OREGON
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum only)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating loss	\$ (131)	\$ (3,193)	\$ (3,324)
Adjustments to reconcile operating loss to cash and cash equivalents provided (used) by operating activities:			
Depreciation	118	3,160	3,278
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	140	(175)	(35)
Decrease in inventories		23	23
Increase in prepaid items		(328)	(328)
Increase in accounts payable	1,690	228	1,918
Decrease in deferred revenue		(4)	(4)
Increase in compensated absences	17	86	103
Net cash provided (used) by operating activities	<u>1,834</u>	<u>(203)</u>	<u>1,631</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Loan proceeds		4,300	4,300
Operating transfers in	1,485	709	2,194
Operating transfers out		(750)	(750)
Net cash provided by noncapital financing activities	<u>1,485</u>	<u>4,259</u>	<u>5,744</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of fixed assets	(161)	(4,520)	(4,681)
Principal paid on capitalized leases		(881)	(881)
Interest paid on capitalized leases		(63)	(63)
Capital contributed by customers and others	169	27	196
Net cash provided (used) by capital and related financing activities	<u>8</u>	<u>(5,437)</u>	<u>(5,429)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	279	1,465	1,744
Net cash provided by investing activities	<u>279</u>	<u>1,465</u>	<u>1,744</u>
Net increase in cash and cash equivalents	3,606	84	3,690
CASH AND CASH EQUIVALENTS, JUNE 30, 1997	<u>3,287</u>	<u>27,086</u>	<u>30,373</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 1998	<u>\$ 6,893</u>	<u>\$ 27,170</u>	<u>\$ 34,063</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Disposal of fixed assets, net book value	\$ <u>(32)</u>	\$ <u>(1,608)</u>	\$ <u>(1,640)</u>
Transfer of fixed assets from General Fixed Assets Account Group, net book value	\$ <u> </u>	\$ <u>238</u>	\$ <u>238</u>

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 1998
(amounts expressed in thousands)

NOTE 1. Summary of Significant Accounting Policies:

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

Basis of Accounting

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

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

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

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

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

pronouncements conflict with or contradict GASB pronouncements.

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

Governmental Reporting Entity

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

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

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

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

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

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

Cash and Investments

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include all assets in the cash and investment pool. The cash and investment pool has the general characteristic of a demand deposit account for the Enterprise and Internal Service Funds in that these funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. In general, interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

Receivables

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

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

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

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

Inventories

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

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

Prepaid Items

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

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

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

Foreclosed Properties

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

whichever is later.

Fixed Assets

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

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

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

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

Long-term Obligations

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

Self Insurance

The County is partially self-insured for employee medical, dental and vision benefits, workers' compensation, property, tort and general liability claims. The County purchases stop loss insurance protection for self-insured medical claims, per individual, that exceed \$250; tort and general liability claims are limited to \$500 per occurrence by State statute. The County has property insurance coverage policies that cover individual claims in excess of \$50 for other perils and extra expense and \$250 for flood, and \$100 for earthquakes. The County also has an excess coverage insurance policy for individual workers' compensation claims over \$500. The County currently provides for estimated losses to be incurred from pending claims and for incurred but not reported (IBNR) claims for medical, dental, vision, tort and general

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

liability and workers' compensation claims, based on actuarial valuations. IBNR claims are claims that are incurred through the end of the fiscal year but not reported until after that date.

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

Contributed Capital

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

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

Assistance Receipts Unapplied

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

Fund Balances Reserved

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

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

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

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

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

Compensated Absences

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

Totals (Memorandum only) Columns

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

Budgets

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

Unexpected additional resources may be appropriated through the use of a supplemental budget and Board of County Commissioner's action. The original and supplemental budgets require budget hearings before the public, publications in newspapers and approval by the Board of County Commissioners. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between the legal categories. Such transfers require approval by the Board of County Commissioners. The County made numerous appropriation transfers between categories during fiscal year 1998. The County budgets all fund types, except fiduciary fund types, on the modified accrual basis of accounting.

NOTE 2. Organization and Operations:

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

Governmental Fund Types

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

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

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

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

Debt Service Funds: Account for the retirement of general obligation bonds from the collection of property taxes and for the retirement of certificates of participation (capital leases) and other lease purchase arrangements. The unmatured outstanding general obligation bonds, certificates of participation and other outstanding lease purchases are accounted for in the General Long-term Obligations Account Group. Funds included are:

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

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

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

Proprietary Fund Types

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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

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

Fiduciary Fund Types

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

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

Account Groups

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

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

NOTE 3. Cash and Investments:

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

Fair Value of Investments

Pursuant to GASB Statement No. 31, investments are reported at fair value as of June 30, 1998. The total fair value of deposits and investments is \$265,704 and the total adjusted cost basis is \$265,751. During the fiscal year 1997-1998, the County realized a net gain of \$89 from the sale of investments. The calculation of realized gains is independent of the calculation of the net change in the fair value of investments. The net decrease in the fair value of investments during fiscal year 1997-1998 was \$26,265. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year, as well as the change in reporting for deferred compensation funds. The unrealized loss on investments held at year end was \$47. The difference between fiscal year 1996-1997's year end unrealized loss of \$210 and fiscal

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

year 1997-1998's year end unrealized loss of \$47, is an unrealized gain of \$163. Fair value of the County's investments is provided by the County's third-party custodian and by an independent broker/dealer.

Deposits with Financial Institutions

At year end, the carrying amount of the County's deposits was \$3,521 and the bank balance was \$3,176. The bank balance was covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers in the name of the County as the County's agent. The balance of \$345 was uninsured and uncollateralized. State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the State Banking Commission can require banks to provide more than 25% of the balances of municipal corporations' deposits as collateral. The County cannot, however, determine which, if any, institutions have been required to meet a collateral requirement larger than 25%. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds. At all times during the year ended, and at June 30, 1998, the County was fully collateralized under State requirements.

Investments

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

The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year. State statutes and County policy permit the County to enter into reverse repurchase agreements, which are the sale of securities to a broker/dealer with a simultaneous agreement to repurchase them at a specified time in the future at a specified price, plus a contracted rate of interest. Any interest accruing on the sold securities belongs to the County. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received by 102%, providing the broker/dealer with a margin against a decline in the market value of the securities. Daily marking-to-market protects the County against increases in the market value.

If a broker/dealer defaults on its obligation to re-sell the securities at the maturity of the agreement, the County could suffer an economic loss equal to the difference between the market value of the securities and the amount of the reverse repurchase agreement less the contracted interest. The County did not enter into any reverse repurchase agreements at any time during the fiscal year ended June 30, 1998.

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

The County's cash deposits and investments are categorized below to give an indication of risk assumed by the County at June 30, 1998. Category 1 includes investments that are insured or registered, or for which

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

the securities are held by the County or its third-party custodian in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the bank's trust department in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by counterparties or a trust department, but not in the County's name. The County had no investments in Category 3 at June 30, 1998. The level of risk indicated below at June 30, 1998, is generally reflective of the level of risk assumed by the County during the year. For reporting purposes, adjusted cost basis is the amortized or accreted value of investments.

	Category 1	Category 2	Fair Value	Adjusted Cost Basis
U.S. Government Securities	\$ 10,220	\$	\$ 10,166	\$ 10,198
U.S. Government Agencies	143,582	256	143,805	143,823
Repurchase Agreements	24,000		24,000	24,000
Bankers' Acceptances	9,902		9,902	9,903
Commercial Paper	47,234		47,234	47,230
	<u>\$234,938</u>	<u>\$256</u>	235,107	235,154
Local Government Investment Pool			16,354	16,354
Pension Trust Investments			10,722	10,722
Cash Deposits and Certificates of Deposit			3,521	3,521
Total Cash and Investments			<u>\$265,704</u>	<u>\$265,751</u>

NOTE 4. Interfund Transactions:

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

<u>Due from:</u>	<u>Due to:</u>	<u>Amount</u>
Edgefield Children's Center Fund	Capital Improvement Fund	<u>\$ 62</u>

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

Operating transfers in	\$77,814
Plus: Operating transfers in as recorded in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types and Similar Trust Funds:	
Behavioral Health Managed Care	1,485
Data Processing Fund	696
Facilities Management Fund	13
	<u>2,194</u>
Less: Operating transfers out as recorded in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types and Similar Trust Funds:	
Facilities Management Fund	(750)
Operating transfers out	<u>\$79,258</u>

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 5. Property Taxes:

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

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

On November 5, 1996, the voters of the State of Oregon approved a constitutional amendment, Ballot Measure 47, to limit the amount of property taxes to be collected. On May 20, 1997, the voters approved Ballot Measure 50 to replace Measure 47. Measure 50 cuts or reduces property taxes imposed statewide by 17% from fiscal year 1997-98 levels unless such taxes are exempt. Measure 50, rolls back the assessed value of each unit of property for the tax year 1997-98 to its 1995-96 "real market value," less 10%. The new resulting tax rates become the new constitutional limits for each jurisdiction replacing the levy based tax system with a rate based tax system. The measure limits any increase in assessed value to 3% per year for tax years after 1997-98. There are special exemptions for property that is substantially improved, rezoned, subdivided, or annexed, or when property ceases to qualify for a property tax exemption. In addition to limiting the amount of property taxes that can be collected, the measure requires a double majority voter approval, except at a general election, for new or increased property taxes, restricts the use of general obligation bond proceeds on certain capital maintenance and equipment outlays and restricts other means by which the State and local governments can raise revenue in lieu of property taxes. The full text of Ballot Measure 50 should be read to gain a better understanding of the limitation.

NOTE 6. Assessments Receivable:

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 7. Contracts Receivable:

The following is a summary of contracts receivable at June 30, 1998:

	<u>Total</u>	<u>Due within one year</u>
<u>General Fund:</u>		
General Fund contract from bridge loan. Due in full by December 31, 2000.	\$ 20	\$ 20
<u>Special Revenue Fund:</u>		
Tax Title Land Sales Fund - Contracts from sale of foreclosed property payable at 6% to 12% interest generally over terms up to twenty years, net of City of Portland equity therein.	995	185
<u>Capital Projects Fund:</u>		
Capital Improvement Fund contract from the sale of property. Due in periodic installments through fiscal year 2012-2013.	1,540	103
Total Contracts Receivable	<u>\$2,555</u>	<u>\$308</u>

NOTE 8. Deferred Revenue:

Deferred revenue as of June 30, 1998 consists of the following:

Property taxes receivable	\$ 7,433
Assessments receivable	22
Contracts receivable	2,555
Other receivables	3,180
	<u>\$13,190</u>

NOTE 9. Fixed Assets:

The changes in the General Fixed Assets Account Group for the fiscal year ended June 30, 1998, and fixed assets by major classes for the General Fixed Assets Account Group are as follows:

<u>General Fixed Assets:</u>	<u>Balance June 30, 1997</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 1998</u>
Land and Improvements	\$ 6,665	\$ 402	\$ (78)	\$ 6,989
Buildings and Improvements	187,485	27,865	(250)	215,100
Parksites	261		(261)	
Work in Progress	157			157
Bridges	34,975	637		35,612
Equipment	25,071	2,907	(12,051)	15,927
Total	<u>\$254,614</u>	<u>\$31,811</u>	<u>\$(12,640)</u>	<u>\$273,785</u>

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

The following is a summary of proprietary fund type fixed assets for June 30, 1998:

<u>Proprietary Funds:</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land and Improvements	\$	\$ 18
Buildings and Improvements	2,537	188
Equipment		22,206
Less: Accumulated Depreciation	(1,300)	(15,495)
Total	<u>\$ 1,237</u>	<u>\$ 6,917</u>

NOTE 10. Deficit Fund Balance and Budgetary Over Expenditures:

Dunthorpe-Riverdale Service District No. 1, an Enterprise Fund, has negative retained earnings of \$499. However, the Fund has a positive total fund equity due to contributed capital.

Data Processing and Facilities Management, Internal Service Funds, have negative retained earnings of \$2,035 and \$22, respectively. The Data Processing Fund has a negative total fund equity of \$199 after consideration of contributed capital. Internal billing rates have been adjusted to correct this occurrence. The Facilities Management Fund has a positive total fund equity due to contributed capital.

The following funds had over expenditures. These over expenditures were funded by available fund balances.

<u>Description</u>	<u>Amount</u>
<u>Special Revenue Funds:</u>	
Emergency Communication - Sheriff	\$ 15
Inmate Welfare - Sheriff	15
<u>Enterprise Fund:</u>	
Behavioral Health Managed Care	2,943

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

The County issued \$11,000 in TRANS on July 1, 1997 with a maturity date of June 30, 1998. The yield was 3.80%. The TRANS were issued to provide for seasonal cash flow needs of the General Fund. The TRANS are issued pursuant to Oregon Revised Statutes, and approved by the Board of County Commissioners, which authorize the County to borrow sufficient funds to meet current expenditures pending the collection of property taxes and other unpledged revenues. The TRANS were rated MIG1 by Moody's Investors Service.

NOTE 12. Long-Term Obligations:

Bonded debt recorded in the General Long-term Obligations Account Group are general obligation bonds issued for the rehabilitation of the Central Library, construction of the Midland Library facilities,

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

construction and acquisition of other library facilities and equipment, and construction and acquisition of certain public safety facilities and equipment. The general obligation bonds are direct obligations and pledge the full faith and credit of Multnomah County. The original total issue amounts were \$22,000, \$9,000, \$29,000 and \$79,700 respectively.

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

The General Obligation Bond principal activity for fiscal year 1998 and unmatured interest outstanding at June 30, 1998 is as follows:

<u>Fiscal Year of Maturity</u>	<u>Outstanding June 30, 1997</u>	<u>Paid During Year</u>	<u>Outstanding June 30, 1998</u>	<u>Unmatured Interest Outstanding June 30, 1998</u>
1998	\$ 7,905	\$7,905	\$	\$
1999	8,235		8,235	6,347
2000	8,590		8,590	5,933
2001	8,975		8,975	5,490
2002	9,395		9,395	5,088
2003	4,585		4,585	4,774
Thereafter	88,690		88,690	35,749
	<u>\$136,375</u>	<u>\$7,905</u>	<u>\$128,470</u>	<u>\$63,381</u>

The General Long-term Obligations Account Group principal activity for the year ended June 30, 1998 is as follows:

	<u>Outstanding June 30, 1997</u>	<u>Incurred</u>	<u>Retired</u>	<u>Outstanding June 30, 1998</u>
Capital Lease Obligations:				
Agreement with the City of Portland dated January 22, 1981, due 2008.	\$ 2,304	\$	\$ 134	\$ 2,170
Certificates of Participation 1990C dated July 1, 1990, due 2001. Interest, 6 to 6.8%.	215		50	165
Certificates of Participation 1992A dated August 1, 1992, due 2013. Interest, 2.9 to 5.9%.	31,460		31,460 ⁽¹⁾	
Certificates of Participation 1993A&B dated May 1, 1993, due 2014. Interest, 2.75 to 7.5%.	16,110		845	15,265
Lease/Purchase dated February 1, 1994, due 1999. Interest, 4.5 to 4.75%.	189		92	97

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

	Outstanding June 30, 1997	Incurred	Retired	Outstanding June 30, 1998
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	943		301	642
Lease/Purchase dated January 10, 1996, due 2001. Interest, 6.017%.	200		63	137
Certificates of Participation dated June 1, 1996, due 2001. Interest, 3.75 to 4.6%.	1,505		350	1,155
Certificates of Participation dated February 1, 1998, due 2018. Interest, 3.75 to 4.90%.		44,315		44,315
Total capital lease obligations	52,926	44,315	33,295	63,946

General Obligation Bonds:

Library Bonds, Series 1994, due 2014. Interest, 3.70 to 5.25%.	19,215		785	18,430
Library Bonds, Series 1994B, due 2015. Interest, 4.25 to 6.0%.	8,460		285	8,175
Library Bonds, Series 1996A due 2017. Interest, 3.90% to 5.65%.	29,000		3,255	25,745
Public Safety Bonds, Series 1996B due 2017. Interest, 3.90% to 5.65%.	79,700		3,580	76,120
Total general obligation bonds	136,375		7,905	128,470

Loans payable:

Energy loan for Courthouse due 2011. Interest, 7.2%.	506		22	484
Energy loan for Kelly Building due 2007. Interest, 5.9%.	54		4	50
Energy loan for Elections and McCoy Buildings due 2007. Interest, 7.2%.	114		10	104
Sewer assessment loans due 2016. Interest, 5.65%.	41		2	39
Total loans payable	715		38	677
Vacation liability (compensated absences)	1,797	1,945	1,697	2,045
Total General Long-term Obligations	\$191,813	\$46,260	\$42,935	\$195,138

⁽¹⁾ Defeased February 1, 1998

Internal Service Funds capitalized lease obligation and loan payable principal activities for the year ended June 30, 1998 are as follows:

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

<u>Capital Lease Obligations:</u>	<u>Outstanding June 30, 1997</u>	<u>Incurred</u>	<u>Retired</u>	<u>Outstanding June 30, 1998</u>
<u>Telephone Fund:</u>				
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	\$ 355	\$	\$113	\$ 242
<u>Data Processing Fund:</u>				
Lease/Purchase dated June 15, 1993, due 1998. Interest, 5.35%.	33		33	
Lease/Purchase dated March 1, 1995, due 2000. Interest, 4.25 to 4.85%.	237		76	161
Lease/Purchase dated March 21, 1996, due 1999. Interest, 4.2 to 4.55%.	1,120		600	520
Lease/Purchase dated September 1, 1997, due 2002. Interest, 0%.	249		60	189
Total Data Processing Fund	1,639		769	870
Total Internal Service Funds	\$1,994	\$	\$882	\$1,112

<u>Loan payable:</u>	<u>Outstanding June 30, 1997</u>	<u>Incurred</u>	<u>Retired</u>	<u>Outstanding June 30, 1998</u>
<u>Data Processing Fund:</u>				
Loan for Year 2000 Remediation due 2003. Interest, 3.75% to 4.90%.	\$	\$4,300	\$	\$4,300

The following is a schedule of future minimum lease payments under capital leases (excluding executory costs), together with the present value of total minimum lease payments at June 30, 1998:

<u>Fiscal Year</u>	<u>General Long-Term Obligation</u>	<u>Internal Service Fund</u>	<u>Total Lease Obligations</u>
1999	\$ 7,957	\$ 803	\$ 8,760
2000	7,812	271	8,083
2001	6,876	60	6,936
2002	6,396	9	6,405
2003	6,390		6,390
Thereafter through 2018	52,801		52,801
Total minimum lease payments	88,232	1,143	89,375
Less interest amount	(24,286)	(31)	(24,317)
Present Value of minimum lease payments	\$ 63,946	\$1,112	\$ 65,058

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

The assets under capitalized leases recorded in the General Fixed Assets Account Group and the Internal Service Funds were capitalized at original costs of \$61,557 and \$3,423, respectively.

In addition to the above payments, the County is liable for 10.98% of substantially all operating costs of the Portland Building held under capital lease in the General Fixed Assets Account Group. The amount paid for fiscal year 1998 was \$344.

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

<u>Fiscal Year</u>	<u>Amount</u>
1999	\$3,585
2000	2,773
2001	1,243
2002	908
2003	726
Thereafter	542
	<u>\$9,777</u>

Operating lease payments (excluding executory costs) during fiscal year 1998 aggregated \$2,760.

Defeased Certificates of Participation

Advance Refunding: On February 1, 1998, the County issued \$28,685 in Certificates of Participation (COPS) with a net interest cost of 4.53% to advance refund \$30,200 in the outstanding Series 1992A COP issue with interest rates ranging between 5.10% to 5.90%. The net proceeds of \$28,886 (after payment of \$238 in underwriting fees and other issuance costs) plus \$3,035 of reserve fund monies were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the Series 1992A. As a result, the \$30,200 in COPS are considered to be defeased and the liability for those certificates has been removed from the General Long-Term Debt Account Group.

The County advance refunded the COPS to reduce its total debt service payments over the next 15 years by \$2,479 and to obtain an economic gain (difference between the present values of the debt service payments on the old and the new debt) of \$1,005.

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

	<u>1992A</u>
Face amount of new issue	<u>\$28,685</u>
Outstanding balances of advance refunded issue at date of defeasance	<u>\$30,200</u>
Net proceeds of new issue	28,886
Additional funds provided by reserve accounts	<u>3,035</u>
Funds used to acquire U.S. Securities deposited into irrevocable trusts	<u>\$31,921</u>
Reduction in aggregate debt service payments over the life of the new issue	<u>\$ 2,479</u>
Economic gain from advance refunding	<u>\$ 1,005</u>

In prior years, the County defeased certain certificates of participation issues by placing the proceeds of the new certificates in irrevocable trusts to provide for all future debt service on the old certificates. Accordingly, the trust account assets and related liability for the defeased certificates are not included in the County's financial statements. At June 30, 1998, the amount of these certificates outstanding totaled \$7,426.

Conduit Financing

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

The responsibilities of the County in this bond transaction were limited to adopting the resolution authorizing the issuance of the bonds, executing the bonds and the bond documents to which it is a party, issuing and delivering the Bonds, assigning certain of its rights to the Trustee as provided in the indenture, and directing the Trustee as to the application of moneys received from the University to pay the bonds in accordance with the indenture. The County has no obligation to take any other action relating to the bonds.

Since the County does not own any of the assets constructed or assume any liabilities associated with repayment, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements.

As of June 30, 1998, \$30,565 of Educational Facilities Revenue Bonds were outstanding.

NOTE 13. Arbitrage Payable:

Under certain conditions, the Tax Reform Act of 1986 requires governmental units to remit excess

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

arbitrage earnings arising from invested bond proceeds to the Internal Revenue Service. At June 30, 1998, the County recorded a liability of \$838 in the combined financial statements for such estimated excess arbitrage earnings.

NOTE 14. Risk Management:

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

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

Multnomah County did not have any significant reduction in insurance coverage from the prior year. The County has not experienced settlements in excess of insurance coverage in prior years. An actuarial valuation and estimates of liabilities for unpaid claims were prepared by an independent actuary in October 1998. Multnomah County also monitors risk activity to ensure that proper reserves are maintained. Various County funds participate in the program. The Insurance Fund allocates the cost of providing claims servicing and claims payment by charging a "premium" to the various funds based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves. This charge considers recent trends in actual claims experience of the County as a whole. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, other economic and social factors, and specific, incremental claim adjustment expenses. The estimated claims liability of \$6,201 reported in the Insurance Fund at June 30, 1998 was established in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, which requires a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

can be reasonably estimated. The estimated claims liability at fiscal year end does not include the Insurance Fund's operational accounts payable in the sum of \$1,880. A portion of the loss reserves have been discounted, with the actuary using the estimated payout pattern for liability and workers' compensation and an assumed investment rate of 5% in preparing estimates. Multnomah County does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims liability. Changes in the Insurance Fund self insured claims liability, including an estimate of the ultimate cost of the claims and incurred but not reported claims, for fiscal years 1997 and 1998 were:

Fiscal Year	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
1997	\$6,337	\$7,769	\$7,436	\$6,670
1998	6,670	9,199	9,668	6,201

NOTE 15. Fund Equity and Contributed Capital:

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

	Enterprise Funds	Internal Service Funds
Balance, June 30, 1997	\$2,905	\$7,601
Add:		
Contributions from connection fees	10	
Contributions from customers	159	
Transfer of equipment from General Fixed Assets		266
Transfer of equipment from Data Processing Fund, an Internal Service Fund		13
	169	279
Deduct:		
Disposals	(16)	
Balance, June 30, 1998	\$3,058	\$7,880

NOTE 16. Post Retirement Health Care Benefits:

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

The County provides a portion of health care benefits to substantially all County employees. The County pays one-half (50%) of the monthly medical insurance premium from the retiree's fifty-eighth birthday or

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

date of retirement, whichever is later, until the retiree's sixty-fifth birthday. These health care benefit obligations are required by labor bargaining agreements and the exempt employee ordinance. The cost of retiree health care and insurance benefits is recognized as an expense in the Insurance Fund as claims are incurred. For fiscal year 1998, those costs totaled \$148, net of payments made by retirees.

The County funds the actuarially determined amount of medical benefits that will be payable in the future for retirees' health insurance.

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

Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 6.0%, (b) projected salary increases starting at 6.0% at age 20 and gradually declining to 4.0% at age 60; and (c) trend rate increases starting at 8.0% in year one and gradually declining to 5.0%. The actuarial calculation used to determine the post-retirement benefit obligation assumed two costs for the insurance claims. The County is using retiree costs that are 150% of the average costs for all covered participants. This cost is more in line with actual costs.

The applicable funding rate established by an actuarial review for fiscal year 1998 is 1.07% of the County's payroll, and the County's contribution has met the actuarial requirements. Following is the activity and the funding status of the post retirement health care benefits for the last five years.

Fiscal Year	Number of Retirees Covered	Premium Received	Claim/Premium Incurred	Net Costs
1994	270	469	(853)	(384)
1995	231	487	(822)	(335)
1996	221	538 ⁽¹⁾	(732)	(194)
1997	228	519 ⁽¹⁾	(595)	(76)
1998	333	681 ⁽¹⁾	(829)	(148)

FUNDING STATUS ⁽²⁾	1994	1995	1996	1997	1998
Post-retirement benefit obligation	\$9,724	\$9,724 ⁽³⁾	\$11,040	\$11,040	\$10,788
Net assets available for benefits	4,938	7,082	9,859	9,738	9,023
Total unfunded liability	<u>\$4,786</u>	<u>\$2,642</u>	<u>\$ 1,181</u>	<u>\$ 1,302</u>	<u>\$ 1,765</u>

- (1) All or a portion of the premiums are paid directly to the County's third party administrator by the retirees.
(2) Actuarial valuation done every other fiscal year.
(3) The County's 500 correction officers are included due to bargaining agreement not previously covered.

NOTE 17. Pension Plans and Deferred Compensation:

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

Substantially all County employees are participants in PERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental units in the

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

State of Oregon. PERS issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing:

PERS
PO Box 23700
Tigard, OR 97281-3700

The County's payroll for employees covered by PERS for the year ended June 30, 1998, was \$160,197. The County's total payroll was \$170,627.

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

Funding Policy and Annual Pension Cost

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

PERS' policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. Based on the assumptions of the December 31, 1997 actuarial valuation, the County's required contribution, including employees' contributions, was equal to the annual pension cost of \$26,689.

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

method are used. A thirty year amortization period is used. The actuarial value of assets is based on market value.

Schedule of Funding Progress

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

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

Multnomah County Library Retirement Plan

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

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

Current employees consist of 155 participants who are fully or partially vested in their accrued monthly benefits and 0 participants who are only vested in their accumulated employee contributions. Current employees have an annual covered payroll of \$5,433. The total payroll and covered payroll are the same because the plan is frozen. There are 124 retired participants currently receiving benefits.

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

Funding Policy and Annual Pension Cost

The Board of County Commissioners establishes and may amend the contribution requirements of the Plan. There are no contribution requirements for employees. The annual required contribution (ARC) of the employer was \$128, based on a contribution rate of 2.3%. The actual contribution was \$79. The actuarial assumptions and methods used in the most recent valuation (January 1, 1998) were as follows:

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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

Summary of Significant Accounting Policies

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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contribution</u>	<u>Net Pension Obligation</u>
6/30/97	\$ 48	100%	\$ 0
6/30/98	129	61.2%	50

Information for previous years was not available.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll</u>
1/1/96	6,212	6,515	95.4%	303	5,475	5.5%
1/1/97	6,390	6,656	96.0%	266	5,572	4.8%
1/1/98	5,655	6,715	84.2%	1,060	5,433	19.5%

Deferred Compensation Plan

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

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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

The amount deferred, adjusted to fair market value at June 30, 1998, and investment earnings thereon amount to \$74,445. The amounts accumulated under the deferred compensation plan, including investment earnings, are excluded from the financial statements of the County.

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

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

NOTE 18. Commitments and Contingent Liabilities:

Additional commitments under contracts at June 30, 1998 are as follows:

General Fund	\$ 670
Special Revenue Funds	10,553
Capital Projects Funds	16,602
Internal Service Funds	2,867
	<u>\$30,692</u>

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

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

NOTE 19. Segment Information for Enterprise Funds:

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

Segment information at June 30, 1998 and for the year then ended is as follows:

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

	<u>Sewer</u>	<u>Lighting</u>	<u>Behavioral Health Managed Care</u>	<u>Total</u>
Operating revenue	\$ 238	\$ 179	\$20,539	\$20,956
Depreciation expense	28	71	19	118
Operating income (loss)	19	(69)	(81)	(131)
Operating transfers in			1,485	1,485
Net income (loss)	60	(23)	1,596	1,633
Current capital contributions and transfers	10	159		169
Property, plant and equipment:				
Additions at cost		159	2	161
Deletions at cost		21	20	41
Net working capital	739	833	2,725	4,297
Total assets	1,377	1,485	5,789	8,651
Total equity	1,337	1,472	2,725	5,534

NOTE 20. Year 2000 Preparations:

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

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

In fiscal year 1998, the County budgeted \$4,300 to assess and remediate central/legacy systems. Individual departments included funds in their respective department budgets to address each individual department's Year 2000 compliance issues. As of June 30, 1998, the County has expended \$2,988 of the \$4,300 to remediate Year 2000 compliance issues.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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

As of June 30, 1998, the County has accomplished the following Year 2000 activities:

- Adopted a Year 2000 acquisition and contracting policy requiring all information, technology, and non-technology equipment, software, etc. be Year 2000 compliant. The policy includes boilerplate language to be included in County contracts or intergovernmental agreements requiring parties doing business with the County to provide services, data and/or goods that meet the definition of Year 2000 compliant.
- Adopted a certification policy requiring all County Departments to report progress made on Year 2000 departmental projects to the Year 2000 Project Office.
- Inventoried and assessed all legacy/central systems and client server applications.
- Inventoried and assessed 75% of all personal computers.
- Inventoried and assessed phone system, LAN's and WAN's.
- Inventoried and assessed 25% of all non-information technology systems.
- Inventoried and evaluated 25% of the County's supply chain.
- Formed partnerships with certain external partners to test Year 2000 technology interfaces.
- Board of County Commissioners and upper level management has been briefed several times on status of Year 2000 progress.

Three major mission critical systems that the County relies on are the property tax assessment and collection system, accounting system and payroll system. The status of these three systems is as follows:

- The County has acquired and is in the process of installing a Year 2000 compliant property tax system. It is expected this system will be installed by December 31, 1998.
- The County has received a Year 2000 compliant upgraded version of its accounting system, and is in the process of testing the system and expects to convert to the upgraded version in March 1999.
- The County has received a Year 2000 compliant upgraded version of its payroll system, and is in the process of testing the system and expects to convert to the upgraded version in October 1998.

By March 1999 the County expects to complete its Year 2000 project and have a contingency plan developed in the event the County does not have mission critical systems Year 2000 compliant by December 31, 1999.

MULTNOMAH COUNTY, OREGON
NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 21. Subsequent Events:

On July 1, 1998, the County issued \$11,000 in Tax and Revenue Anticipation Notes to meet anticipated cash flow requirements prior to the collection of property taxes in December. The yield is 3.50%, and the notes mature on June 30, 1999. The notes are rated MIG1 by Moody's Investors Service, Inc.

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

On October 14, 1998, the County received notification from the State of Oregon Public Employees Retirement System (PERS) of revised employer contribution rates adopted by the PERS Board. These revised contribution rates were the result of PERS' regular two-year actuarial update; and are based on actuarial values as of December 31, 1997. Based on this update, the County's unfunded actuarial liability with PERS increased from \$128,540 to \$158,493. The reasons for this increase are complex but relate primarily to decisions made by the State regarding the taxation of PERS retirement benefits, costs associated with retirement benefits under the "Money Match" option, and changes in economic and demographic assumptions. The County's employer contribution rate of covered payroll will increase from 10.66% to 12.36% effective July 1, 1999. This increased contribution rate will cost the County an estimated \$3,000 annually. The full text of the County's 1997 actuarial valuation should be read to gain a better understanding of the PERS rate changes.

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

GENERAL FUND

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

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

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes:			
Property:			
Current year	\$ 100,252	\$ 94,894	\$ (5,358)
Prior years'	2,068	2,647	579
Penalties and interest	666	697	31
Payments in lieu of taxes	40	90	50
Sales on foreclosures		21	21
Transient lodging		1	1
Business income	36,348	32,524	(3,824)
Motor vehicle rental	10,779	10,205	(574)
Intergovernmental:			
Federal	6,538	7,619	1,081
State	7,034	7,814	780
Local	1,823	1,752	(71)
Licenses and permits	1,783	1,724	(59)
Charges for services	7,198	6,975	(223)
Interest	3,215	3,391	176
Other:			
Miscellaneous	774	1,402	628
Service reimbursements	20,138	17,090	(3,048)
Total revenues	<u>198,656</u>	<u>188,846</u>	<u>(9,810)</u>
OTHER FINANCING SOURCES:			
Transfers from other funds:			
Federal and State Program	17	17	
Animal Control	1,429	1,207	(222)
Library Bond Sinking/1996 Bonds	2,317	2,317	
Total other financing sources	<u>3,763</u>	<u>3,541</u>	<u>(222)</u>
BEGINNING FUND BALANCE	<u>15,022</u>	<u>23,299</u>	<u>8,277</u>
Total	<u>\$ 217,441</u>	<u>215,686</u>	<u>(1,755)</u>
EXPENDITURES:			
Aging and Disability Services	\$ 2,030	1,983	47
Health Services	12,214	11,733	481
Juvenile and Adult Community Justice Services	25,299	23,755	1,544
District Attorney	12,196	11,487	709
Sheriff	44,805	42,973	1,832
Environmental Services	9,345	7,958	1,387
Support Services	9,012	8,492	520
Nondepartmental	16,444	10,432	6,012
Total expenditures	<u>131,345</u>	<u>118,813</u>	<u>12,532</u>
OTHER FINANCING USES:			
Transfers to other funds:			
Federal and State Program	52,433	48,235	4,198
County School	1,400	1,400	
Recreation	10	10	
Library	7,647	5,396	2,251
Justice Services Special Operations	43	36	7
Assessment and Taxation	8,493	8,325	168
Library Bond Sinking/1996 Bonds	2,317	2,317	
Capital Improvement	3,087	3,087	
Behavioral Health Managed Care	1,485	1,485	
Data Processing	696	696	
Facilities Management	345	13	332
Total other financing uses	<u>77,956</u>	<u>71,000</u>	<u>6,956</u>
Total	<u>209,301</u>	<u>189,813</u>	<u>19,488</u>
ENDING FUND BALANCE	<u>8,140</u>	<u>\$ 25,873</u>	<u>\$ 17,733</u>
	<u>\$ 217,441</u>		

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SPECIAL REVENUE FUNDS

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

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

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MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1998
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	Federal and State Program	County School	Corner Preservation
ASSETS:								
Cash and investments	\$ 975	\$ 3,914	\$ 9	\$ 614	\$ 244	\$ 6,842	\$ 49	\$ 1,009
Receivables:								
Taxes								
Accounts		5,204	37	641		14,462		3
Loans						1,635		
Interest		9						
Contracts								
Inventories		575				102		
Prepaid items		1		3		278		
Foreclosed properties								
Total assets	<u>\$ 975</u>	<u>\$ 9,703</u>	<u>\$ 46</u>	<u>\$ 1,258</u>	<u>\$ 244</u>	<u>\$ 23,319</u>	<u>\$ 49</u>	<u>\$ 1,012</u>
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Accounts payable	\$ 19	\$ 5,042	\$	\$ 121	\$	\$ 12,839	\$	\$
Assistance receipts unapplied						5,179		
Compensated absences	4	468		415		3,411		
Deferred revenue		56				1,640		
Total liabilities	<u>23</u>	<u>5,565</u>		<u>536</u>		<u>23,069</u>		
Fund balances:								
Reserved for inventories		575				102		
Reserved for foreclosed properties								
Reserved for prepaid items		1		3		278		
Reserved for Oregon Medical Assistance Program						250		
Unreserved, undesignated	952	3,562	46	719	244	(380)	49	1,012
Total fund balances	<u>952</u>	<u>4,138</u>	<u>46</u>	<u>722</u>	<u>244</u>	<u>250</u>	<u>49</u>	<u>1,012</u>
Total liabilities and fund balances	<u>\$ 975</u>	<u>\$ 9,703</u>	<u>\$ 46</u>	<u>\$ 1,258</u>	<u>\$ 244</u>	<u>\$ 23,319</u>	<u>\$ 49</u>	<u>\$ 1,012</u>

Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Transient Lodging Tax	Public Safety Levy	Total
\$ 730	\$ 6	\$ 2,427	\$ 10	\$ 1,116	\$ 1,212	\$ 98	\$ 550	\$ 17,290	\$ 37,095
				825				1,465	2,290
25	31	237	20	148	177	149	678	20	21,832
									1,635
									9
995									995
		89		230	1			12	677
831									614
\$ 2,581	\$ 37	\$ 2,753	\$ 30	\$ 2,319	\$ 1,390	\$ 247	\$ 1,228	\$ 18,787	\$ 65,978
\$ 150	\$ 5	\$ 159	\$	\$ 317	\$ 401	\$ 70	\$	\$ 609	\$ 19,732
									5,179
5		98		633	100	4		506	5,644
1,826				689				1,222	5,432
1,981	5	257		1,639	501	74		2,337	35,987
									677
831									831
		89		230	1			12	614
									250
(231)	32	2,407	30	450	888	173	1,228	16,438	27,619
600	32	2,496	30	680	889	173	1,228	16,450	29,991
\$ 2,581	\$ 37	\$ 2,753	\$ 30	\$ 2,319	\$ 1,390	\$ 247	\$ 1,228	\$ 18,787	\$ 65,978

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Assessment and Taxation	Bicycle Path Construction	Federal and State Program	County School	Corner Preservation
REVENUES:								
Taxes	\$	\$ 7,787	\$	\$	\$	\$	\$ 172	\$
Intergovernmental		26,181	144	2,130	50	168,355		
Licenses and permits		75						
Charges for services	549	973		298		3,072		533
Interest		419	5		9	5	6	
Other		1,093		16		2,284		
Total revenues	549	36,528	149	2,444	59	163,716	178	533
EXPENDITURES:								
Current:								
General government	1,108			10,041				
Health and social services						174,899		
Public safety and justice		195				32,116		
Community services			145		3	4,362	1,529	
Roads and bridges		31,040						426
Capital outlay		4,046		115		557		5
Total expenditures	1,108	35,281	145	10,156	3	211,934	1,529	431
Excess of revenues over (under) expenditures	(559)	1,247	4	(7,712)	56	(48,218)	(1,351)	102
OTHER FINANCING SOURCES (USES):								
Certificates of participation proceeds		1,000						
Operating transfers in				8,325	50	48,235	1,400	
Operating transfers out		(3,897)				(17)		
Total other financing sources (uses)		(2,897)		8,325	50	48,218	1,400	
Excess of revenues and other sources over (under) expenditures and other uses	(559)	(1,650)	4	613	106		49	102
FUND BALANCES, JUNE 30, 1997	1,511	5,788	42	109	138	250		910
FUND BALANCES, JUNE 30, 1998	\$ 952	\$ 4,138	\$ 46	\$ 722	\$ 244	\$ 250	\$ 49	\$ 1,012

Tax Title	Animal	Williamette			Justice					
Land Sales	Control	River	Recreation	Library	Services	Inmate	Transient	Public		Total
		Bridges			Special	Welfare	Lodging Tax	Safety		
					Operations			Levy		
\$ 441	\$	\$	\$ 121	\$ 14,506	\$	\$	\$ 5,840	\$ 27,862	\$	\$ 56,729
	31	937		505	380			629		189,342
	860				275					1,210
2	243	15		148	1,510	33		2		7,378
176				54	67	8	38	780		1,567
	69	56	1	2,212	1,203	1,127		4,175		12,236
619	1,203	1,008	122	17,425	3,435	1,168	5,878	33,448		268,462
460										11,609
						33		2,323		177,255
					2,954	1,053		23,240		59,558
			142	23,241			5,664			35,086
		3,731								35,197
		676		40	78			60		5,577
460		4,407	142	23,281	3,032	1,086	5,664	25,623		324,282
159	1,203	(3,399)	(20)	(5,856)	403	82	214	7,825		(55,820)
										1,000
		3,847	10	5,396	36					67,299
	(1,207)				(200)					(5,321)
	(1,207)	3,847	10	5,396	(164)					62,978
159	(4)	448	(10)	(460)	239	82	214	7,825		7,158
441	36	2,048	40	1,140	650	91	1,014	8,625		22,833
\$ 600	\$ 32	\$ 2,496	\$ 30	\$ 680	\$ 889	\$ 173	\$ 1,228	\$ 16,450	\$	\$ 29,991

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 584	\$ 549	\$ (35)
BEGINNING FUND BALANCE	<u>1,480</u>	<u>1,511</u>	<u>31</u>
Total	<u>\$ 2,064</u>	<u>\$ 2,060</u>	<u>\$ (4)</u>
EXPENDITURES:			
Nondepartmental	<u>\$ 2,064</u>	<u>1,108</u>	<u>956</u>
ENDING FUND BALANCE		<u>\$ 952</u>	<u>\$ 952</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Gasoline	\$ 7,500	\$ 7,272	\$ (228)
Forest reserve yield	720	515	(205)
Intergovernmental:			
Federal	76	78	2
State	26,151	25,626	(525)
Local	514	477	(37)
Licenses and permits	40	75	35
Charges for services	2,727	973	(1,754)
Interest	671	419	(252)
Other:			
Miscellaneous	89	399	310
Service reimbursements	911	694	(217)
Total revenues	<u>39,399</u>	<u>36,528</u>	<u>(2,871)</u>
OTHER FINANCING SOURCE:			
Certificates of participation proceeds		1,000	1,000
BEGINNING FUND BALANCE	<u>4,712</u>	<u>5,788</u>	<u>1,076</u>
Total	<u>\$ 44,111</u>	<u>43,316</u>	<u>(795)</u>
EXPENDITURES:			
Sheriff	\$ 195	195	
Environmental Services	40,019	35,086	4,933
Total expenditures	<u>40,214</u>	<u>35,281</u>	<u>4,933</u>
OTHER FINANCING USES:			
Transfers to other funds:			
Bicycle Path Construction	50	50	
Willamette River Bridges	3,847	3,847	
Total other financing uses	<u>3,897</u>	<u>3,897</u>	
Total	<u>\$ 44,111</u>	<u>39,178</u>	<u>4,933</u>
ENDING FUND BALANCE		<u>\$ 4,138</u>	<u>\$ 4,138</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 128	\$ 144	\$ 16
Interest	<u>2</u>	<u>5</u>	<u>3</u>
Total revenues	130	149	19
BEGINNING FUND BALANCE		42	42
Total	<u>\$ 130</u>	<u>191</u>	<u>61</u>
EXPENDITURES:			
Sheriff	<u>\$ 130</u>	145	(15)
ENDING FUND BALANCE		<u>\$ 46</u>	<u>\$ 46</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 2,063	\$ 2,130	\$ 67
Charges for services	529	298	(231)
Other:			
Miscellaneous	18	16	(2)
Service reimbursements	6	(6)	(6)
Total revenues	<u>2,616</u>	<u>2,444</u>	<u>(172)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	8,493	8,325	(168)
BEGINNING FUND BALANCE	109	109	
Total	<u>\$ 11,218</u>	<u>10,878</u>	<u>(340)</u>
EXPENDITURES:			
Environmental Services	\$ 11,218	10,156	1,062
ENDING FUND BALANCE		<u>\$ 722</u>	<u>\$ 722</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 140	\$ 50	\$ (90)
Interest	2	9	7
Total revenues	<u>142</u>	<u>59</u>	<u>(83)</u>
OTHER FINANCING SOURCE:			
Transfer from Road Fund	50	50	
BEGINNING FUND BALANCE	129	138	9
Total	<u>\$ 321</u>	<u>247</u>	<u>(74)</u>
EXPENDITURES:			
Environmental Services	\$ 321	3	318
ENDING FUND BALANCE		<u>\$ 244</u>	<u>\$ 392</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 176,261	\$ 158,355	\$ (17,906)
Charges for services	3,093	3,072	(21)
Interest		5	5
Other:			
Miscellaneous	1,674	1,352	(322)
Service reimbursements	1,172	932	(240)
Total revenues	<u>182,200</u>	<u>163,716</u>	<u>(18,484)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	52,433	48,235	(4,198)
BEGINNING FUND BALANCE		250	250
Total	<u>\$ 234,633</u>	<u>212,201</u>	<u>(22,432)</u>
EXPENDITURES:			
Community and Family Services	\$ 107,503	97,276	10,227
Aging and Disability Services	23,968	23,366	602
Juvenile and Adult Community Justice Services	26,644	22,849	3,795
Health Services	58,952	54,779	4,173
District Attorney	3,613	3,248	365
Sheriff	7,639	6,047	1,592
Environmental Services	41	18	23
Support Services	275	253	22
Nondepartmental	5,981	4,098	1,883
Total expenditures	<u>234,616</u>	<u>211,934</u>	<u>22,682</u>
OTHER FINANCING USE:			
Transfer to General Fund	17	17	
Total	<u>\$ 234,633</u>	<u>211,951</u>	<u>22,682</u>
ENDING FUND BALANCE		<u>\$ 250</u>	<u>\$ 250</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes – Forest reserve yield	\$ 185	\$ 172	\$ (13)
Interest	6	6	
Total revenues	<u>191</u>	<u>178</u>	<u>(13)</u>
 OTHER FINANCING SOURCE:			
Transfer from General Fund	1,400	1,400	
 BEGINNING FUND BALANCE	10		(10)
Total	<u>\$ 1,601</u>	<u>1,578</u>	<u>(23)</u>
 EXPENDITURES:			
Nondepartmental	<u>\$ 1,601</u>	1,529	72
ENDING FUND BALANCE		<u>\$ 49</u>	<u>\$ 49</u>

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

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 370	\$ 533	\$ 163
BEGINNING FUND BALANCE	<u>799</u>	<u>910</u>	<u>111</u>
Total	<u>\$ 1,169</u>	<u>1,443</u>	<u>274</u>
EXPENDITURES:			
Environmental Services	\$ <u>1,169</u>	<u>431</u>	<u>738</u>
ENDING FUND BALANCE		<u>\$ 1,012</u>	<u>\$ 1,012</u>

MULTNOMAH COUNTY, OREGON
TAX TITLE LAND SALES FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes - Sales on foreclosures	\$ 800	\$ 441	\$ (359)
Intergovernmental - Local	11		(11)
Charges for services		2	2
Interest	160	176	16
Total revenues	<u>971</u>	<u>619</u>	<u>(352)</u>
BEGINNING FUND BALANCE		441	441
Total	<u>\$ 971</u>	<u>1,060</u>	<u>89</u>
EXPENDITURES:			
Environmental Services	<u>\$ 971</u>	460	511
ENDING FUND BALANCE		<u>\$ 600</u>	<u>\$ 600</u>

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

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental – Local	\$	\$	\$
Licenses and permits	1,047	860	(187)
Charges for services	263	243	(20)
Other – Miscellaneous	119	69	(50)
Total revenues	1,429	1,203	(226)
BEGINNING FUND BALANCE		36	36
Total	\$ 1,429	1,239	(190)
OTHER FINANCING USE:			
Transfer to General Fund	\$ 1,429	1,207	222
ENDING FUND BALANCE		\$ 32	\$ 32

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal	\$ 78	\$ 50	\$ (28)
State	319	657	338
Local		230	230
Charges for services		15	15
Other – Service reimbursements	74	56	(18)
Total revenues	<u>471</u>	<u>1,008</u>	<u>537</u>
 OTHER FINANCING SOURCE:			
Transfer from Road Fund	3,847	3,847	
 BEGINNING FUND BALANCE	<u>2,258</u>	<u>2,048</u>	<u>(210)</u>
Total	<u>\$ 6,576</u>	<u>6,903</u>	<u>327</u>
 EXPENDITURES:			
Environmental Services	<u>\$ 6,576</u>	<u>4,407</u>	<u>2,169</u>
ENDING FUND BALANCE		<u>\$ 2,496</u>	<u>\$ 2,496</u>

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

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Taxes – Gasoline	\$ 123	\$ 121	\$ (2)
Intergovernmental – State	233		(233)
Other – Miscellaneous		1	1
Total revenues	<u>356</u>	<u>122</u>	<u>(234)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	10	10	
BEGINNING FUND BALANCE		40	40
Total	<u>\$ 366</u>	<u>172</u>	<u>(194)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 366</u>	142	224
ENDING FUND BALANCE		<u>\$ 30</u>	<u>\$ 30</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 13,136	\$ 14,042	\$ 906
Prior years'	269	386	117
Penalties and interest	64	75	11
Sales on foreclosures		3	3
Intergovernmental:			
Federal, state, and local	520	505	(15)
Charges for services	79	148	69
Interest	72	54	(18)
Other:			
Miscellaneous	1,525	2,131	606
Service reimbursements	56	81	25
Total revenues	<u>15,721</u>	<u>17,425</u>	<u>1,704</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	7,647	5,396	(2,251)
BEGINNING FUND BALANCE	1,140	1,140	
Total	<u>\$ 24,508</u>	<u>23,961</u>	<u>(547)</u>
EXPENDITURES:			
Library	<u>\$ 24,508</u>	23,281	1,227
ENDING FUND BALANCE		<u>\$ 680</u>	<u>\$ 680</u>

MULTNOMAH COUNTY, OREGON
JUSTICE SERVICES SPECIAL OPERATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal	\$ 110	\$ 61	\$ (49)
Local	403	319	(84)
Licenses and permits	361	275	(86)
Charges for services	1,440	1,510	70
Interest	4	67	63
Other – Miscellaneous	999	1,203	204
Total revenues	<u>3,317</u>	<u>3,435</u>	<u>118</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	43	36	(7)
BEGINNING FUND BALANCE	87	650	563
Total	<u>\$ 3,447</u>	<u>4,121</u>	<u>674</u>
EXPENDITURES:			
Juvenile and Adult Community Justice Services	\$ 743	705	38
District Attorney	418	362	56
Sheriff	2,086	1,965	121
Total expenditures	<u>3,247</u>	<u>3,032</u>	<u>215</u>
OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	200	200	
Total	<u>\$ 3,447</u>	<u>3,232</u>	<u>215</u>
ENDING FUND BALANCE		<u>\$ 889</u>	<u>\$ 889</u>

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

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 34	\$ 33	\$ (1)
Interest	15	8	(7)
Other - Miscellaneous	932	1,127	195
Total revenues	<u>981</u>	<u>1,168</u>	<u>187</u>
BEGINNING FUND BALANCE	102	91	(11)
Total	<u>\$ 1,083</u>	<u>1,259</u>	<u>176</u>
EXPENDITURES:			
Juvenile and Adult Community Justice Services	\$ 45	33	12
Sheriff	1,038	1,053	(15)
Total expenditures	<u>\$ 1,083</u>	<u>1,086</u>	<u>(3)</u>
ENDING FUND BALANCE		<u>\$ 173</u>	<u>\$ 173</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes – Transient lodging	\$ 6,175	\$ 5,840	\$ (335)
Interest	25	38	13
Total revenues	<u>6,200</u>	<u>5,878</u>	<u>(322)</u>
BEGINNING FUND BALANCE	<u>500</u>	<u>1,014</u>	<u>514</u>
Total	<u>\$ 6,700</u>	<u>6,892</u>	<u>192</u>
EXPENDITURES:			
Nondepartmental	<u>\$ 6,700</u>	<u>5,664</u>	<u>1,036</u>
ENDING FUND BALANCE		<u>\$ 1,228</u>	<u>\$ 1,228</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 25,389	\$ 27,137	\$ 1,748
Prior years'	403	605	202
Penalties and interest	101	114	13
Sales on foreclosures		6	6
Intergovernmental:			
Federal, state and local	1,034	629	(405)
Charges for services		2	2
Interest	120	780	660
Other – Service reimbursements	5,536	4,175	(1,361)
Total revenues	<u>32,583</u>	<u>33,448</u>	<u>865</u>
BEGINNING FUND BALANCE	4,697	8,625	3,928
Total	<u>\$ 37,280</u>	<u>42,073</u>	<u>4,793</u>
EXPENDITURES:			
Health Services	\$ 3,190	2,331	859
Juvenile and Adult Community Justice Services	4,645	3,000	1,645
Sheriff	26,672	20,292	6,380
Nondepartmental	2,773		2,773
Total expenditures	<u>\$ 37,280</u>	<u>25,623</u>	<u>11,657</u>
ENDING FUND BALANCE		<u>\$ 16,450</u>	<u>\$ 16,450</u>

DEBT SERVICE FUNDS

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

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

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 1998
(amounts expressed in thousands)

	Capital Lease Retirement	Library Bond Sinking/ 1993 Bonds	Library Bond Sinking/ 1996 Bonds	Public Safety Bond Sinking	Total
ASSETS:					
Cash and investments	\$ 4,294	\$ 1,714	\$ 4,271	\$ 5,864	\$ 16,143
Receivables:					
Taxes		137	270	375	782
Accounts			2	2	4
Prepaid items	1				1
Total assets	<u>\$ 4,295</u>	<u>\$ 1,851</u>	<u>\$ 4,543</u>	<u>\$ 6,241</u>	<u>\$ 16,930</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 31	\$	\$	\$	\$ 31
Deferred revenue		114	227	317	658
Total liabilities	<u>31</u>	<u>114</u>	<u>227</u>	<u>317</u>	<u>689</u>
Fund balances:					
Reserved for debt service	4,263	1,737	4,316	5,924	16,240
Reserved for prepaid items	1				1
Total fund balances	<u>4,264</u>	<u>1,737</u>	<u>4,316</u>	<u>5,924</u>	<u>16,241</u>
Total liabilities and fund balances	<u>\$ 4,295</u>	<u>\$ 1,851</u>	<u>\$ 4,543</u>	<u>\$ 6,241</u>	<u>\$ 16,930</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Capital Lease Retirement	Library Bond Sinking/ 1993 Bonds	Library Bond Sinking/ 1996 Bonds	Public Safety Bond Sinking	Total
REVENUES:					
Taxes	\$	\$ 2,284	\$ 6,873	\$ 8,135	\$ 17,292
Interest	1,332	83	140	254	1,809
Other – Service reimbursements	6,074				6,074
Total revenues	<u>7,406</u>	<u>2,367</u>	<u>7,013</u>	<u>8,389</u>	<u>25,175</u>
EXPENDITURES:					
Current:					
General government	483				483
Debt service:					
Principal	6,166	1,070	3,255	3,580	14,071
Interest	2,971	1,395	1,346	4,000	9,712
Total expenditures	<u>9,620</u>	<u>2,465</u>	<u>4,601</u>	<u>7,580</u>	<u>24,268</u>
Excess of revenues over (under) expenditures	<u>(2,214)</u>	<u>(98)</u>	<u>2,412</u>	<u>809</u>	<u>909</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of refunding certificates of participation	28,621				28,621
Payment to refunded certificates of participation to escrow agent	(28,886)				(28,886)
Operating transfers in	620		2,317		2,937
Operating transfers out			(2,317)		(2,317)
Total other financing sources (uses)	<u>355</u>				<u>355</u>
Excess of revenues and other sources (under) expenditures	<u>(1,859)</u>	<u>(98)</u>	<u>2,412</u>	<u>809</u>	<u>1,264</u>
FUND BALANCES, JUNE 30, 1997	6,123	1,835	1,904	5,115	14,977
FUND BALANCES, JUNE 30, 1998	<u>\$ 4,264</u>	<u>\$ 1,737</u>	<u>\$ 4,316</u>	<u>\$ 5,924</u>	<u>\$ 16,241</u>

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

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUE;			
Charges for services	\$ 292	\$	\$ (292)
OTHER FINANCING SOURCE:			
Bond sales	295		(295)
Total	<u>\$ 587</u>		<u>(587)</u>
EXPENDITURE:			
Nondepartmental	\$ 292		292
ENDING FUND BALANCE	<u>295</u>	<u>\$</u>	<u>\$ 295</u>
	<u>\$ 587</u>		

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 177	\$ 1,332	\$ 1,155
Other – Service reimbursements	6,591	6,074	(517)
Total revenues	<u>6,768</u>	<u>7,406</u>	<u>638</u>
OTHER FINANCING SOURCES:			
Proceeds of refunding certificates of participation	1,055	28,621	27,566
Transfer from Equipment Lease/Purchase Fund	620	620	
Total other financing sources	<u>1,675</u>	<u>29,241</u>	<u>27,566</u>
BEGINNING FUND BALANCE	5,050	6,123	1,073
Total	<u>\$ 13,493</u>	<u>42,770</u>	<u>29,277</u>
EXPENDITURES:			
Nondepartmental	\$ 13,493	9,620	3,873
OTHER FINANCING USE:			
Payment to refunded certificates of participation to escrow agent		28,886	(28,886)
Total	<u>\$ 13,493</u>	<u>38,506</u>	<u>(25,013)</u>
ENDING FUND BALANCE		<u>\$ 4,264</u>	<u>\$ 4,264</u>

MULTNOMAH COUNTY, OREGON
LIBRARY BOND SINKING FUND/1993 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 2,016	\$ 2,202	\$ 186
Prior years'	210	68	(142)
Penalties and interest		13	13
Sales on foreclosures		1	1
Interest	90	83	(7)
Total revenues	<u>2,316</u>	<u>2,367</u>	<u>51</u>
BEGINNING FUND BALANCE	<u>1,927</u>	<u>1,835</u>	<u>(92)</u>
Total	<u>\$ 4,243</u>	<u>4,202</u>	<u>(41)</u>
EXPENDITURES:			
Nondepartmental	\$ 2,465	2,465	
ENDING FUND BALANCE	<u>1,778</u>	<u>\$ 1,737</u>	<u>\$ (41)</u>
	<u>\$ 4,243</u>		

MULTNOMAH COUNTY, OREGON
LIBRARY BOND SINKING FUND/1996 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 6,702	\$ 6,823	\$ 121
Prior years'	125	40	(85)
Penalties and interest		9	9
Sales on foreclosures		1	1
Interest	<u>90</u>	<u>140</u>	<u>50</u>
Total revenues	6,917	7,013	96
 OTHER FINANCING SOURCE:			
Transfer from General Fund	2,317	2,317	
 BEGINNING FUND BALANCE	<u>1,698</u>	<u>1,904</u>	<u>206</u>
Total	<u>\$ 10,932</u>	<u>11,234</u>	<u>302</u>
 EXPENDITURES:			
Nondepartmental	\$ 4,601	4,601	
 OTHER FINANCING USE:			
Transfer to General Fund	<u>2,317</u>	<u>2,317</u>	
Total	<u>6,918</u>	<u>6,918</u>	
ENDING FUND BALANCE	<u>4,014</u>	<u>\$ 4,316</u>	<u>\$ 302</u>
	<u>\$ 10,932</u>		

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property:			
Current year	\$ 7,018	\$ 8,005	\$ 987
Prior years'	350	112	(238)
Penalties and interest		16	16
Sales on foreclosures		2	2
Interest	180	254	74
Total revenues	<u>7,548</u>	<u>8,389</u>	<u>841</u>
 BEGINNING FUND BALANCE	 <u>5,666</u>	 <u>5,115</u>	 <u>(551)</u>
Total	<u>\$ 13,214</u>	<u>13,504</u>	<u>290</u>
 EXPENDITURES:			
Nondepartmental	\$ 7,580	7,580	
ENDING FUND BALANCE	<u>5,634</u>	<u>\$ 5,924</u>	<u>\$ 290</u>
	<u>\$ 13,214</u>		

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CAPITAL PROJECTS FUNDS

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

- Justice Bond Project Fund - accounts for projects to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities and pay for data processing linkages in the Corrections system.
- Edgefield Children's Center Fund - accounts for the construction of an expanded Edgefield Children's Center. The proceeds will be from the issue of revenue bonds. Due to project delay the bonds were not issued.
- SB1145 Fund - accounts for State revenue to build jail beds to house convicted felons with sentences under twelve months.
- Equipment Lease/Purchase Fund - accounts for long-term lease purchases of equipment.
- Lease/Purchase Project Fund - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- Library Construction Fund/1993 Bonds - accounts for the renovation of the Central Library and the expansion of the Midland Library.
- Library Construction Fund/1996 Bonds - accounts for the renovation of branch libraries and upgrades to Library computer systems and linkages.
- Capital Improvement Fund - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- Capital Acquisition Fund - accounts for capital purchases with economic payoffs of less than five years.

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MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 1998
(amounts expressed in thousands)

	Justice Bond Project	Edgefield Children's Center	SB 1145	Equipment Lease/ Purchase	Lease/ Purchase Project	Library Construction/ 1993 Bonds
ASSETS:						
Cash and investments	\$ 65,844	\$	\$ (2,148)	\$ 3,632	\$ 8,854	\$ 439
Receivables:						
Accounts		62	3,561			
Contracts						
Due from other funds						
Total assets	<u>\$ 65,844</u>	<u>\$ 62</u>	<u>\$ 1,413</u>	<u>\$ 3,632</u>	<u>\$ 8,854</u>	<u>\$ 439</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 1,268	\$	\$ 1,413	\$ 19	\$ 482	\$ 399
Due to other funds		62				
Compensated absences						
Deferred revenue						
Total liabilities	<u>1,268</u>	<u>62</u>	<u>1,413</u>	<u>19</u>	<u>482</u>	<u>399</u>
Fund balances:						
Reserved for capital projects	<u>64,576</u>			<u>3,613</u>	<u>8,372</u>	<u>40</u>
Total liabilities and fund balances	<u>\$ 65,844</u>	<u>\$ 62</u>	<u>\$ 1,413</u>	<u>\$ 3,632</u>	<u>\$ 8,854</u>	<u>\$ 439</u>

<u>Library Construction/ 1996 Bonds</u>	<u>Capital Improvement</u>	<u>Capital Acquisition</u>	<u>Total</u>
\$ 27,434	\$ 3,940	\$ 138	\$ 108,133
			3,623
	1,540		1,540
	62		62
<u>\$ 27,434</u>	<u>\$ 5,542</u>	<u>\$ 138</u>	<u>\$ 113,358</u>
\$ 498	\$ 218	\$	\$ 4,297
			62
10			10
	2,103		2,103
<u>508</u>	<u>2,321</u>		<u>6,472</u>
26,926	3,221	138	106,886
<u>\$ 27,434</u>	<u>\$ 5,542</u>	<u>\$ 138</u>	<u>\$ 113,358</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Justice Bond Project	Edgefield Children's Center	SB 1145	Equipment Lease/ Purchase	Lease/ Purchase Project	Library Construction/ 1993 Bonds
REVENUES:						
Intergovernmental	\$	\$	\$ 17,394	\$	\$	\$
Charges for services		34			6	1
Interest	3,650					27
Other:						
Miscellaneous						
Service reimbursements						
Total revenues	<u>3,650</u>	<u>34</u>	<u>17,394</u>	<u></u>	<u>6</u>	<u>28</u>
EXPENDITURES:						
Current:						
General government				35		
Public safety and justice	2,836		129			
Community services		34			497	228
Capital outlay	7,647		17,266	27	2,240	208
Total expenditures	<u>10,483</u>	<u>34</u>	<u>17,395</u>	<u>62</u>	<u>2,737</u>	<u>436</u>
Excess of expenditures over revenues	<u>(6,833)</u>	<u></u>	<u>(1)</u>	<u>(62)</u>	<u>(2,731)</u>	<u>(408)</u>
OTHER FINANCING SOURCES (USES):						
Certificates of participation proceeds				3,594	11,100	
Operating transfers in						
Operating transfers out				(620)		
Total other financing sources and uses				<u>2,974</u>	<u>11,100</u>	
Excess of revenues and other sources over (under) expenditures and other uses	<u>(6,833)</u>		<u>(1)</u>	<u>2,912</u>	<u>8,369</u>	<u>(408)</u>
FUND BALANCES, JUNE 30, 1997	<u>71,409</u>		<u>1</u>	<u>701</u>	<u>3</u>	<u>448</u>
FUND BALANCES, JUNE 30, 1998	<u>\$ 64,576</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,613</u>	<u>\$ 8,372</u>	<u>\$ 40</u>

<u>Library Construction/ 1996 Bonds</u>	<u>Capital Improvement</u>	<u>Capital Acquisition</u>	<u>Total</u>
\$	\$ 41	\$	\$ 17,435
	77		118
1,470	151	15	5,313
	297		297
	37	54	91
<u>1,470</u>	<u>603</u>	<u>69</u>	<u>23,254</u>
	733		768
			2,965
1,470			2,229
<u>1,166</u>	<u>1,782</u>	<u>277</u>	<u>30,613</u>
<u>2,636</u>	<u>2,515</u>	<u>277</u>	<u>36,575</u>
<u>(1,166)</u>	<u>(1,912)</u>	<u>(208)</u>	<u>(13,321)</u>
			14,694
	4,037		4,037
			(620)
	<u>4,037</u>		<u>18,111</u>
(1,166)	2,125	(208)	4,790
<u>28,092</u>	<u>1,096</u>	<u>346</u>	<u>102,096</u>
\$ <u><u>26,926</u></u>	\$ <u><u>3,221</u></u>	\$ <u><u>138</u></u>	\$ <u><u>106,886</u></u>

MULTNOMAH COUNTY, OREGON
SB 1145 FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - State	\$ 42,081	\$ 17,394	\$ (24,687)
BEGINNING FUND BALANCE		1	1
Total	<u>\$ 42,081</u>	<u>17,395</u>	<u>(24,686)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 42,081</u>	17,395	24,686
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

MULTNOMAH COUNTY, OREGON
EQUIPMENT LEASE/PURCHASE FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
OTHER FINANCING SOURCE:			
Certificates of participation proceeds	\$ 3,438	\$ 3,594	\$ 156
BEGINNING FUND BALANCE	<u>700</u>	<u>701</u>	<u>1</u>
Total	<u>\$ 4,138</u>	<u>4,295</u>	<u>157</u>
EXPENDITURES:			
Nondepartmental	\$ 3,518	62	3,456
OTHER FINANCING USE:			
Transfer to Capital Lease Retirement Fund	<u>620</u>	<u>620</u>	
Total	<u>\$ 4,138</u>	<u>682</u>	<u>3,456</u>
ENDING FUND BALANCE		<u>\$ 3,613</u>	<u>\$ 3,613</u>

MULTNOMAH COUNTY, OREGON
LEASE/PURCHASE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUE:			
Charges for services	\$	\$ 6	\$ 6
OTHER FINANCING SOURCE:			
Certificates of participation proceeds	9,570	11,100	1,530
BEGINNING FUND BALANCE	500	3	(497)
Total	\$ <u>10,070</u>	<u>11,109</u>	<u>1,039</u>
EXPENDITURES:			
Environmental Services	\$ <u>10,070</u>	<u>2,737</u>	<u>7,333</u>
ENDING FUND BALANCE		\$ <u>8,372</u>	\$ <u>8,372</u>

MULTNOMAH COUNTY, OREGON
LIBRARY CONSTRUCTION FUND/1993 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 60	\$ 1	\$ 1
Interest	60	27	(33)
Total revenues	60	28	(32)
BEGINNING FUND BALANCE	1,700	448	(1,252)
Total	\$ 1,760	476	(1,284)
EXPENDITURES:			
Environmental Services	\$ 1,760	436	1,324
ENDING FUND BALANCE		\$ 40	\$ 40

MULTNOMAH COUNTY, OREGON
LIBRARY CONSTRUCTION FUND/1996 BONDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUE:			
Interest	\$ 1,320	\$ 1,470	\$ 150
BEGINNING FUND BALANCE	30,328	28,092	(2,236)
Total	<u>\$ 31,648</u>	<u>29,562</u>	<u>(2,086)</u>
EXPENDITURES:			
Environmental Services	\$ 23,650	1,560	22,090
Library	7,998	1,076	6,922
Total	<u>\$ 31,648</u>	<u>2,636</u>	<u>29,012</u>
ENDING FUND BALANCE		<u>\$ 26,926</u>	<u>\$ 26,926</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental – Local	\$ 548	\$ 41	\$ (507)
Charges for services	145	77	(68)
Interest	120	151	31
Other:			
Miscellaneous	301	297	(4)
Service reimbursements	37	37	
Total revenues	<u>1,151</u>	<u>603</u>	<u>(548)</u>
OTHER FINANCING SOURCES:			
Loan proceeds	330		(330)
Transfer from other funds:			
General	3,087	3,087	
Justice Services Special Operations	200	200	
Facilities Management	1,100	750	(350)
Total other financing sources	<u>4,717</u>	<u>4,037</u>	<u>(680)</u>
BEGINNING FUND BALANCE	<u>2,439</u>	<u>1,096</u>	<u>(1,343)</u>
Total	<u>\$ 8,307</u>	<u>5,736</u>	<u>(2,571)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 8,307</u>	<u>2,515</u>	<u>5,792</u>
ENDING FUND BALANCE		<u>\$ 3,221</u>	<u>\$ 3,221</u>

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

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Interest	\$	\$ 15	\$ 15
Other – Service reimbursements		<u>54</u>	<u>54</u>
Total revenues		69	69
 BEGINNING FUND BALANCE	 350	 346	 (4)
Total	\$ <u>350</u>	<u>415</u>	<u>65</u>
 EXPENDITURES:			
Nondepartmental	\$ <u>350</u>	277	73
ENDING FUND BALANCE		\$ <u>138</u>	\$ <u>138</u>

ENTERPRISE FUNDS

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

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

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1998
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No.1	Mid County Service District No. 14	Behavioral Health Managed Care	Total
ASSETS:				
Current Assets:				
Cash and investments	\$ 768	\$ 835	\$ 5,290	\$ 6,893
Receivables (net of allowances for uncollectables):				
Accounts	11		492	503
Special assessments		11		11
Prepaid items			7	7
Total current assets	<u>779</u>	<u>846</u>	<u>5,789</u>	<u>7,414</u>
Fixed assets (net of accumulated depreciation)	598	639		1,237
Total assets	<u>\$ 1,377</u>	<u>\$ 1,485</u>	<u>\$ 5,789</u>	<u>\$ 8,651</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$ 40	\$ 13	\$ 3,008	\$ 3,061
Compensated absences			56	56
Total liabilities	<u>40</u>	<u>13</u>	<u>3,064</u>	<u>3,117</u>
Fund equity:				
Contributed capital	1,836	1,222		3,058
Retained earnings (deficit):				
Unreserved	(499)	250	2,725	2,476
Total fund equity	<u>1,337</u>	<u>1,472</u>	<u>2,725</u>	<u>5,534</u>
Total liabilities and fund equity	<u>\$ 1,377</u>	<u>\$ 1,485</u>	<u>\$ 5,789</u>	<u>\$ 8,651</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Managed Care	Total
OPERATING REVENUES:				
Charges for sales and services	\$ 238	\$ 179	\$ 20,539	\$ 20,956
OPERATING EXPENSES:				
Salaries and wages			971	971
Employee benefits			288	288
Utilities	181	153		334
Facility rental			50	50
Professional services			982	982
Communications			26	26
Operating supplies			124	124
Medical claims			17,729	17,729
Administrative	7	14	388	409
Internal support			24	24
Depreciation	28	71	19	118
Other expenses	3	10	19	32
Total operating expenses	219	248	20,620	21,087
Operating income (loss)	19	(69)	(81)	(131)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	41	46	192	279
Total nonoperating revenues	41	46	192	279
Net income (loss) before operating transfers	60	(23)	111	148
OPERATING TRANSFERS IN			1,485	1,485
Net income (loss)	60	(23)	1,596	1,633
RETAINED EARNINGS (DEFICIT), JUNE 30, 1997	(559)	273	1,129	843
RETAINED EARNINGS (DEFICIT), JUNE 30, 1998	<u>\$ (499)</u>	<u>\$ 250</u>	<u>\$ 2,725</u>	<u>\$ 2,476</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Managed Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 19	\$ (69)	\$ (81)	\$ (131)
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by operating activities:				
Depreciation	28	71	19	118
Changes in assets and liabilities:				
Decrease in accounts receivable		1	139	140
Increase in accounts payable	5		1,685	1,690
Increase in compensated absences			17	17
Net cash provided by operating activities	<u>52</u>	<u>3</u>	<u>1,779</u>	<u>1,834</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in			1,485	1,485
Net cash provided by noncapital financing activities			<u>1,485</u>	<u>1,485</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets		(159)	(2)	(161)
Capital contributed by customers and others	10	159		169
Net cash provided (used) by capital and related financing activities	<u>10</u>		<u>(2)</u>	<u>8</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	41	46	192	279
Net cash provided by investing activities	<u>41</u>	<u>46</u>	<u>192</u>	<u>279</u>
Net increase in cash and cash equivalents	103	49	3,454	3,606
CASH AND CASH EQUIVALENTS, JUNE 30, 1997	<u>665</u>	<u>786</u>	<u>1,836</u>	<u>3,287</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 1998	<u>\$ 768</u>	<u>\$ 835</u>	<u>\$ 5,290</u>	<u>\$ 6,893</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Disposal of fixed assets, net book value	\$ <u> </u>	\$ <u>(16)</u>	\$ <u>(16)</u>	\$ <u>(32)</u>

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
ENTERPRISE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Dunthorpe- Riverdale Service District No. 1	Mid County Service District No. 14	Total
CONTRIBUTED CAPITAL, JUNE 30, 1997	\$ 1,826	\$ 1,079	\$ 2,905
ADD:			
Contributions from connection fees	10		10
Contributions from customers		159	159
Total contributions added	10	159	169
DEDUCT:			
Disposal of fixed assets, net book value		(16)	(16)
CONTRIBUTED CAPITAL, JUNE 30, 1998	\$ 1,836	\$ 1,222	\$ 3,058

MULTNOMAH COUNTY, OREGON
DUNTHORPE-RIVERDALE SERVICE DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Assessments – Sewer	\$ 230	\$ 234	\$ 4
Charges for services	7	13	6
Interest	2	41	39
Total revenues	<u>239</u>	<u>288</u>	<u>49</u>
BEGINNING FUND BALANCE	460	632	172
Total	<u>\$ 699</u>	<u>920</u>	<u>221</u>
EXPENDITURES:			
Environmental Services	\$ 688	190	498
ENDING FUND BALANCE	11	\$ 730	\$ 719
	<u>\$ 699</u>		

MULTNOMAH COUNTY, OREGON
MID COUNTY SERVICE DISTRICT NO. 14 FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Assessments - Street lighting			
Current year	\$ 160	\$ 174	\$ 14
Prior years'	10	5	(5)
Penalties and interest		1	1
Charges for services	1		(1)
Interest	40	46	6
Total revenues	<u>211</u>	<u>226</u>	<u>15</u>
BEGINNING FUND BALANCE	740	776	36
Total	<u>\$ 951</u>	<u>1,002</u>	<u>51</u>
EXPENDITURES:			
Environmental Services	\$ 395	178	217
ENDING FUND BALANCE	556	\$ 824	\$ 268
	<u>\$ 951</u>		

MULTNOMAH COUNTY, OREGON
BEHAVIORAL HEALTH MANAGED CARE FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the fiscal year ended June 30, 1998
 (amounts expressed in thousands)

	Budget	Actual	Variance favorable (unfavorable)
REVENUES:			
Intergovernmental:			
Federal, state and local	\$ 14,717	\$ 19,537	\$ 4,820
Charges for services	909	629	(280)
Interest		192	192
Other:			
Miscellaneous	300	200	(100)
Service reimbursements		173	173
Total revenues	<u>15,926</u>	<u>20,731</u>	<u>4,805</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	1,485	1,485	
BEGINNING FUND BALANCE	250	1,113	863
Total	<u>\$ 17,661</u>	<u>23,329</u>	<u>5,668</u>
EXPENDITURES:			
Community and Family Services	<u>\$ 17,661</u>	20,604	(2,943)
ENDING FUND BALANCE		<u>\$ 2,725</u>	<u>\$ 2,725</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:

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

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 1998
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
ASSETS:							
Current assets:							
Cash and investments	\$ 17,553	\$ 2,690	\$ 1,376	\$ 5,315	\$ 17	\$ 219	\$ 27,170
Accounts receivable	1	49	89	19	2	415	575
Inventories		350			88		438
Prepaid items	49		10	228	3	297	587
Total current assets	17,603	3,089	1,475	5,562	110	931	28,770
Fixed assets (net of accumulated depreciation)	40	3,866	2,119	840	2	50	6,917
Total assets	<u>\$ 17,643</u>	<u>\$ 6,955</u>	<u>\$ 3,594</u>	<u>\$ 6,402</u>	<u>\$ 112</u>	<u>\$ 981</u>	<u>\$ 35,687</u>
LIABILITIES AND FUND EQUITY:							
Current liabilities:							
Accounts payable	\$ 8,081	\$ 95	\$ 469	\$ 1,171	\$ 5	\$ 594	\$ 10,415
Compensated absences	67	111	36	260	16	337	827
Deferred revenue							
Capitalized leases - current			118	659			777
Loans payable - current				794			794
Total current liabilities	<u>8,148</u>	<u>206</u>	<u>623</u>	<u>2,884</u>	<u>21</u>	<u>931</u>	<u>12,813</u>
Noncurrent liabilities:							
Capitalized leases (net of current portion)			124	211			335
Loans payable (net of current portion)				3,506			3,506
Total noncurrent liabilities			<u>124</u>	<u>3,717</u>			<u>3,841</u>
Total liabilities	<u>8,148</u>	<u>206</u>	<u>747</u>	<u>6,601</u>	<u>21</u>	<u>931</u>	<u>16,654</u>
Fund equity:							
Contributed capital	2	4,340	1,611	1,822	19	72	7,866
Retained earnings:							
Unreserved	9,493	2,409	1,236	(2,021)	72	(22)	11,167
Total fund equity	<u>9,495</u>	<u>6,749</u>	<u>2,847</u>	<u>(199)</u>	<u>91</u>	<u>50</u>	<u>19,033</u>
Total liabilities and fund equity	<u>\$ 17,643</u>	<u>\$ 6,955</u>	<u>\$ 3,594</u>	<u>\$ 6,402</u>	<u>\$ 112</u>	<u>\$ 981</u>	<u>\$ 35,687</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
OPERATING REVENUES:							
Charges for services	\$ 20,112	\$ 4,758	\$ 3,724	\$ 8,201	\$ 1,203	\$ 25,124	\$ 63,122
Insurance premiums	801						801
Experience rating and refunds	149						149
Total operating revenues	<u>21,062</u>	<u>4,758</u>	<u>3,724</u>	<u>8,201</u>	<u>1,203</u>	<u>25,124</u>	<u>64,072</u>
OPERATING EXPENSES:							
Salaries and wages	1,336	1,258	369	2,759	236	3,715	9,673
Employee benefits	330	387	104	746	73	1,102	2,742
Repairs and maintenance	3	101	19	293	4	1,691	2,111
Utilities						3,074	3,074
Equipment rental		53	57		4	3,836	3,950
Facility rental	147	193	70	234	10		654
Professional services	1,149	15	28	4,194	83	3,943	9,412
Communications	8	19	1,172	372	2	148	1,721
Operating supplies	62	1,037	21	1,328	654	1,456	4,558
Insurance claims and premiums	19,543					32	19,575
Internal support			64	221			285
Depreciation	27	1,449	772	875	2	35	3,160
Other	220	98	98	204	95	5,635	6,350
Total operating expenses	<u>22,825</u>	<u>4,610</u>	<u>2,774</u>	<u>11,226</u>	<u>1,163</u>	<u>24,667</u>	<u>67,265</u>
Operating income (loss)	<u>(1,763)</u>	<u>148</u>	<u>950</u>	<u>(3,025)</u>	<u>40</u>	<u>457</u>	<u>(3,193)</u>
NONOPERATING REVENUES (EXPENSES):							
Interest revenue	1,021	132	46	266			1,465
Interest expense			(14)	(49)			(63)
Loss on disposal of fixed assets		(58)	(88)	(1,442)		(20)	(1,608)
Total nonoperating revenues (expenses)	<u>1,021</u>	<u>74</u>	<u>(56)</u>	<u>(1,225)</u>		<u>(20)</u>	<u>(206)</u>
Net income (loss) before operating transfers	<u>(742)</u>	<u>222</u>	<u>894</u>	<u>(4,250)</u>	<u>40</u>	<u>437</u>	<u>(3,399)</u>
OPERATING TRANSFERS IN				696		13	709
OPERATING TRANSFERS OUT						(750)	(750)
Net income (loss)	<u>(742)</u>	<u>222</u>	<u>894</u>	<u>(3,554)</u>	<u>40</u>	<u>(300)</u>	<u>(3,440)</u>
RETAINED EARNINGS, JUNE 30, 1997	<u>10,235</u>	<u>2,187</u>	<u>342</u>	<u>1,533</u>	<u>32</u>	<u>278</u>	<u>14,607</u>
RETAINED EARNINGS (DEFICIT), JUNE 30, 1998	<u>\$ 9,493</u>	<u>\$ 2,409</u>	<u>\$ 1,236</u>	<u>\$ (2,021)</u>	<u>\$ 72</u>	<u>\$ (22)</u>	<u>\$ 11,167</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Insurance	Fleet Management	Telephone	Data Processing	Mail/ Distribution	Facilities Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Operating income (loss)	\$ (1,763)	\$ 148	\$ 950	\$ (3,025)	\$ 40	\$ 457	\$ (3,193)
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided (used) by operating activities:							
Depreciation	27	1,449	772	875	2	35	3,160
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable		24	(37)	17		(179)	(175)
(Increase) decrease in inventories		56			(33)		23
Increase in prepaid items	(9)		(10)	(37)	(3)	(269)	(328)
Increase (decrease) in accounts payable	(526)	(56)	273	671	(1)	(133)	228
Decrease in deferred revenue						(4)	(4)
Increase in compensated absences	22	8	11	1	5	39	86
Net cash provided (used) by operating activities	(2,249)	1,629	1,959	(1,498)	10	(54)	(203)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Loan proceeds				4,300			4,300
Operating transfers in				696		13	709
Operating transfers out						(750)	(750)
Net cash provided (used) by noncapital financing activities				4,996		(737)	4,259
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of fixed assets	(48)	(1,483)	(1,336)	(1,653)			(4,520)
Principal paid on capitalized leases			(113)	(768)			(881)
Interest paid on capitalized leases			(14)	(49)			(63)
Capital contributed by customers and others		13	14				27
Net cash used by capital and related financing activities	(48)	(1,470)	(1,449)	(2,470)			(5,437)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest on investments	1,021	132	46	266			1,465
Net cash provided by investing activities	1,021	132	46	266			1,465
Net increase (decrease) in cash and cash equivalents	(1,276)	291	556	1,294	10	(791)	84
CASH AND CASH EQUIVALENTS, JUNE 30, 1997	18,829	2,399	820	4,021	7	1,010	27,086
CASH AND CASH EQUIVALENTS, JUNE 30, 1998	\$ 17,553	\$ 2,690	\$ 1,376	\$ 5,315	\$ 17	\$ 219	\$ 27,170
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Disposal of fixed assets, net book value	\$	\$ (58)	\$ (88)	\$ (1,442)	\$	\$ (20)	\$ (1,608)
Transfer of fixed assets from General Fixed Assets Account Group, net book value	\$	\$ 191	\$	\$ 47	\$	\$	\$ 238

MULTNOMAH COUNTY, OREGON
COMBINING SCHEDULE OF CHANGES IN CONTRIBUTED CAPITAL
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	<u>Insurance</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Data Processing</u>	<u>Mail/ Distribution</u>	<u>Facilities Management</u>	<u>Total</u>
CONTRIBUTED CAPITAL, JUNE 30, 1997	\$ <u>2</u>	\$ <u>4,136</u>	\$ <u>1,597</u>	\$ <u>1,775</u>	\$ <u>19</u>	\$ <u>72</u>	\$ <u>7,601</u>
CONTRIBUTIONS:							
Transfer of fixed assets from General Fixed Assets Account Group at estimated market value on date of transfer		191		47			238
Transfer of fixed assets from Data Processing Fund, an Internal Service Fund		13	14				27
		204	14	47			265
CONTRIBUTED CAPITAL, JUNE 30, 1998	\$ <u>2</u>	\$ <u>4,340</u>	\$ <u>1,611</u>	\$ <u>1,822</u>	\$ <u>19</u>	\$ <u>72</u>	\$ <u>7,866</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 12	\$ 9	\$ (3)
Interest		1,021	1,021
Other:			
Service reimbursements	22,743	20,112	(2,631)
Premiums	409	588	179
Experience ratings and miscellaneous	74	353	279
Total revenues	<u>23,238</u>	<u>22,083</u>	<u>(1,155)</u>
BEGINNING FUND BALANCE	11,366	10,218	(1,148)
Total	<u>\$ 34,604</u>	<u>32,301</u>	<u>(2,303)</u>
EXPENDITURES:			
Support Services	\$ 33,809	22,081	11,728
Nondepartmental	795	765	30
Total expenditures	<u>\$ 34,604</u>	<u>22,846</u>	<u>11,758</u>
ENDING FUND BALANCE		<u>\$ 9,455</u>	<u>\$ 9,455</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
State	\$ 5	\$ 5	\$
Local	338	293	(45)
Charges for services	75	56	(19)
Interest	60	132	72
Other:			
Miscellaneous	25	116	91
Service reimbursements	4,710	4,288	(422)
Total revenues	<u>5,213</u>	<u>4,890</u>	<u>(323)</u>
BEGINNING FUND BALANCE	<u>2,587</u>	<u>2,623</u>	<u>36</u>
Total	<u>\$ 7,800</u>	<u>7,513</u>	<u>(287)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 7,800</u>	4,630	3,170
ENDING FUND BALANCE		<u>\$ 2,883</u>	<u>\$ 2,883</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services	\$ 354	\$ 429	\$ 75
Interest	18	46	28
Other - Service reimbursements	3,100	3,295	195
Total revenues	<u>3,472</u>	<u>3,770</u>	<u>298</u>
BEGINNING FUND BALANCE	879	650	(229)
Total	<u>\$ 4,351</u>	<u>4,420</u>	<u>69</u>
EXPENDITURES:			
Support Services	\$ 4,351	3,450	901
ENDING FUND BALANCE		<u>\$ 970</u>	<u>\$ 970</u>

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

	<u>Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
REVENUES:			
Charges for services	\$ 205	\$ 197	\$ (8)
Interest		266	266
Other - Service reimbursements	<u>8,481</u>	<u>8,533</u>	<u>52</u>
Total revenues	<u>8,686</u>	<u>8,996</u>	<u>310</u>
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	4,846	4,300	(546)
Transfer from General Fund	<u>696</u>	<u>696</u>	
Total other financing sources	<u>5,542</u>	<u>4,996</u>	<u>(546)</u>
BEGINNING FUND BALANCE	<u>3,270</u>	<u>3,490</u>	<u>220</u>
Total	<u>\$ 17,498</u>	<u>17,482</u>	<u>(16)</u>
EXPENDITURES:			
Support Services	<u>\$ 17,498</u>	13,350	4,148
ENDING FUND BALANCE		<u>\$ 4,132</u>	<u>\$ 4,132</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental:			
Federal, state, and local	\$ 1	\$ 14	\$ 13
Other - Service reimbursements	<u>1,360</u>	<u>1,189</u>	<u>(171)</u>
Total revenues	1,361	1,203	(158)
OTHER FINANCING SOURCES:			
Certificates of participation proceeds	40		(40)
BEGINNING FUND BALANCE	<u>22</u>	<u>47</u>	<u>25</u>
Total	<u>\$ 1,423</u>	<u>1,250</u>	<u>(173)</u>
EXPENDITURES:			
Environmental Services	<u>\$ 1,423</u>	<u>1,161</u>	<u>262</u>
ENDING FUND BALANCE		<u>\$ 89</u>	<u>\$ 89</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Intergovernmental - Local	\$ 887	\$ 1,747	\$ 860
Charges for services	3,106	1,088	(2,018)
Other:			
Miscellaneous	1	2	1
Service reimbursements	22,916	22,287	(629)
Total revenues	<u>26,910</u>	<u>25,124</u>	<u>(1,786)</u>
OTHER FINANCING SOURCE:			
Transfer from General Fund	345	13	(332)
BEGINNING FUND BALANCE	<u>225</u>	<u>245</u>	<u>20</u>
Total	<u>\$ 27,480</u>	<u>25,382</u>	<u>(2,098)</u>
EXPENDITURES:			
Environmental Services	\$ 26,380	24,632	1,748
OTHER FINANCING USE:			
Transfer to Capital Improvement Fund	1,100	750	350
Total	<u>\$ 27,480</u>	<u>25,382</u>	<u>2,098</u>
ENDING FUND BALANCE		<u>\$</u>	<u>\$</u>

TRUST AND AGENCY FUNDS

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

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

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
June 30, 1998
(amounts expressed in thousands)

	Agency Funds	Pension Trust Fund	Total
ASSETS:			
Cash and investments	\$ 35,809	\$ 10,722	\$ 46,531
Receivables:			
Property taxes	28,198		28,198
Accounts	104		104
Total assets	<u>\$ 64,111</u>	<u>\$ 10,722</u>	<u>\$ 74,833</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Payrolls payable	\$ 11,714	\$	\$ 11,714
Accounts payable	10,677		10,677
Due to other governmental units	28,198		28,198
Amounts held in trust	13,522		13,522
Total liabilities	<u>64,111</u>		<u>64,111</u>
Fund balance:			
Reserved for employees'			
retirement benefits		10,722	10,722
Total liabilities and fund balances	<u>\$ 64,111</u>	<u>\$ 10,722</u>	<u>\$ 74,833</u>

MULTNOMAH COUNTY, OREGON
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 1998
(amounts expressed in thousands)

	<u>Sundry Taxing Bodies</u>	<u>Clearing</u>	<u>Department & Offices Agency</u>	<u>Public Guardian</u>	<u>Total</u>
ASSETS:					
Cash and investments	\$ 4,758	\$ 21,631	\$ 8,541	\$ 879	\$ 35,809
Receivables:					
Property taxes	28,198				28,198
Accounts	104				104
Total assets	<u>\$ 33,060</u>	<u>\$ 21,631</u>	<u>\$ 8,541</u>	<u>\$ 879</u>	<u>\$ 64,111</u>
LIABILITIES:					
Payrolls payable	\$	\$ 11,714	\$	\$	\$ 11,714
Accounts payable		9,917	760		10,677
Due to other governmental units	28,198				28,198
Amounts held in trust	4,862		7,781	879	13,522
Total liabilities	<u>\$ 33,060</u>	<u>\$ 21,631</u>	<u>\$ 8,541</u>	<u>\$ 879</u>	<u>\$ 64,111</u>

MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
SUNDRY TAXING BODIES FUND:				
Assets:				
Cash and investments	\$ 4,144	\$ 496,205	\$ 495,591	\$ 4,758
Property taxes receivable	29,053	530,798	531,653	28,198
Accounts receivable	237	103	236	104
Total assets	<u>\$ 33,434</u>	<u>\$ 1,027,106</u>	<u>\$ 1,027,480</u>	<u>\$ 33,060</u>
Liabilities:				
Accounts payable	\$	\$ 5,502	\$ 5,502	\$
Due to other governmental units	29,053	514,875	515,730	28,198
Amounts held in trust	4,381	496,072	495,591	4,862
Total liabilities	<u>\$ 33,434</u>	<u>\$ 1,016,449</u>	<u>\$ 1,016,823</u>	<u>\$ 33,060</u>
CLEARING FUND:				
Assets:				
Cash and investments	\$ 18,969	\$ 6,503,635	\$ 6,500,973	\$ 21,631
Liabilities:				
Payrolls payable	\$ 13,017	\$ 458,739	\$ 460,042	\$ 11,714
Accounts payable	5,952	317,880	313,915	9,917
Interest payable		14,336	14,336	
Amounts held in trust		1,144	1,144	
Total liabilities	<u>\$ 18,969</u>	<u>\$ 792,099</u>	<u>\$ 789,437</u>	<u>\$ 21,631</u>
DEPARTMENT AND OFFICES AGENCY FUND:				
Assets:				
Cash and investments	\$ 8,151	\$ 682,101	\$ 681,711	\$ 8,541
Accounts receivable		38	38	
Total assets	<u>\$ 8,151</u>	<u>\$ 682,139</u>	<u>\$ 681,749</u>	<u>\$ 8,541</u>
Liabilities:				
Accounts payable	\$ 353	\$ 8,129	\$ 7,722	\$ 760
Amounts held in trust	7,798	671,319	671,336	7,781
Total liabilities	<u>\$ 8,151</u>	<u>\$ 679,448</u>	<u>\$ 679,058</u>	<u>\$ 8,541</u>
PUBLIC GUARDIAN FUND:				
Assets:				
Cash and investments	\$ 795	\$ 1,388	\$ 1,304	\$ 879
Liabilities:				
Amounts held in trust	\$ 795	\$ 1,388	\$ 1,304	\$ 879
TOTAL - ALL AGENCY FUNDS:				
Assets:				
Cash and investments	\$ 32,059	\$ 7,683,329	\$ 7,679,579	\$ 35,809
Property taxes receivable	29,053	530,798	531,653	28,198
Accounts receivable	237	141	274	104
Total assets	<u>\$ 61,349</u>	<u>\$ 8,214,268</u>	<u>\$ 8,211,506</u>	<u>\$ 64,111</u>
Liabilities:				
Payrolls payable	\$ 13,017	\$ 458,739	\$ 460,042	\$ 11,714
Accounts payable	6,305	331,511	327,139	10,677
Interest payable		14,336	14,336	
Due to other governmental units	29,053	514,875	515,730	28,198
Amounts held in trust	12,974	1,169,923	1,169,375	13,522
Total liabilities	<u>\$ 61,349</u>	<u>\$ 2,489,384</u>	<u>\$ 2,486,622</u>	<u>\$ 64,111</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL FIXED ASSETS
June 30, 1998
(amounts expressed in thousands)

GENERAL FIXED ASSETS:	
Land and land improvements	\$ 6,989
Buildings and improvements	215,100
Work in progress	157
Bridges	35,612
Equipment	15,927
Total general fixed assets	\$ <u>273,785</u>
Investments in general fixed assets:	
Balance July 1, 1997	\$ <u>254,614</u>
Additions provided by:	
General Fund	26,771
Road Fund	2,305
Assessment and Taxation Fund	103
Federal and State Program Fund	243
Corner Preservation Fund	4
Willamette River Bridges Fund	28
Library Fund	93
Public Safety Levy Fund	34
Justice Bond Project Fund	17
Equipment Lease/Purchase Project Fund	25
Lease/Purchase Project Fund	147
Library Construction/1993 Bonds Fund	58
Library Construction/1996 Bonds Fund	784
Capital Acquisition Fund	9
Contributions from the Data Processing Fund	1,177
Contributions from the Facilities Management Fund	13
Total additions	<u>31,811</u>
Deductions:	
Retirements	<u>(12,640)</u>
Total investment in general fixed assets	\$ <u>273,785</u>
Reconciliation:	
Total capital outlay	\$ <u>36,772</u>
Contributions to the Fleet Management Fund	(191)
Contributions to the Data Processing Fund	(47)
Repairs and other general maintenance	(1,348)
Roads and bridge maintenance	(3,992)
Operating supplies	(573)
	<u>(6,151)</u>
Additional items capitalized	1,190
Total general fixed asset additions	\$ <u>31,811</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 1998
(amounts expressed in thousands)

	Land and land improvements	Buildings and improvements	Work in progress	Bridges	Equipment	Total
FUNCTION AND ACTIVITY:						
General government:						
Legislative	\$ 1	\$ 2,347	\$	\$	\$	\$ 2,348
Administrative	102	4,934			2,567	7,603
Sub-total	<u>103</u>	<u>7,281</u>			<u>2,567</u>	<u>9,951</u>
Health and social services:						
Health	1,292	11,498			937	13,727
Social	152	26,677			816	27,645
Sub-total	<u>1,444</u>	<u>38,175</u>			<u>1,753</u>	<u>41,372</u>
Public safety:						
Law enforcement	1,666	89,053	157		3,553	94,429
Justice	48	3,709			310	4,067
Sub-total	<u>1,714</u>	<u>92,762</u>	<u>157</u>		<u>3,863</u>	<u>98,496</u>
Community services:						
Community service development	145	1,269			36	1,450
Library	2,056	33,652			6,450	42,158
Sub-total	<u>2,201</u>	<u>34,921</u>			<u>6,486</u>	<u>43,608</u>
Roads and bridges:						
Roads and bridges	383			35,612	1,258	37,253
Bridge shops	39	330				369
Road shops	65	7,638				7,703
Administrative		339				339
Sub-total	<u>487</u>	<u>8,307</u>		<u>35,612</u>	<u>1,258</u>	<u>45,664</u>
External organizations:						
External use	1,040	33,654				34,694
Total general fixed assets	<u>\$ 6,989</u>	<u>\$ 215,100</u>	<u>\$ 157</u>	<u>\$ 35,612</u>	<u>\$ 15,927</u>	<u>\$ 273,785</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	General fixed assets June 30, 1997	Additions	Deductions and reclassifications	General fixed assets June 30, 1998
FUNCTION AND ACTIVITY:				
General government:				
Legislative	\$ 2,475	\$ 5	\$ (132)	\$ 2,348
Administrative	8,607	559	(1,563)	7,603
Sub-total	<u>11,082</u>	<u>564</u>	<u>(1,695)</u>	<u>9,951</u>
Health and social services:				
Health	14,464	745	(1,482)	13,727
Social	29,228	369	(1,952)	27,645
Sub-total	<u>43,692</u>	<u>1,114</u>	<u>(3,434)</u>	<u>41,372</u>
Public safety:				
Law enforcement	73,104	24,817	(3,492)	94,429
Justice	4,335	232	(500)	4,067
Sub-total	<u>77,439</u>	<u>25,049</u>	<u>(3,992)</u>	<u>98,496</u>
Community services:				
Community service development	1,545	51	(146)	1,450
Recreation	349		(349)	
Library	42,653	1,335	(1,830)	42,158
Sub-total	<u>44,547</u>	<u>1,386</u>	<u>(2,325)</u>	<u>43,608</u>
Roads and bridges:				
Roads and bridges	37,356	840	(943)	37,253
Bridge shops	369			369
Road shops	5,504	2,199		7,703
Administrative	334	5		339
Sub-total	<u>43,563</u>	<u>3,044</u>	<u>(943)</u>	<u>45,664</u>
External organizations:				
External use	34,291	654	(251)	34,694
Total general fixed assets	<u>\$ 254,614</u>	<u>\$ 31,811</u>	<u>\$ (12,640)</u>	<u>\$ 273,785</u>

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OTHER SCHEDULES

- * Schedule of Property Tax Collections and Outstanding Balances
- * Schedule of Bonds and Bond Interest Coupon Transactions
- * Schedule of Bonds Outstanding
- * Schedule of Loans Outstanding
- * Schedule of Capitalized Lease Purchases Outstanding
- * Schedule of Receipts and Deposits - Elected Officials

MULTNOMAH COUNTY, OREGON
SCHEDULE OF PROPERTY TAX COLLECTIONS
AND OUTSTANDING BALANCES
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

Tax Year	Taxes receivable June 30, 1997	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, 1998
1997-98	\$	\$ 653,119	\$ 10,254	\$ 395	\$ (15,859)	\$ (626,267)	\$ 21,642
1996-97	21,224		(590)	816		(12,588)	8,862
1995-96	7,802		(129)	660		(4,456)	3,877
1994-95							
and prior	8,974		(1,490)	1,489		(6,208)	2,765
	<u>\$ 38,000</u>	<u>\$ 653,119</u>	<u>\$ 8,045</u>	<u>\$ 3,360</u>	<u>\$ (15,859)</u>	<u>\$ (649,519)</u>	<u>\$ 37,146</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 1998:

	Current levy	Prior years' levy	Total
General Fund	\$ 3,263	\$ 2,589	\$ 5,852
Library Fund	483	342	825
Public Safety Levy Fund	933	532	1,465
Library Bond Sinking Fund/1993 Bonds	76	61	137
Library Bond Sinking Fund/1996 Bonds	234	36	270
Public Safety Bond Sinking Fund	275	100	375
Sundry Taxing Bodies Fund	<u>16,364</u>	<u>11,834</u>	<u>28,198</u>
Sub-total taxes receivable	21,628	15,494	37,122
Special assessments collected through taxes	<u>14</u>	<u>10</u>	<u>24</u>
Total receivables	<u>\$ 21,642</u>	<u>\$ 15,504</u>	<u>\$ 37,146</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF BONDS AND BOND INTEREST COUPON TRANSACTIONS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

	Outstanding June 30, 1997		1997-98 Transactions			Outstanding June 30, 1998	
	Matured	Unmatured	Issued	Matured	Paid	Matured	Unmatured
Dated March 1, 1994		\$ 19,215		\$ 785	\$ 785		\$ 18,430
Dated October 1, 1994		8,460		285	285		8,175
Dated October 1, 1996		108,700		6,835	6,835		101,865
		<u>\$ 136,375</u>		<u>\$ 7,905</u>	<u>\$ 7,905</u>		<u>\$ 128,470</u>

GENERAL OBLIGATION BOND INTEREST COUPONS:

Dated March 1, 1994	\$ 923	\$ 923
Dated October 1, 1994	471	471
Dated October 1, 1996	5,346	5,346
	<u>\$ 6,740</u>	<u>\$ 6,740</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF BONDS OUTSTANDING
June 30, 1998
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS:

Fiscal Year of maturity	Series 1994 Dated 03/01/94 3.70 to 5.25%		Series 1994B Dated 10/01/94 4.25 to 6.00%		Series 1996A Dated 10/01/96 3.90 to 5.65%		Series 1996B Dated 10/01/96 3.90 to 5.65%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1999	\$ 820	\$ 891	\$ 300	\$ 458	\$ 3,390	\$ 1,180	\$ 3,725	\$ 3,818	\$ 8,235	\$ 6,347
2000	855	856	315	443	3,535	1,007	3,885	3,627	8,590	5,933
2001	890	819	330	427	3,695	821	4,060	3,423	8,975	5,490
2002	930	778	350	410	3,865	657	4,250	3,243	9,395	5,088
2003	975	735	365	391	510	560	2,735	3,088	4,585	4,774
2004	1,020	688	385	371	535	536	2,870	2,960	4,810	4,555
2005	1,070	639	410	350	565	511	3,010	2,823	5,055	4,323
2006	1,125	586	430	326	590	483	3,160	2,677	5,305	4,072
2007	1,180	528	460	302	620	454	3,320	2,519	5,580	3,803
2008	1,245	467	485	275	655	422	3,495	2,351	5,880	3,515
2009	1,310	401	515	246	690	389	3,680	2,171	6,195	3,207
2010	1,380	332	545	215	725	353	3,885	1,980	6,535	2,880
2011	1,455	257	580	182	765	314	4,100	1,770	6,900	2,523
2012	1,530	179	615	146	810	273	4,325	1,542	7,280	2,140
2013	1,290	105	655	108	855	229	4,570	1,300	7,370	1,742
2014	1,355	36	695	66	905	183	4,830	1,041	7,785	1,326
2015			740	22	955	134	5,105	765	6,800	921
2016					1,010	83	5,400	471	6,410	554
2017					1,070	28	5,715	160	6,785	188
	<u>\$ 18,430</u>	<u>\$ 8,297</u>	<u>\$ 8,175</u>	<u>\$ 4,738</u>	<u>\$ 25,745</u>	<u>\$ 8,617</u>	<u>\$ 76,120</u>	<u>\$ 41,729</u>	<u>\$ 128,470</u>	<u>\$ 63,381</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF LOANS OUTSTANDING
June 30, 1998
(amounts expressed in thousands)

GENERAL LONG-TERM LOANS:

Fiscal Year of maturity	Dated 02/15/96		Dated 07/05/96		Dated 07/05/96		Dated 10/01/96		Dated 12/01/96	
	7.2%		5.65%		5.65%		7.2%		7.2%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1999	\$ 24	\$ 34	\$ 1	\$ 1	\$ 1	\$ 1	\$ 7	\$ 5	\$ 3	\$ 2
2000	25	32	1	1	1	1	7	5	3	2
2001	27	30	1	1	1	1	8	4	3	2
2002	29	28	1	1	1	1	9	4	3	1
2003	31	26	1	1	1	1	9	3	4	1
2004	34	24	1	1	1	1	9	2	4	
2005	36	21	1	1	1	1	11	1	4	
2006	39	19	1	1	1	1	11	1	4	
2007	42	16	1	1	1	1	3		2	
2008	45	13	1	1	1					
2009	48	9	1	1	1					
2010	52	6	1		1					
2011	52	3	1		1					
2012			1		1					
2013			1		1					
2014			2		1					
2015			2		1					
2016			2		1					
	<u>\$ 484</u>	<u>\$ 261</u>	<u>\$ 21</u>	<u>\$ 11</u>	<u>\$ 18</u>	<u>\$ 9</u>	<u>\$ 74</u>	<u>\$ 25</u>	<u>\$ 30</u>	<u>\$ 8</u>

DATA PROCESSING LOANS:

Fiscal Year of maturity	Dated 02/02/98		
	3.75% to 4.90%		
	Principal	Interest	Total
1999	\$ 794	\$ 171	\$ 965
2000	826	139	965
2001	859	106	965
2002	893	72	965
2003	928	37	965
	<u>\$ 4,300</u>	<u>\$ 525</u>	<u>\$ 4,825</u>

Dated 01/15/97

5.9%		Total	
Principal	Interest	Principal	Interest
\$ 4	\$ 3	\$ 40	\$ 46
5	3	42	44
5	3	45	41
5	2	48	37
6	2	52	34
7	1	56	29
7	1	60	25
7	1	63	23
4		53	18
		47	14
		50	10
		54	6
		54	3
		2	
		2	
		3	
		3	
		3	
<u>\$ 50</u>	<u>\$ 16</u>	<u>\$ 677</u>	<u>\$ 330</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF CAPITALIZED LEASE PURCHASES OUTSTANDING
June 30, 1998
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 02/01/98		Dated 06/01/96		Dated 01/09/96		Dated 03/01/95		Dated 02/01/94	
	3.75 to 4.90%		3.75 to 4.60%		6.017%		4.5 to 4.85%		4.5 to 4.75%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1999	\$ 3,046	\$ 1,934	\$ 365	\$ 44	\$ 67	\$ 8	\$ 313	\$ 23	\$ 97	\$ 4
2000	3,109	1,821	385	27	70	4	329	8		
2001	2,696	1,712	405	9						
2002	2,802	1,602								
2003	2,937	1,472								
2004	2,215	1,365								
2005	2,315	1,257								
2006	2,440	1,144								
2007	2,555	1,022								
2008	2,690	891								
2009	2,825	753								
2010	2,960	617								
2011	3,100	480								
2012	3,250	333								
2013	3,405	175								
2014	355	87								
2015	375	70								
2016	395	51								
2017	410	31								
2018	435	11								
	<u>\$ 44,315</u>	<u>\$ 16,828</u>	<u>\$ 1,155</u>	<u>\$ 80</u>	<u>\$ 137</u>	<u>\$ 12</u>	<u>\$ 642</u>	<u>\$ 31</u>	<u>\$ 97</u>	<u>\$ 4</u>

TELEPHONE CAPITALIZED LEASE OBLIGATION:

Fiscal Year of maturity	Dated 03/01/95	
	Principal	Interest
1999	\$ 118	\$ 9
2000	124	3
	<u>\$ 242</u>	<u>\$ 12</u>

DATA PROCESSING CAPITALIZED LEASE OBLIGATIONS:

Fiscal Year of maturity	Dated 09/01/96		Dated 03/21/96		Dated 03/01/95		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1999	\$ 60	\$	\$ 520	\$ 11	\$ 79	\$ 6	\$ 659	\$ 17
2000	60				82	2	142	2
2001	60						60	
2002	9						9	
	<u>\$ 189</u>	<u>\$</u>	<u>\$ 520</u>	<u>\$ 11</u>	<u>\$ 161</u>	<u>\$ 8</u>	<u>\$ 870</u>	<u>\$ 19</u>

Dated 05/01/93		Dated 07/01/90		Dated 01/22/81		Total	
2.75% to 7.50%		6.00% to 6.80%		6.00% to 7.25%			
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 875	\$ 790	\$ 50	\$ 9	\$ 146	\$ 186	\$ 4,959	\$ 2,998
915	750	55	6	159	174	5,022	2,790
955	705	60	2	172	160	4,288	2,588
1,005	656			186	145	3,993	2,403
1,045	605			202	129	4,184	2,206
1,100	550			220	112	3,535	2,027
1,160	491			239	93	3,714	1,841
1,215	428			259	73	3,914	1,645
1,275	361			281	50	4,111	1,433
1,345	289			306	26	4,341	1,206
1,415	213					4,240	966
1,120	141					4,080	758
730	87					3,830	567
350	55					3,600	388
370	34					3,775	209
390	11					745	98
						375	70
						395	51
						410	31
						435	11
<u>\$ 15,265</u>	<u>\$ 6,166</u>	<u>\$ 165</u>	<u>\$ 17</u>	<u>\$ 2,170</u>	<u>\$ 1,148</u>	<u>\$ 63,946</u>	<u>\$ 24,286</u>

MULTNOMAH COUNTY, OREGON
SCHEDULE OF RECEIPTS AND DEPOSITS – ELECTED OFFICIALS
For the fiscal year ended June 30, 1998
(amounts expressed in thousands)

	Receipts deposited with Treasurer
Sheriff's Office	\$ 21,133
Others	
Total	<u>\$ 21,133</u>

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

STATISTICAL SECTION

This section contains the following tables:

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

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

Fiscal Year	General government	Health and social services	Public safety and justice	Community services	Roads and bridges	Capital outlay	Debt service	Total
1989	\$ 27,535	\$ 74,212	\$ 49,314	\$ 25,128	\$ 21,101	\$ 14,799	\$ 11,859 (2)	\$ 223,948
1990	28,771	84,813	54,317	26,668	24,246	17,224	3,175	239,214
1991	33,957	104,862	57,669	30,290	24,120	16,587	4,677	272,162
1992	31,503	116,629	71,167	30,481	25,613	7,164	4,286	286,843
1993	43,612	133,653	76,324	26,315	27,323	14,872	5,146	327,245
1994	45,648	147,372	82,938	27,481	28,220	25,081	4,472	361,212
1995	36,108	165,239	93,059	32,765	30,200	24,539	9,849	391,759
1996	35,086	181,526	96,519	35,707	32,596	33,069	8,648	423,151
1997	28,298	190,540	113,263	56,913	34,052	33,717	18,363	475,146
1998	28,474	190,941	140,510	47,764	35,197	36,773	21,242	500,901

(1) All Governmental Fund Types (Budgetary basis)

(2) Includes previously non-budgeted tax anticipation notes

Source: Current and prior years' financial statements

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

Fiscal Year	Taxes	Intergovernmental	Licenses and permits	Charges for services	Interest	Special assessments	Other	Total
1989	\$ 108,880	\$ 76,023	\$ 6,363	\$ 7,405	\$ 4,686	\$ 351	\$ 10,490	\$ 214,198
1990	114,806	85,820	1,788	8,269	4,628	321	12,297	227,929
1991	128,642	106,962	2,139	9,307	3,940	155	20,146	271,291
1992	127,545	124,711	2,566	10,023	2,943	47	17,952	285,787
1993	142,569	134,774	2,833	10,763	3,468	45	23,846	318,298
1994	151,617	149,009	2,591	11,280	4,143	21	29,975	348,636
1995	171,068	162,133	2,683	8,880	5,676		28,549 (2)	378,989
1996	185,008	172,031	2,703	12,864	5,476		29,888 (3)	407,970
1997	217,295	184,697	2,751	14,882	9,691		37,244 (4)	466,560
1998	215,100	223,962	2,934	14,471	12,080		37,190 (5)	505,737

(1) All Governmental Fund Types (Budgetary basis)

(2) Includes \$12 of special assessments revenue

(3) Includes \$7 of special assessments revenue

(4) Includes \$14 of special assessments revenue

(5) Includes \$3 of special assessments revenue

Source: Current and prior years' financial statements

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

Fiscal Year	Property	Transient lodging	Business income	Gasoline	Motor vehicle rental	Other	Total
1989	\$ 79,051	\$ 2,695	\$ 14,600	\$ 7,172	\$ 4,011	\$ 1,351	\$ 108,880
1990	82,366	3,699	13,740	6,945	5,386	2,670	114,806
1991	97,881	3,278	14,440	6,616	4,814	1,613	128,642
1992	89,789	3,466	19,920	7,023	4,978	2,369	127,545
1993	99,609	3,962	23,872	6,854	5,926	2,346	142,569
1994	110,239	3,553	22,912	6,926	6,389	1,598	151,617
1995	122,259	4,538	27,048	7,838	7,410	1,975	171,068
1996	131,620	5,032	30,040	7,770	8,694	1,852	185,008
1997	158,878	6,162	33,255	7,411	9,589	2,000	217,295
1998	157,885	5,841	32,524	7,393	10,205	1,252	215,100

(1) All Governmental Fund Types (Budgetary basis)

Source: Current and prior years' financial statements

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

Fiscal Year	Tax levy	Current collections	Collections as a % of levy	Prior year collections	Total collections	Total collections as a % of levy	Uncollected taxes	Uncollected taxes as a % of levy
1989	\$ 80,476	\$ 74,063	92.03 %	\$ 4,988	\$ 79,051	98.23 %	\$ 9,947	12.36 %
1990	84,647	78,422	92.65	3,944	82,366	97.31	12,228	14.45
1991	100,605	93,536	92.97	4,345	97,881	97.29	11,282	11.21
1992 (2)	91,957	84,838	92.26	4,951	89,789	97.64	10,893	11.85
1993	101,479	95,001	93.62	4,608	99,609	98.16	10,481	10.33
1994	110,598	105,430	95.33	4,809	110,239	99.68	10,035	9.07
1995	123,672	117,051	94.65	5,208	122,259	98.86	8,258	6.68
1996	135,104	128,020	94.76	3,600	131,620	97.42	8,152	6.03
1997	162,985	154,723	94.93	4,155	158,878	97.48	8,924	5.48
1998 (3)	158,856	153,321	96.52	4,564	157,885	99.39	8,925	5.62

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

Source: Current and prior years' financial statements

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

Fiscal Year	Personal property	Public utility property	Commercial property	Residential property	Total
1989	\$ 1,004,733	\$ 1,303,507	\$ 7,499,167	\$ 8,464,224	\$ 18,271,631
1990	1,032,886	1,417,606	7,631,464	8,579,922	18,661,878
1991	1,131,574	1,517,037	8,164,555	9,362,368	20,175,534
1992	1,130,602	1,426,209	9,761,548	11,007,703	23,326,062
1993	1,236,666	1,530,373	9,880,502	12,879,169	25,526,710
1994	1,203,111	1,628,475	9,941,135	14,727,420	27,500,141
1995	1,218,157	1,576,140	10,740,016	17,177,183	30,711,496
1996	1,330,246	1,647,640	11,938,742	19,766,868	34,683,496
1997	1,517,728	1,794,013	12,768,546	22,380,651	38,460,938
1998 (2)	1,812,064	2,000,951	14,123,977	24,330,799	42,267,791

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

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

Source: Multnomah County Division of Assessment and Taxation

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

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1989	\$ 4.39	\$ 6.43	\$ 0.76	\$ 18.45	\$ 0.02	\$ 0.37	\$ 0.90	\$ 31.32
1990	4.54	7.48	0.74	19.22	0.02	0.34	1.05	33.39
1991	4.99	7.54	0.69	18.83	0.01	0.29	1.11	33.46
1992 (2)	3.94	5.87	0.55	15.62	0.01	0.27	0.76	27.02
1993	3.98	5.91	0.71	13.33	0.01	0.22		24.16
1994	4.02	5.92	0.62	10.76	0.01	0.19		21.52
1995	4.03	5.92	0.49	8.12	0.01	0.07		18.64
1996	3.90	5.79	0.68	5.58		0.08	0.07	16.10
1997	4.24	5.47	0.55	6.20		0.07	0.47	17.00
1998 (3)	4.86	6.03	0.68	7.27		0.07	1.08	19.99

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

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

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

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

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

Fiscal Year	Multnomah County	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
1989	\$ 80,476	\$ 117,471	\$ 15,805	\$ 337,013	\$ 269	\$ 6,785	\$ 16,520	\$ 574,339
1990	84,647	139,605	13,869	358,770	298	6,266	19,566	623,021
1991	100,605	152,122	13,875	379,882	277	5,852	22,338	674,951
1992 (1)	91,957	136,958	12,780	364,468	260	6,362	17,656	630,441
1993	101,479	150,788	18,124	340,345	273	5,539	23	616,571
1994	110,598	162,870	17,068	295,852	290	5,298	21	591,997
1995	123,672	181,848	15,110	249,441	307	2,145	25	572,548
1996	135,104	200,896	23,515	193,685	155	2,633	2,520	558,508
1997	162,985	210,568	20,970	238,347	169	2,763	18,020	653,822
1998 (2)	158,856	196,846	22,318	237,275	154	2,323	35,347	653,119

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

(2) Measure #50 went into effect.

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

MULTNOMAH COUNTY, OREGON
PRINCIPAL TAXPAYERS
June 30, 1998
(amounts expressed in thousands)
(unaudited)

<u>Taxpayer account</u>	<u>Type of business</u>	<u>1998 Assessed Valuation (1)</u>	<u>Percentage of total assessed Valuation</u>
U. S. West Communications	Telephone utility	\$ 409,076	1.3 %
Portland General Electric	Electric utility	227,561	0.7
PacifiCorp (Pacific Power and Light)	Electric utility	179,416	0.6
Boeing Company	Aircraft parts	163,907	0.5
Oregon Arena Corporation	Property management	133,920	0.4
Alaska Airlines, Inc.	Airline	127,188	0.4
United Airlines, Inc.	Airline	114,845	0.3
Delta Airlines, Inc.	Airline	91,756	0.3
SI - Lloyd Associates	Property management	88,938	0.2
Fujitsu Microelectronics Inc.	Computers and electronics	<u>75,088</u>	<u>0.2</u>
		\$ <u>1,611,695</u>	<u>4.9 %</u>

(1) The 1997-98 assessed valuation is \$32,657,161; the real market valuation for Multnomah County is \$42,267,791.

Source: Multnomah County Division of Assessment and Taxation

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

<u>Fiscal Year</u>	<u>Assessments outstanding July 1</u>	<u>Assessments billed</u>	<u>Assessments collected</u>	<u>Assessments outstanding June 30</u>
1989	\$ 999	\$	\$ 342	\$ 657
1990	657		311	346
1991	346		168	178
1992	178		56	122
1993	122		38	84
1994	84		36	48
1995	48		12	36
1996	36		7	29
1997	29		14	15
1998	15		3	12

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 1998
(amounts expressed in thousands)
(unaudited)

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

Real market value (1997-98)	\$ 42,267,791
Debt limit	<u>2.00%</u>
	845,356
Less bonded debt at June 30	<u>128,470</u>
Legal debt margin	<u>\$ 716,886</u>

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

Fiscal Year	Commercial		Residential		Total		Bank deposits in \$(000) (2)
	Number of units (1) (7)	Value in \$(000)	Number of units (1)	Value in \$(000)	Number of units	Value in \$(000)	
1989	(3) 1,774	\$ 153,353	2,517	\$ 79,347	4,291	\$ 232,700	\$ 18,963,486
1990	(4) 1,218	99,052	2,523	92,666	3,741	191,718	8,390,851
1991	2,450	102,805	5,540	208,193	7,990	310,998	11,190,032
1992	2,387	134,681	5,852	281,327	8,239	416,008	9,568,464
1993	2,367	211,211	6,026	254,668	8,393	465,879	11,222,080
1994	(5) 1,106	228,787	2,757	117,655	3,863	346,442	9,536,224
1995	920	323,947	2,273	115,317	3,193	439,264	11,552,255
1996			4,453	320,871	4,453	320,871	11,414,176
1997			4,331	350,666	4,331	350,666	14,543,385
1998			(6) 2,653	223,878	2,653	223,878	13,045,877

(1) Information maintained on a calendar year basis

(2) June 30, each year

(3) January through June 1989

(4) January through June 1990

(5) January through June 1994

(6) January through June 1998

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

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

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

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

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

(2) Population not expressed in thousands

(3) Oregon law requires that assessed value approximate real market value

(4) Amount available for repayment of general obligation bonds

(5) Net Bonded Debt stated in dollars

Source: Current financial statements.

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to General Government Expenditures
1995	\$ 1,295	\$ 1,348	\$ 2,643	\$ 391,759	0.7 %
1996	995	1,474	2,469	423,151	0.6
1997	1,035	2,911	3,946	475,146	0.8
1998	7,905	6,740	14,645	500,901	2.9

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

Source: Current financial statements

MULTNOMAH COUNTY, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 1998
(amounts expressed in thousands)
(unaudited)

Overlapping District	Percent Overlapping	Overlapping	
		Gross (1) Bonded Debt	Net (2) Direct Debt
Mt. Scott Water District	0.89 %	\$ 19	\$ 19
Clackamas County School District 7	0.43	82	82
City of Lake Oswego	6.64	1,377	1,377
City of Milwaukie	0.39	18	18
Scappoose RFPD	7.31	13	13
Columbia County School District 1J	3.51	86	86
Port of Portland	44.61	10,271	10,271
Metro	48.82	103,015	103,015
Tri-County Metropolitan Transp. Service District	48.64	63,705	63,705
Sauvie Island RFPD 30	100.00	290	290
Multnomah County School District 1J	99.20	253,774	253,774
Multnomah County School District 3	100.00	32,905	32,905
Multnomah County School District 7	100.00	30,420	30,420
Multnomah County School District 19	100.00	230	230
Multnomah County School District 28J	92.09	10,526	10,526
Multnomah County School District 39	100.00	6,735	6,735
Multnomah County School District 40	100.00	18,185	18,185
Multnomah County School District 51J	95.92	10,479	10,479
Multnomah County School District 10JT	80.86	28,817	28,817
Orient School District 6 Bonds	55.26	1,259	1,259
Gresham Grade School District 4 Bonds	100.00	21,490	21,490
Mount Hood Community College	82.73	2,341	2,341
Portland Community College	45.09	23,115	23,115
City of Fairview	100.00	30	
City of Gresham	100.00	10,845	10,615
City of Portland	99.59	251,537	65,263
City of Troutdale	100.00	2,199	1,409
City of Wood Village	100.00	460	460
Unified Sewerage Agency	0.75	16	12
Tualatin Valley Fire and Rescue	2.19	6	6
Washington County School District 48J	0.46	905	905
Hillsboro 1J	0.16	1	1
		<u>\$ 885,151</u>	<u>\$ 697,823</u>

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

(2) Includes all tax-supported bonds.

Source: Municipal Debt Advisory Commission, Oregon State Treasury

MULTNOMAH COUNTY, OREGON
INSURANCE IN FORCE
June 30, 1998
(unaudited)

<u>Insurance Company</u>	<u>Coverage</u>	<u>Expiration</u>
Allianz Insurance Co. Policy No. 1031755	Property Hawthorne Bridge	03/31/99
American Protection Insurance Co. Policy No. 3ZT746102-07	Buildings and Equipment	10/02/98
American Protection Insurance Co. Policy No. 3ZT746102-07	Comprehensive Boiler and Machinery	10/02/98
American Protection Insurance Co. Policy No. 3ZT746102-07	Hull and Machinery Marine Policy	10/02/98
American Protection Insurance Co. Policy No. 3ZT746102-07	Justice Center Equipment Policy	10/02/98
Lumbermens Mutual Casualty Policy No. 3MF746102-06	Liability Policy	10/02/98
Republic Western Policy No. RSU 3601134	Excess Workers' Compensation	07/01/98
Hartford Insurance Co. Policy No. PEBZE 67 13	Blanket Faithful Performance Bond	01/01/99
Hartford Insurance Co. Bond No. 5088331	Faithful Performance Bond - Public Official Tax Collector	01/01/99
Bond No. 5088332	Finance Director	01/01/99
Bond No. 5091060	Treasury Manager	01/01/99
Hartford Insurance Co. Bond No. 5088334	Faithful Performance Bond - Public Guardian	01/01/99
Hartford Insurance Co. Bond No. SUN404213	DEQ License Bond (Multnomah County)	01/01/99
Hartford Insurance Co. Bond No. 5087364	DEQ License Bond (Mechanic/Equipment Operator)	01/01/99
Hartford Insurance Co. Bond No. SUN404214	DEQ License Bond (Mechanic/Equipment Operator/Fleet Inspector)	01/01/99
Hartford Insurance Co. Bond No. 5088391	DEQ License Bond (Mechanic/Equipment Operator)	01/01/99
Hartford Insurance Co. Bond No. SUN403141	DEQ License Bond (Fleet Inspector)	01/01/99

Source: County Insurance Agent

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

Fiscal Year	Population	Per capita income (1)	Median household effective buying income (1)	Unemployment rate (3)	
1989	581,000	\$ 18	28	4.5	%
1990	580,029	19	30	4.2	
1991	600,000	20	33	4.9	
1992	605,000	21	34	6.2	
1993	615,000	22	36	6.0	
1994	620,000	23	39	4.5	
1995	626,500	25	34	3.8	
1996	636,000	N/A	35	4.5	(2)
1997	639,000	N/A	N/A	4.3	
1998	639,000	N/A	N/A	4.2	(4)

(1) Amounts expressed in thousands

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

(3) Portland Metropolitan Statistical Area

(4) Preliminary estimate

N/A means not available at current time

Source: Employment Division, Oregon State Department of Human Resources

MULTNOMAH COUNTY, OREGON
MAJOR EMPLOYERS IN METROPOLITAN AREA
June 30, 1998
(unaudited)

Employer	Product or Service	1997 Employment
Intel Corporation	Semiconductor integrated circuits	11,000
Providence Health Care System	Hospitals and clinics	8,938
Fred Meyer, Inc.	Grocery and retail variety chain	8,905
Kaiser Permanente	Hospitals and clinics	7,663
U. S. Bancorp	Bank and holding company	6,242
Legacy Health System	Hospital and health services	4,900
Tektronix, Incorporated	Electronic testing instruments	4,680
Freightliner Corporation	Medium and heavy-duty trucks	4,600
Wells Fargo & Co.	Bank	4,000
Safeway Stores	Grocery chain stores	4,000
U. S. West Communications	Communications utility	3,440
Meier and Frank Company	Department stores	3,154
United Parcel Service	Small package transport	3,100
Hewlett-Packard Co.	Computer printers	3,000
Nike, Incorporated	Sports footwear and apparel	2,850
Thrifty Payless/Rite Aid Corp.	Retail drug stores	2,300
Portland General Corp.	Electric utility	2,250
Precision Castparts	Steel castings	2,120
Blue Cross & Blue Shield of Oregon	Health insurance & HMO	2,105
Consolidated Freightways Inc.	Transportation	2,000
Shari's Management Corp.	Restaurant chain	2,000
Southwest Washington Medical Center	Medical care	2,000
James River Corporation	Pulp and paper packaging	1,916
Horizon Air	Airline	1,800
Nordstrom	Retail specialty stores	1,700
SEH America	Silicon wafers	1,650
Sequent Computer Systems	Supermini computer systems	1,650
Bank of America Oregon	Full commercial banking services	1,594
McDonalds Corporation	Restaurants	1,500
Waker Siltronic Corporation	Silicon semiconductor materials	1,500
Boeing of Portland	Aircraft frame structures	1,450
Pacificorp	Electricity, mining, and telecommunications	1,421
Target Stores	Retail chain	1,400
Double Tree Motels	Hotel/motel chain	1,400
GTE NW	Communications	1,330
J.C. Penney Co.	Department stores	1,300
Westwind Group dba Burger King	Burger King restaurants	1,300
Federal Government		16,000
State Government		9,900
Portland Public Schools		6,200
City of Portland		5,172
Multnomah County		4,511
Tri - Met		2,321

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

MULTNOMAH COUNTY, OREGON
MISCELLANEOUS STATISTICAL DATA
 June 30, 1998
 (unaudited)

GENERAL

Date of incorporation	1854
Date present charter adopted	1967
Date present charter amended	1990
Form of government	Home Rule Charter
Area - square miles	465
Multnomah County employees:	
Management and exempt	602
Bargaining units	3,668

MILES OF STREETS (UNINCORPORATED AREA)

Paved	245
Unpaved	30

FIRE PROTECTION

Number of stations	37
Number of employees:	
Full-time	837
Volunteer	105

SHERIFF PROTECTION

Number of arrests (Parts 1,2 & 3 crimes)	1,925
Vehicular patrol units	26
Number of employees (sworn and civilian)	831
Jails:	
Facilities	5
Population	1,677

RECREATION

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

EDUCATION

Number of schools:	
Elementary	133
Alternative special	7
Junior/senior high school	3
High schools	18
Colleges	18
Employees:	
Principals and vice principals	266
Administrative and support	3,869
Teachers	4,669
Number of students (estimated)	87,738
Average daily attendance (estimated)	84,923

SEWAGE DISPOSAL

Number of accounts	553
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STREET LIGHTING

Number of Lights	3,225
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ELECTIONS

Number of registered voters	389,337
Number of votes cast in last general election	273,594
Percentage of registered voters voting in last general election	67.7%

AUDIT COMMENTS AND DISCLOSURES
Required by State Regulations

**MULTNOMAH COUNTY, OREGON
AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

Introduction

Oregon Administrative Rules 162-10-050 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in the preceding sections of this report.

KPMG Peat Marwick LLP's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* is set forth in the following pages.

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Suite 2000
1211 South West Fifth Avenue
Portland, OR 97204

**Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

The Board of County Commissioners
Multnomah County, Oregon
Portland, Oregon:

We have audited the general purpose financial statements of Multnomah County, Oregon (the County) as of and for the year ended June 30, 1998, and have issued our report thereon dated December 1, 1998, which was qualified because insufficient audit evidence existed to support the County's disclosures with respect to the Year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's general purpose financial statements are free of material misstatement, we performed tests of its compliance, if applicable, with certain provisions of laws, regulations, contracts and grants, including provisions of Oregon Revised Statutes as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The amount and adequacy of collateral pledged by depositors to secure the deposit of public funds.
- The legal requirements relating to debt.
- The legal requirements relating to the preparation, adoption and execution of the annual budget for the 1998 and 1999 fiscal years.
- The legal 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 legal requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the use of road funds.
- The legal requirements pertaining to the investment of public funds.
- The legal requirements pertaining to the awarding of public contracts and the construction of public improvements.

The Board of County Commissioners
Multnomah County, Oregon

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Multnomah County, Oregon in a separate letter dated December 1, 1998.

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

KPMG Peat Marwick LLP

Portland, Oregon
December 1, 1998

