



# MULTNOMAH COUNTY OREGON



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009



## *About the Cover*

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

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

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

*Photos by Dan Bravin, County CROPS farm manager.*

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



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



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## ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON

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*TED WHEELER*  
*Chair*



*DEBORAH KAFOURY*  
*Commissioner District 1*



*JEFF COGEN*  
*Commissioner District 2*



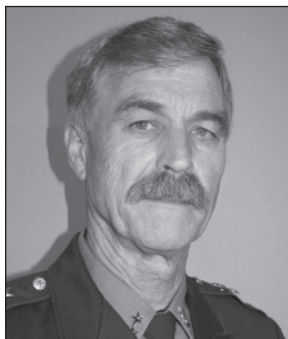
*JUDY SHIPRACK*  
*Commissioner District 3*



*DIANE McKEEL*  
*Commissioner District 4*



*STEVE MARCH*  
*Auditor*



*BOB SKIPPER*  
*Sheriff*



*MICHAEL SCHRUNK*  
*District Attorney*



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





**Department of County Management**  
**MULTNOMAH COUNTY OREGON**

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

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November 25, 2009

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

## **INTRODUCTION**

We are pleased to submit the Comprehensive Annual Financial Report of Multnomah County, Oregon, for the fiscal year ended June 30, 2009, together with the opinion thereon of our independent certified public accountants, Moss Adams LLP. This report, required by Oregon Revised Statutes 297.425, is prepared by the Department of County Management. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

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

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

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

## **PROFILE OF MULTNOMAH COUNTY, OREGON**

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

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

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

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

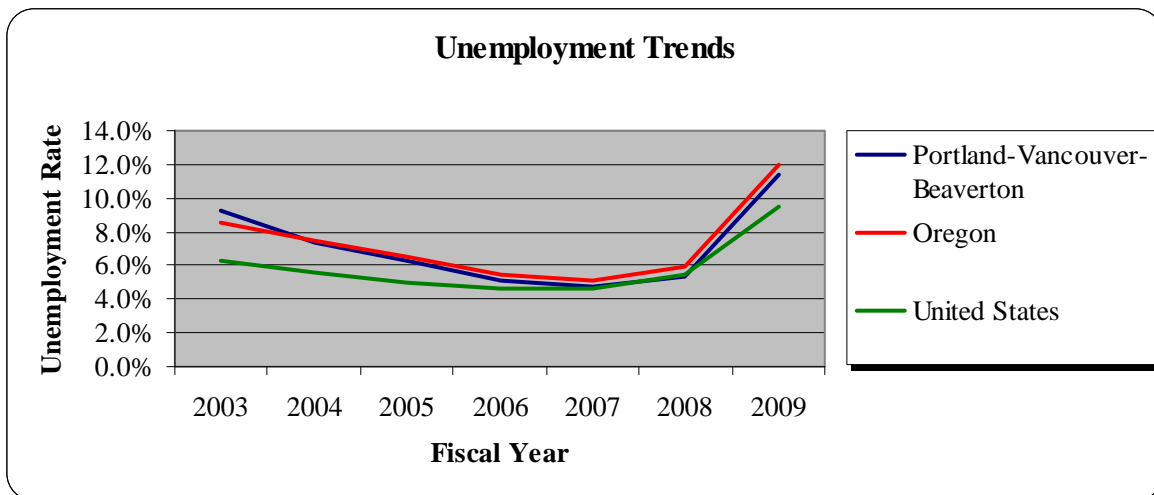
Budget to actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. For the General fund and the Federal State Program special revenue fund the budget to actual comparisons are provided on pages 35-36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

## FACTORS AFFECTING FINANCIAL CONDITION

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

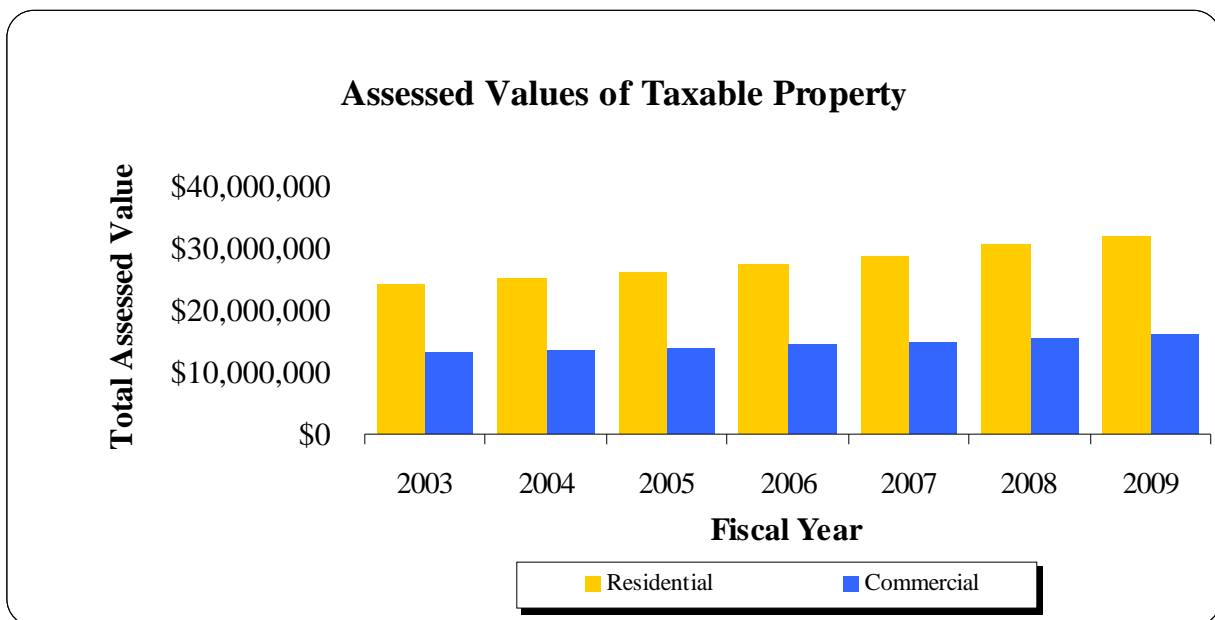
The Portland-Vancouver-Beaverton PMSA's (Primary Metropolitan Statistical Area) economy continued to weaken throughout fiscal year 2009. Some signs of stabilization have emerged during the first quarter of fiscal year 2010. Like the rest of the nation, the region has experienced declining real estate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

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



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

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



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

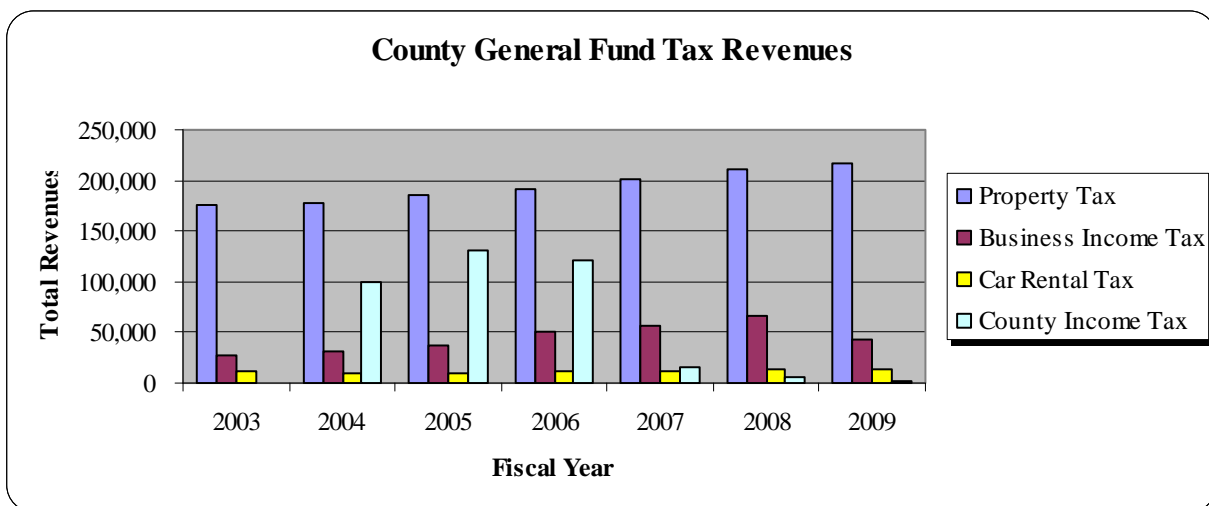
Motor vehicle rental taxes, which decreased in each of the three years immediately following the September 11<sup>th</sup> terrorist attacks, fell by 4.38% in fiscal year 2009 after growing by 30% from fiscal year 2004 to 2008. The Board increased the motor vehicle rental tax from 12.5% to 17% in June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

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

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



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



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

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

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

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

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

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

#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2008. This was the twenty-fourth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.


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

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

Respectfully Submitted,



Mindy Harris  
Chief Financial Officer



Cara Fitzpatrick  
Accounting Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Multnomah County  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

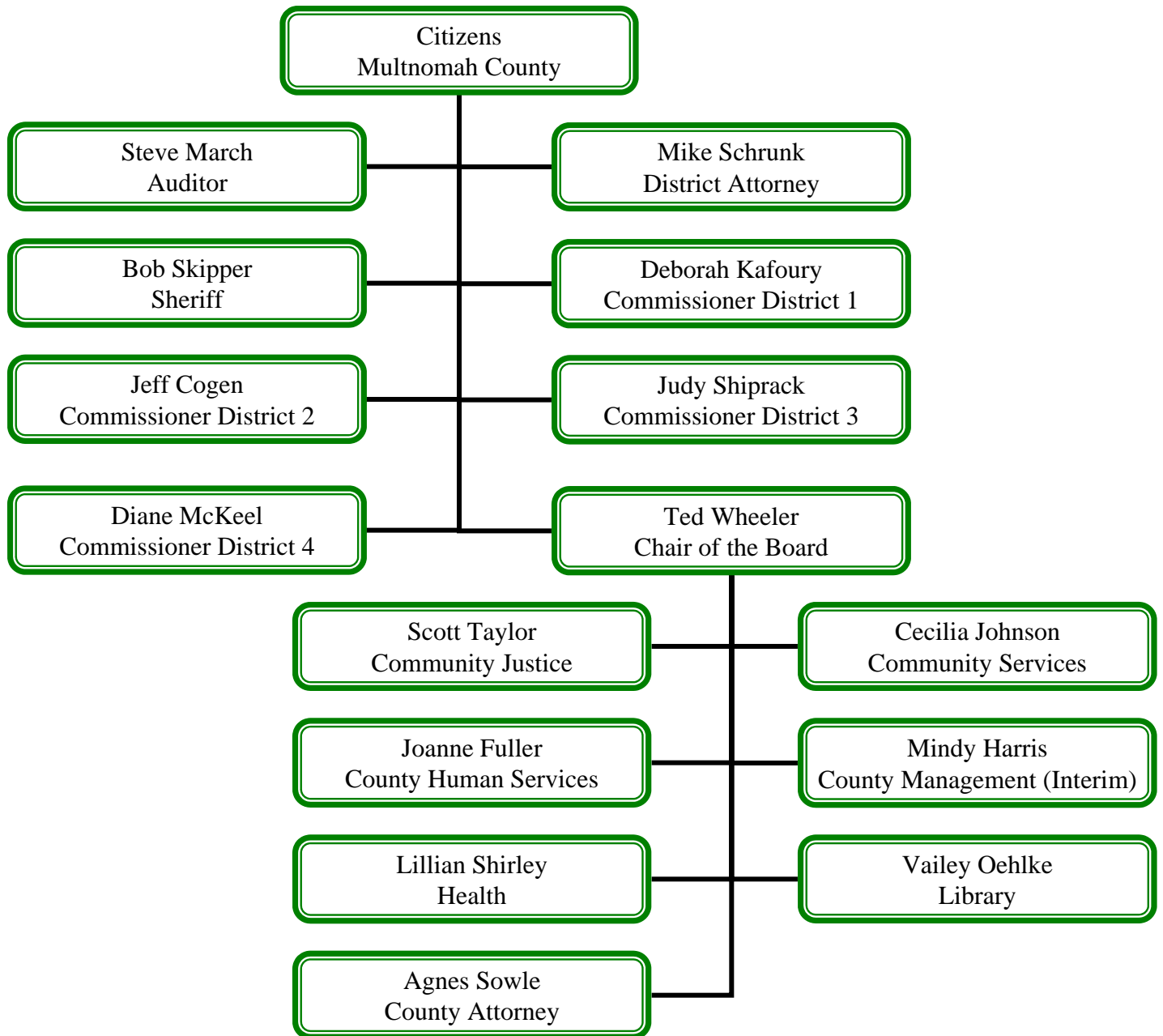
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



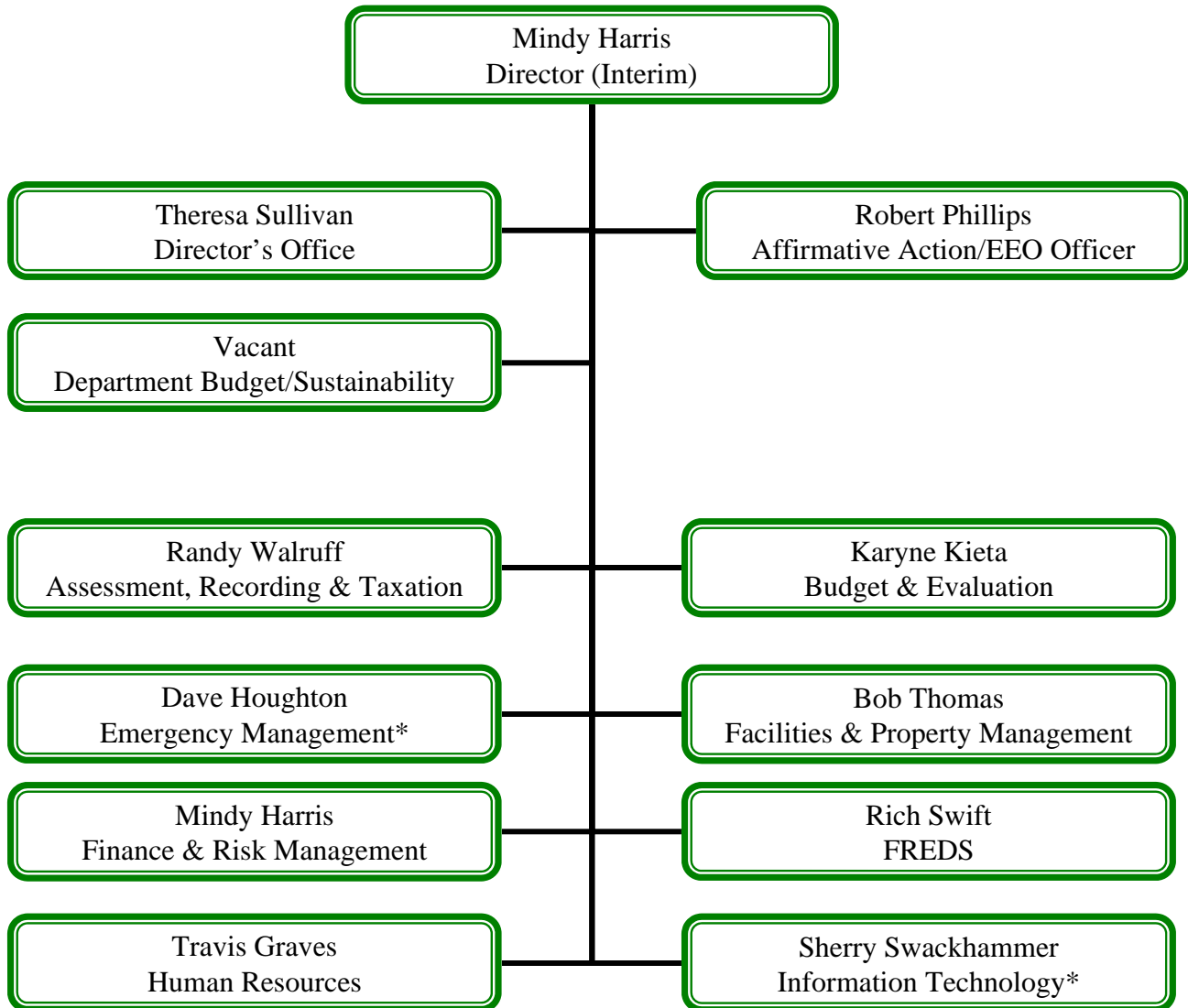
President

Executive Director

# MULTNOMAH COUNTY, OREGON

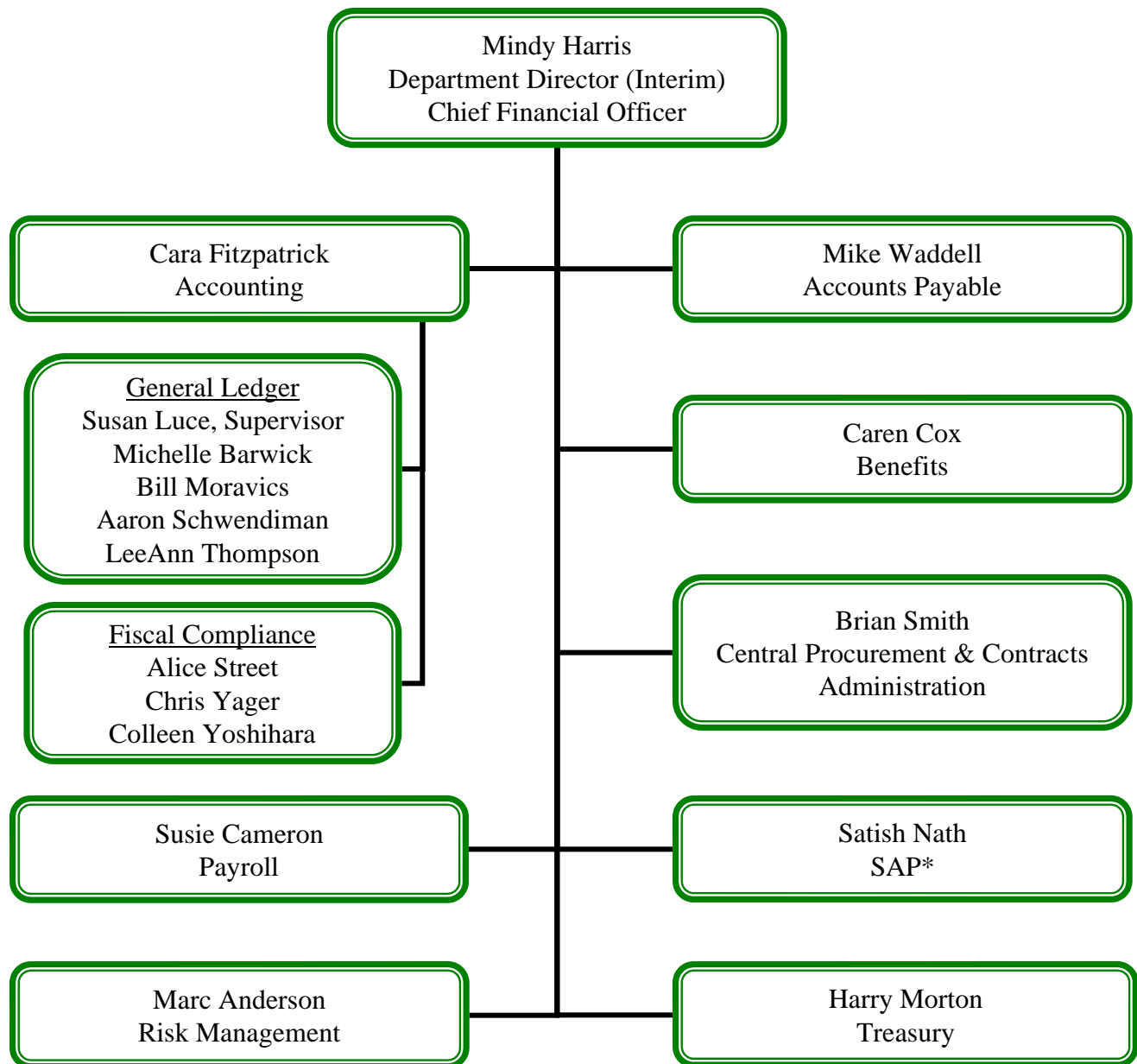


**MULTNOMAH COUNTY, OREGON**  
**Department of County Management**



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

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



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

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

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

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Multnomah County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Multnomah County, Oregon as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Multnomah County, Oregon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Library Foundation, a discretely presented component unit, which represents 1.27% and 0.08% of total assets and total revenues, respectively, for the year then ended. Those statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Library Foundation, is based solely on the report of other auditors.

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

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

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

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

The management's discussion and analysis and OPEB information on pages 14 through 27 and 76 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to this information which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



For Moss Adams LLP  
Eugene, Oregon  
November 24, 2009



**Department of County Management**

**MULTNOMAH COUNTY OREGON**

**501 SE Hawthorne Blvd, Suite 531**

**Portland, Oregon 97214**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Multnomah County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

**Financial Highlights**

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

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

## Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The County maintains 26 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Federal State Program Fund, and the PERS Pension Bond Fund, which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements and respective reconciliations can be found on pages 31-34 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 37-39 of this report.

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 41 of this report.

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

### Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its other post employment healthcare benefits obligations. Required supplementary information can be found on page 76.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$571,134 at the close of the most recent fiscal year.

#### Multnomah County's Net Assets

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

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



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

In fiscal year 2009 there is a deficit in unrestricted net assets. A primary reason for the decrease from 2008 in unrestricted net assets is due to the \$24,200 one-time General Fund resources to retire debt related to County facilities and pay off other debt issues. Considering the County's long-term obligations in the Statement of Net Assets, the County recognizes the necessity to be able to meet current financial obligations and has no reason to believe that liabilities will not be met in future periods.

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

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

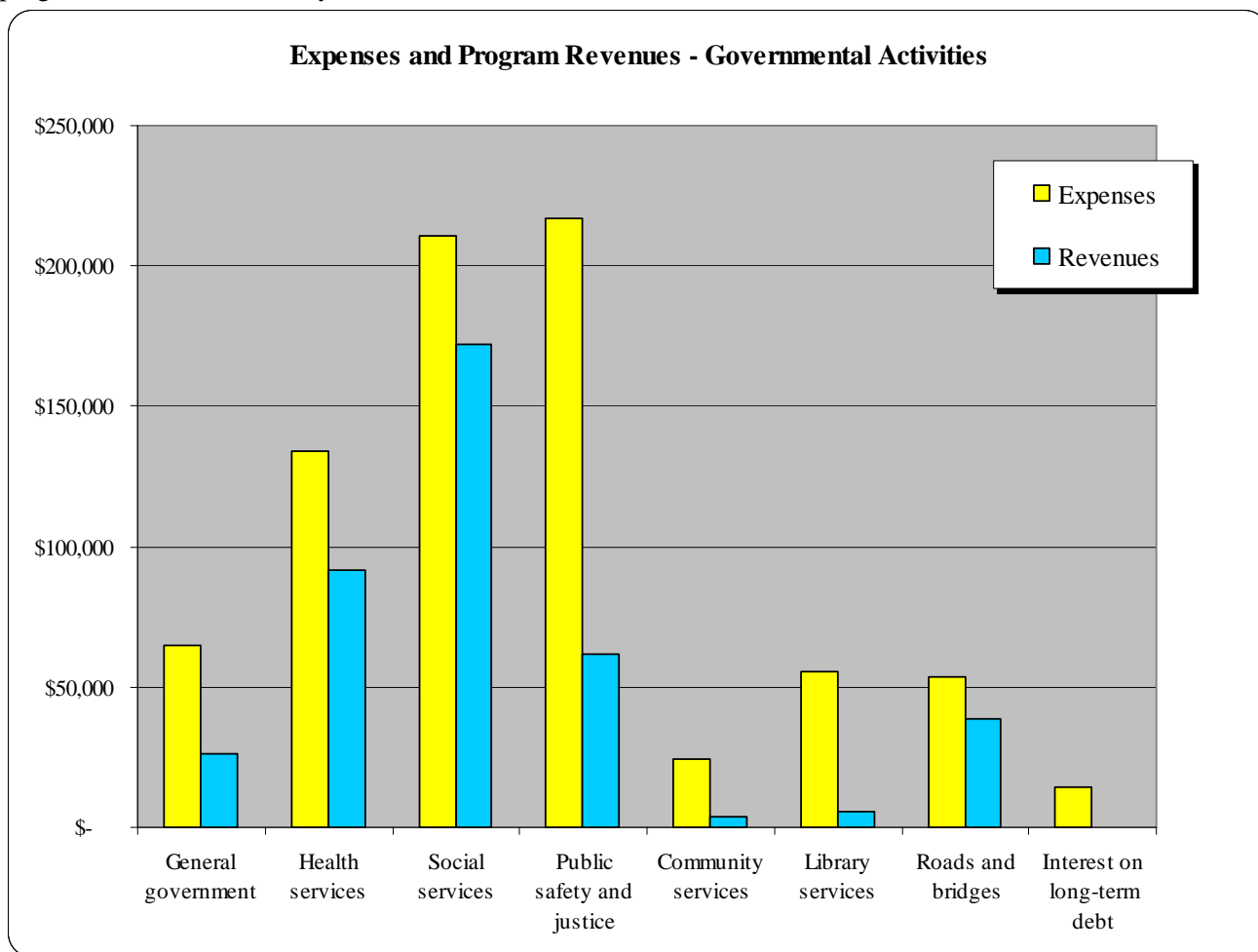
## Multnomah County's Changes in Net Assets

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

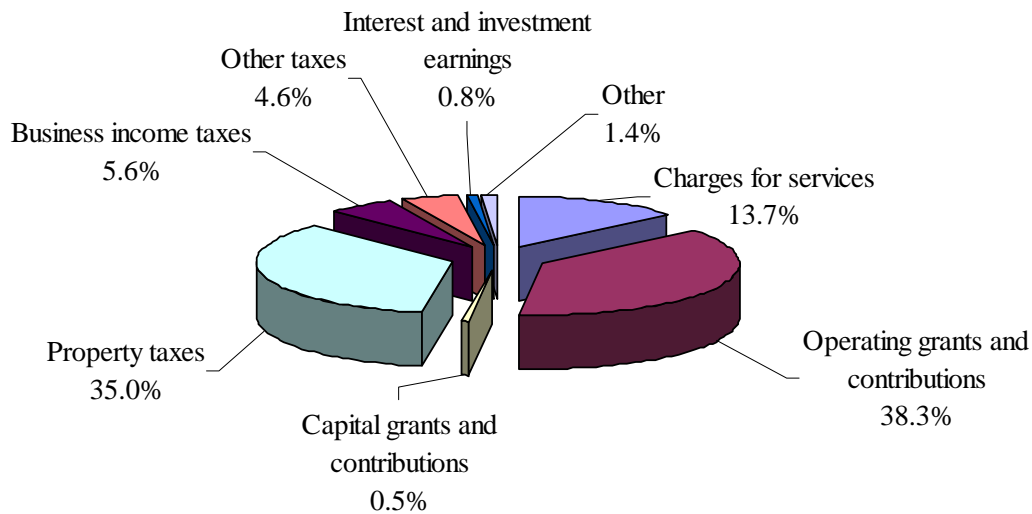
**Governmental activities.** Governmental activities decreased the County's net assets by \$12,951; key elements of this increase are highlighted below:

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

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



### Revenues by Source, Governmental Activities

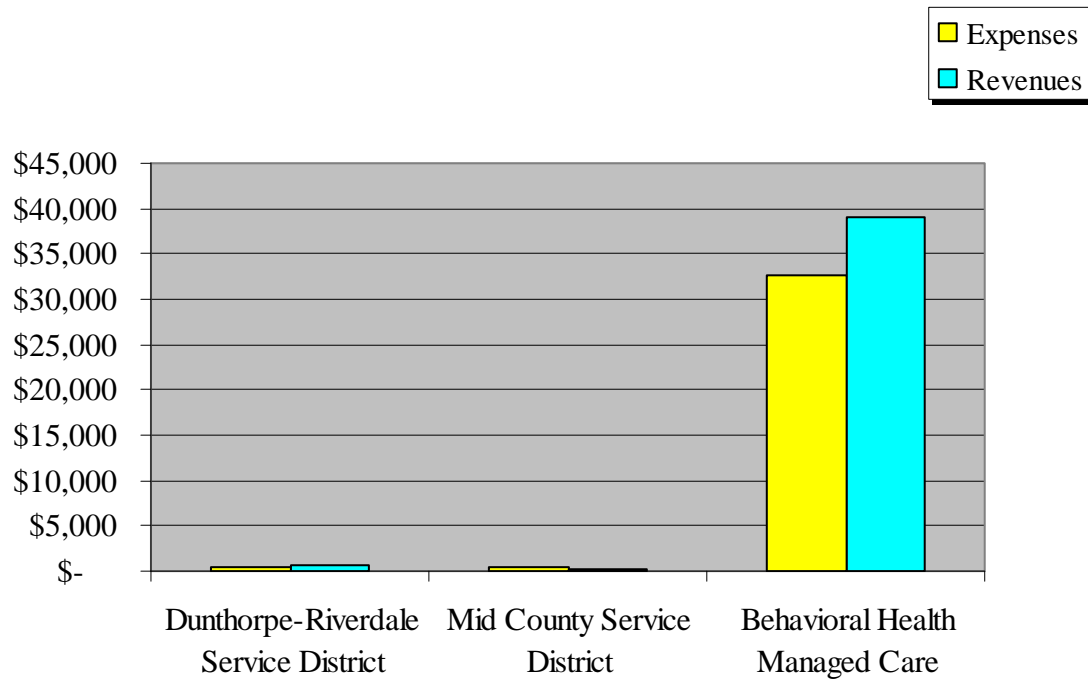


**Business-type activities.** Business-type activities increased the County's net assets by \$6,721, compared to a decrease of \$1,280 in the prior year. The primary reasons for the current year's increase are:

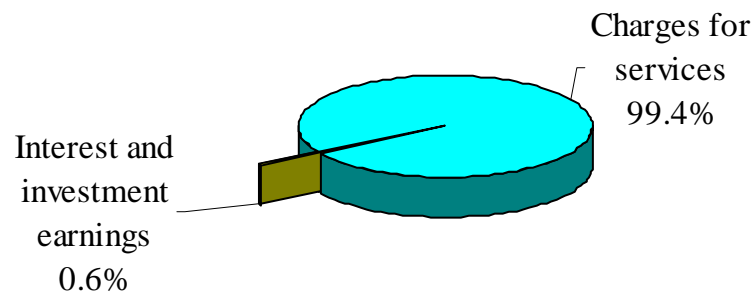
- The Behavioral Health Managed Care fund manages the insurance for Medicaid and Oregon Health Plan enrolled members within Multnomah County. Net assets in this fund increased by \$6,523 as compared to a decrease of \$1,374 in the prior year. The current year increase is a result of a utilization review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

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

### Expenses and Revenues - Business-type Activities



### Revenues by Source - Business-type Activities



## Financial Analysis of the Government's Funds

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

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

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

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

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

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

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

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

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

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

The total change in net assets for all proprietary funds was an increase of \$6,721. Other factors concerning the finances of these three funds have already been addressed in the discussion of the County's business-type activities.

## General Fund Budgetary Highlights

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

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

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

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

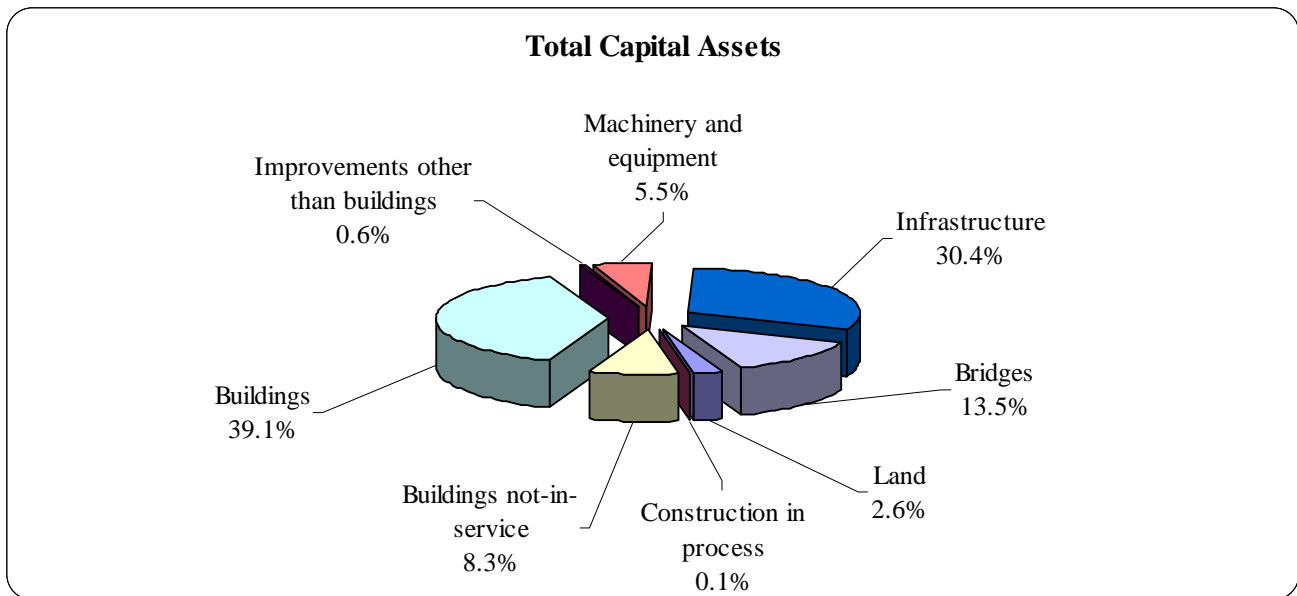
## Capital Projects and Debt Administration

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

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

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

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



**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding of \$295,019. Of this amount, \$56,570 comprises debt backed by the general obligation bonds; \$223,829 represents debt backed by the full faith and credit bonds; \$623 comprises long term loan obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (e.g., revenue bonds, capitalized leases). Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.



### Multnomah County's Outstanding Debt

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

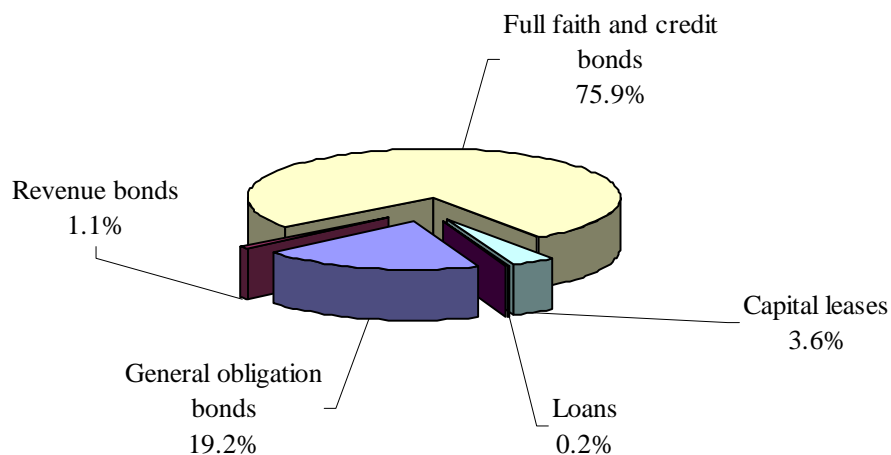
The County's total debt decreased by \$22,881 or approximately 7% during the current fiscal year. Changes to the County's long-term debt during fiscal year 2009 consisted primarily of principal payments.

The County maintains an "Aa1" rating with a stable outlook from Moody's, for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for general obligation debt is \$2,147,639, which is significantly in excess of the County's outstanding general obligation debt. State statutes also limit the amount of full faith and credit obligations to one percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for full faith and credit obligations is \$1,073,820, which is in excess of the County's outstanding full faith and credit debt. The County is also subject to State statute on revenue bonds used to finance pension liabilities by 5% of the real market value of all taxable property within the County's boundaries. The current debt limitation for pension revenue bonds is \$5,369,098, which is also in excess of the County's outstanding pension revenue bonds.

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

**Total Outstanding Long-Term Debt**



## **Key Economic Factors and Budget Information for Next Year**

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

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

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

## **Requests for Information**

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

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

**BASIC FINANCIAL STATEMENTS**



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

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

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

**MULTNOMAH COUNTY, OREGON**

**Statement of Activities**

**For the Year Ended June 30, 2009**

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Fees, Fines and Charges or Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Primary government:				
Governmental activities:				
General government	\$ 64,660	\$ 21,936	\$ 4,107	\$ 99
Health services	133,751	60,340	31,117	-
Social services	210,590	1,125	170,657	-
Public safety and justice	217,215	17,597	44,258	-
Community services	24,320	10	3,444	489
Library	55,181	1,754	3,552	-
Roads and bridges	53,462	1,227	33,883	3,243
Interest on long-term debt	14,041	-	-	-
Total governmental activities	<u>773,220</u>	<u>103,989</u>	<u>291,018</u>	<u>3,831</u>
Business-type activities:				
Dunthorpe-Riverdale service				
District Number 1	458	713	-	-
Mid County service				
District Number 14	420	264	-	80
Behavioral health managed care	<u>32,720</u>	<u>39,027</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>33,598</u>	<u>40,004</u>	<u>-</u>	<u>80</u>
Total primary government	<u>\$ 806,818</u>	<u>\$ 143,993</u>	<u>\$ 291,018</u>	<u>\$ 3,911</u>
Component unit:				
The Library Foundation	<u>\$ 2,341</u>	<u>\$ -</u>	<u>\$ 670</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Personal income taxes				
Business income taxes				
Selective excise and use taxes				
Payments in lieu of taxes				
State government shared unrestricted revenues				
Grants and contributions not restricted to specific programs				
Interest and investment earnings				
Miscellaneous				
Gain on sale of capital assets				
Total general revenues				
Change in net assets				
Net assets - beginning				
Net assets - ending				

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

<b>Net (Expenses) Revenues and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>The Library Foundation</b>
\$ (38,518)	\$ -	\$ (38,518)	\$ -
(42,294)	-	(42,294)	-
(38,808)	-	(38,808)	-
(155,360)	-	(155,360)	-
(20,377)	-	(20,377)	-
(49,875)	-	(49,875)	-
(15,109)	-	(15,109)	-
(14,041)	-	(14,041)	-
(374,382)	-	(374,382)	-
-	255	255	-
-	(76)	(76)	-
-	6,307	6,307	-
-	6,486	6,486	-
(374,382)	6,486	(367,896)	-
-	-	-	(1,671)
\$ 258,200	\$ -	\$ 258,200	-
8,227	-	8,227	-
(5,341)	-	(5,341)	-
42,900	-	42,900	-
39,161	-	39,161	-
1,516	-	1,516	-
8,562	-	8,562	-
14	-	14	2,014
5,767	235	6,002	(1,945)
1,797	-	1,797	1
628	-	628	-
361,431	235	361,666	70
(12,951)	6,721	(6,230)	(1,601)
571,012	6,352	577,364	14,915
\$ 558,061	\$ 13,073	\$ 571,134	\$ 13,314

**MULTNOMAH COUNTY, OREGON**

**Balance Sheet**

**Governmental Funds**

**June 30, 2009**

(amounts expressed in thousands)

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

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



**MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Balance Sheet to the Statement of Net Assets**  
**Governmental Funds**  
**As of June 30, 2009**  
**(amounts expressed in thousands)**

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

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

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

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

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

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

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

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## MAJOR GOVERNMENTAL FUNDS

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

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



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

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

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

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

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

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



## PROPRIETARY FUNDS

The County utilizes eight Proprietary Funds made up of three Enterprise Funds and five Internal Service Funds. Internal Service Funds' statements begin on page 116.

### **Enterprise Funds:**

These funds are used to finance and account for the acquisition, operation and maintenance of sewage treatment facilities, street lighting facilities and 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 and capital outlay. Funds included are:

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



**MULTNOMAH COUNTY, OREGON**

**Statement of Net Assets**

**Proprietary Funds**

**June 30, 2009**

(amounts expressed in thousands)

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

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

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

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

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

**MULTNOMAH COUNTY, OREGON**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Year Ended June 30, 2009**

**(amounts expressed in thousands)**

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

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

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## **FIDUCIARY FUNDS**

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

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





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

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

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

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

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**Note 1. Summary of Significant Accounting Policies**

**A. Reporting entity**

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

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

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

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

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

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

**B. Government-wide and fund financial statements**

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

**D. Assets, liabilities, and net assets or equity**

***1. Cash and investments***

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

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

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

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

**2. *Receivables and payables***

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

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

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

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

**3. *Inventories and prepaid items***

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

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

**4. *Fund balances and net assets***

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

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

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

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

**5. *Capital assets***

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



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

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

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

**6. *Other assets***

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

**7. *Unearned / Deferred revenues***

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

**8. *Compensated absences***

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

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

**9. *Long-term obligations***

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

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

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

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

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

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

***11. Pollution Remediation Obligations***

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

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

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

***12. Contributions and in-kind donations***

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

***13. Estimates***

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

***14. Reclassifications***

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

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**Note 2. Stewardship, compliance, and accountability**

**A. Budgetary information**

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

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

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

**B. Expenditures in excess of appropriations**

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

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

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

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

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

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

**Note 3. Detailed notes on all funds**

**A. Cash and investments**

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

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

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

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

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

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

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repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund Board, providing the County with a margin against a decline in the market value of the securities. The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Portfolio weighted average maturity 2.4

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

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

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



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

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

**B. Receivables**

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

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**MULTNOMAH COUNTY**  
**Accounts Receivable**

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

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

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

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

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

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**C. Capital assets**

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

**Primary Government**

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

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

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

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

**D. Other assets**

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

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

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

**E. Interfund receivables, payables, and transfers**

Due from / to other funds:

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

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

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

\*Internal service fund

Advances to / from other funds:

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

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

\*Internal service fund

Interfund Transfers:

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

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

**F. Long-term liabilities**

General Obligation Bonds

The County issues general obligation bonds to provide funds for the rehabilitation, construction and acquisition of various library and public safety facilities and related

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

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

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

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 6,860	\$ 2,387
2011	7,160	2,093
2012	7,470	1,780
2013	7,490	1,451
2014	7,835	1,106
2015 – 2017	19,755	1,397
Total	<u>\$ 56,570</u>	<u>\$ 10,214</u>

#### Revenue Bonds

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

In November 2000, the County issued \$2,000 of revenue bonds to finance the costs of acquiring land and constructing, renovating, improving and equipping certain facilities to be used as a vocational training center for developmentally disabled residents of Multnomah County. This debt issue is subject to Federal arbitrage regulations. The County entered into a public / private partnership agreement with Port City Development (Port City), a 501(c)(3) non profit agency. The future lease payments from Port City are pledged revenues for the debt service on these bonds. The term of the agreement with

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

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

Revenue bonds outstanding at year-end are as follows:

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

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

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

Full Faith and Credit Bonds

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

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



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

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

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

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

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

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

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

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

Capital Leases

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

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

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

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

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Future minimum lease payments are as follows:

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

Loans Payable

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

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

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ -	\$ -
2011	-	2
2012	413	2
2013	210	2
Total	<u>\$ 623</u>	<u>\$ 6</u>

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Changes in long-term liabilities

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

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

Pollution Remediation Obligations

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

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

Defeased Full Faith and Credit Bonds

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

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

Conduit Financing

*Multnomah County Conduit Financing*

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

On December 1, 1999, the County issued \$9,830 in Higher Education Variable Rate Demand Revenue Bonds. The proceeds of these bonds were used to provide funds to reimburse Concordia University for the costs of acquiring, constructing and improving the educational facilities of the University (the Project), fund a debt service reserve fund and pay the costs of issuing the bonds. The Higher Education Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by Concordia University. As the County does not own any of the assets constructed or assume any liabilities associated with the Project, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2009, \$8,065 of the Higher Education Variable Rate Demand Revenue Bonds were outstanding.

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

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

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

*Hospital Facilities Authority of Multnomah County Conduit Financing*

On December 3, 1998, the County created a component unit, the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). The Authority issues hospital revenue bonds for construction and improvements to health facilities in Multnomah County. On March 1, 1999, the Authority issued \$26,000 in Hospital Revenue Bonds (Terwilliger Plaza). On December 4, 2003, the Authority issued an additional \$17,200 in Hospital Revenue Bonds (Holladay Park Plaza). On July 13, 2004, the Authority issued \$100,000 in Hospital Revenue Bonds (Providence Health Systems). On December 12, 2006, the Authority issued \$39,765 in revenue bonds (Terwilliger Plaza). On July 2, 2007, the Authority issued \$8,200 in Revenue Bonds (Pacific Mirabella). On October 26, 2008, the Authority issued an additional \$221,645 in Variable Rate Demand Revenue Bonds (Mirabella at South Waterfront). Then on March 1, 2009, the Authority issued \$7,050 in Variable Rate Demand Revenue and Refunding Bonds (Oregon Baptist Retirement Homes Project). The proceeds of these bonds issues were used by health care facilities to finance various capital projects and refund outstanding bonds. The debt issues have not been recognized as a liability of the County or the Authority because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the health care facilities. Terwilliger Plaza, Holladay Park Plaza, Providence Health Systems, Mirabella and Oregon Baptist have pledged the gross revenues of the health care facilities to secure payment of the bonds. The bonds shall not be payable from a charge upon any fund or asset, nor shall the County or the Authority be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County. Upon completion of the project, the assets constructed or purchased are owned by Terwilliger Plaza, Holladay Park Plaza, Providence Health Systems, Mirabella and Oregon Baptist. Since neither the County nor the Authority own any assets or assume any liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County's financial statements. As of June 30, 2009, the total debt outstanding for the Hospital Facilities Authority of Multnomah County was \$404,675 of these bonds were outstanding.

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**Note 4. Other information**

**A. Risk management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County established risk management programs for liability and workers' compensation, whereby premiums are calculated on payroll expenses in all funds and are paid into the risk management fund. The funds are available to pay claims, claim reserves, and reduce administrative costs of the program. These interfund premiums are used to offset the amount of claims expenditure reported in the risk management fund. As of June 30, 2009, interfund premiums exceeded reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The County's excess insurance coverage policies cover claims in excess of \$750 for workers' compensation and \$1,000 for all liability claims. Settlements have not exceeded coverages for each of the past three fiscal years. The County anticipates the balance in the claims liability account at year-end will be paid within the next fiscal year.

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

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

**B. Subsequent events**

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

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

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

**C. Commitments and contingent liabilities**

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

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

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

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

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



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**D. Post employment benefits other than pensions**

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

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

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

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

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

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

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

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

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

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

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

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

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

Pension plans

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

Oregon Public Employees Retirement System (PERS)

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

PERS  
PO Box 23700  
Tigard, OR 97281-3700

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

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

**MULTNOMAH COUNTY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2009**  
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*Annual pension cost.* For 2009, the County's annual pension cost of \$42,368 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. This actuarial valuation is the most recent available at the time of printing this report. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 2.75% per year, (c) projected wage growth, excluding seniority / merit raises, of 3.75% per year and (d) trending healthcare costs from 7.0% in 2009 to 4.5% in 2029. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 2008, was 20 years.

Three Year Trend Information for PERS

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

Deferred Compensation Plan

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

At June 30, 2009, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$145,808. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

## **REQUIRED SUPPLEMENTARY INFORMATION**



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

**Other Postemployment Healthcare Benefits**  
**Schedule of Funding Progress**

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

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

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Debt Service Funds**

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

### **Capital Projects Funds**

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



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

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

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

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

## NONMAJOR SPECIAL REVENUE FUNDS

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

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



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

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

(concluded on the following page)

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

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



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

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

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

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

(concluded on the following page)

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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## **DEBT SERVICE FUNDS**

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

### **Major Fund**

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

### **Nonmajor Funds**

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



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

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

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

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



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

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

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

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

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

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

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

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

## NONMAJOR CAPITAL PROJECTS FUNDS

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

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



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

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

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

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



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

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

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

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

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

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

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

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

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

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

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## ENTERPRISE FUNDS

The County's Enterprise Funds are listed below.

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





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

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

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

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

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

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

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## INTERNAL SERVICE FUNDS

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

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



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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

## AGENCY FUNDS

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

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





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

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

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

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

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

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



**MULTNOMAH COUNTY, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Source**  
**June 30, 2009**  
(amounts expressed in thousands)

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

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

	<u>Land</u>	<u>Work in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Bridges</u>	<u>Infrastructure</u>	<u>Total</u>
<b>FUNCTION AND ACTIVITY</b>								
General government:								
Legislative	\$ 227	\$ 4	\$ 6,931	\$ -	\$ 87	\$ -	\$ -	\$ 7,249
Administrative	6,920	1,044	90,617	47	34,553	-	-	133,181
	<u>7,147</u>	<u>1,048</u>	<u>97,548</u>	<u>47</u>	<u>34,640</u>	<u>-</u>	<u>-</u>	<u>140,430</u>
Health and social services:								
Health	1,727	134	29,227	1	593	-	-	31,682
Social	72	74	8,508	-	389	-	-	9,043
	<u>1,799</u>	<u>208</u>	<u>37,735</u>	<u>1</u>	<u>982</u>	<u>-</u>	<u>-</u>	<u>40,725</u>
Public safety:								
Law enforcement	986	35	93,532	99	7,074	-	-	101,726
Justice services	435	13	52,184	3	1,086	-	-	53,721
	<u>1,421</u>	<u>48</u>	<u>145,716</u>	<u>102</u>	<u>8,160</u>	<u>-</u>	<u>-</u>	<u>155,447</u>
Community services:								
Community service development	-	-	-	108	14	-	-	122
Recreation	203	-	-	-	987	-	-	1,190
Library	4,151	51	61,208	140	69,064	-	-	134,614
	<u>4,354</u>	<u>51</u>	<u>61,208</u>	<u>248</u>	<u>70,065</u>	<u>-</u>	<u>-</u>	<u>135,926</u>
Roads and bridges:								
Roads and bridges	1,261	1	2,699	59	2,618	153,224	556,453	716,315
	<u>1,261</u>	<u>1</u>	<u>2,699</u>	<u>59</u>	<u>2,618</u>	<u>153,224</u>	<u>556,453</u>	<u>716,315</u>
External organizations:								
External use	133	81	74,149	4	-	-	-	74,367
	<u>\$16,115</u>	<u>\$1,437</u>	<u>\$419,055</u>	<u>\$ 461</u>	<u>\$ 116,465</u>	<u>\$153,224</u>	<u>\$ 556,453</u>	<u>\$1,263,210</u>

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

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

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## **OTHER SCHEDULES**

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



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

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

**SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2009**

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

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

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

**GENERAL OBLIGATION BONDS**

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

**GENERAL OBLIGATION BOND INTEREST COUPONS**

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

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

**GENERAL OBLIGATION BONDS**

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

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

**GENERAL LONG-TERM LEASE OBLIGATIONS**

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

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

**REVENUE BONDS**

<b>Fiscal Year of Maturity</b>	<b>Series 2000A Dated 11/01/00 4.45 to 5.20%</b>		<b>Series 2000B Dated 11/01/00 4.45 to 5.20%</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2009						
2010	\$ 145	\$ 55	\$ 250	\$ 97	\$ 395	\$ 152
2011	150	48	265	85	415	133
2012	160	41	275	72	435	113
2013	165	33	295	58	460	91
2014	175	24	310	42	485	66
2015	185	15	325	26	510	41
2016	195	5	345	9	540	14
	<u>\$ 1,175</u>	<u>\$ 221</u>	<u>\$ 2,065</u>	<u>\$ 389</u>	<u>\$ 3,240</u>	<u>\$ 610</u>

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

**FULL FAITH AND CREDIT BONDS**

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



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

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

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

## **STATISTICAL INFORMATION SECTION (UNAUDITED)**

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

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

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



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

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

Source: Current and prior years' financial statements

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

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

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



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

(continued)

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

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

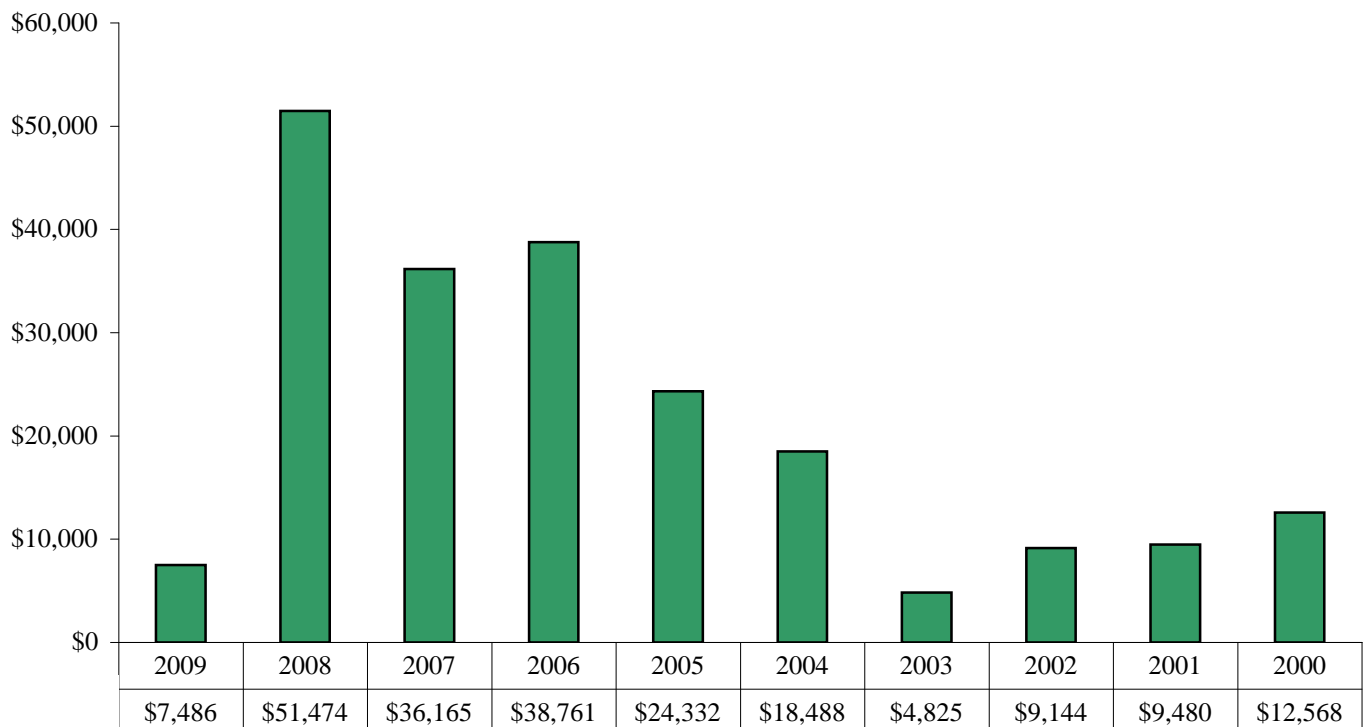
Source: Current and prior years' financial statements

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

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

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

**Unreserved General Fund Balance**



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

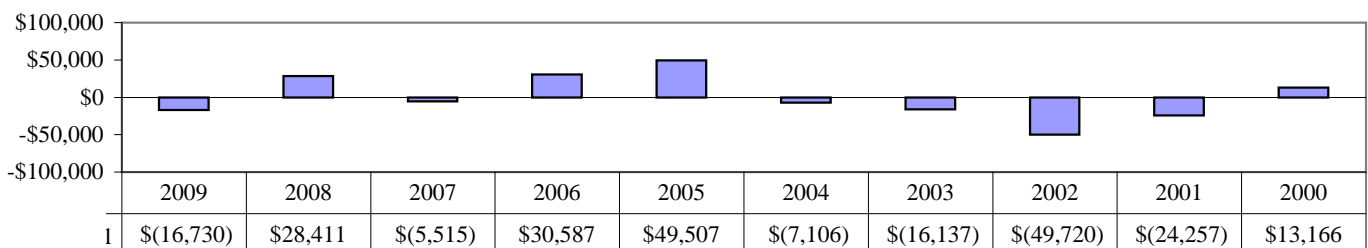
Source: Current and prior years' financial statements

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

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

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

**Net Change in Fund Balance, Governmental Funds**



Source: Current and prior years' financial statements

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

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

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

Source: Current and prior years' financial statements



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

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

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

Source: Current and prior years' financial statements

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

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

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

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

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

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

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

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

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

Source: Multnomah County Division of Assessment and Taxation

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

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

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

(1) Assessed valuation based on the valuation of property for tax collection years 2008-09 and 1999-00 respectively.

Note: Tax amounts not available for year ended December 31, 1999

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

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

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

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

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

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

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

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

(1) See taxable assessed value schedule on page 150

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

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



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

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

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

Source: Current and prior year financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: Municipal Debt Advisory Commission, Oregon State Treasury

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

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

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

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

(2) As of June 30, 2009

\* Portland Metropolitan Statistical Area

**MULTNOMAH COUNTY, OREGON**

**Principal Employers**

**Current Year and Nine Years Ago**

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

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

\* Portland Metropolitan Statistical Area

(1) As of June 30, 2009

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

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

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

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

Source: Multnomah County payroll records



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sources: Multnomah County Departments  
N/A = not available

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

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

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



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

Board of Commissioners  
Multnomah County, Oregon

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

**Compliance**

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

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

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, except those noted below.

**Excess of Expenditures over Appropriations**

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

**Internal Control Over Financial Reporting**

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

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

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

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

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



For Moss Adams LLP  
Eugene, Oregon  
November 24, 2009