



MULTNOMAH COUNTY OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2004



About the Cover

Pictured on the cover is the “Freedom,” one of two marine vessels purchased through a Federal Homeland Security Act grant in fiscal year 2004. The Multnomah County Sheriff's Office received a generous \$675,000 grant from the Federal Transportation Safety Administration for the purchase of two all-weather patrol vessels to add to their river patrol unit's fleet of eleven boats. In addition to the two boats, the grant provided funding to build boathouses for the vessels. The 32' boats are equipped with advanced GPS, sonar and radar electronics, infrared devices, radios, and a spacious rear deck for dive operations. The dual-hull design enables the boats to handle treacherous water conditions with ease.

The grant, awarded by the Federal Transportation and Safety Administration under the Homeland Security Act, was the largest such grant awarded in the United States to a County Sheriff Agency. The river patrol unit's diverse enforcement and security responsibilities to the Port of Portland, Bonneville Dam and other infrastructures are the foundations for meeting the homeland security grant requirements.

The river patrol unit is a year-round enforcement team, responsible for marine law enforcement, education and dive operations within the approximately one hundred miles of Multnomah County waterways. The unit provides water safety education and training to law enforcement personnel in the community, as well as to adults and children in area schools. The river patrol unit enjoys excellent working partnerships with many local and federal agencies including Portland Police Bureau, Portland Fire Bureau, Gresham Fire Department, US Coast Guard, US Customs, FBI and the Oregon State Marine Board.

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004



Prepared by:
Finance, Budget and Tax Office
David A. Boyer, Chief Financial Officer
501 SE Hawthorne Blvd, Suite 531
Portland, Oregon 97214

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



DIANE LINN
Chair



MARIA ROJO DE STEFFEY
Commissioner District 1



SERENA CRUZ
Commissioner District 2



LISA NAITO
Commissioner District 3



LONNIE ROBERTS
Commissioner District 4



SUZANNE FLYNN
Auditor



BERNIE GIUSTO
Sheriff



MICHAEL SCHRUNK
District Attorney

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2004
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INTRODUCTORY SECTION



Finance, Budget and Tax Office

MULTNOMAH COUNTY OREGON

David A. Boyer, Chief Financial Officer
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Portland, Oregon 97214
(503) 988-3903 phone
(503) 988-3292 fax

December 17, 2004

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, 2004, together with the opinion thereon of our independent certified public accountants, Grant Thornton LLP. This report, required by State law, Oregon Revised Statutes 297.425, is prepared by the Office of Finance, Budget, and Tax. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act of 1984, OMB Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act of 1984 is included with this report beginning on page 144.

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, 2004, 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 677,850 citizens. The cities of Portland and Gresham are the largest incorporated cities in the County.

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

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

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

Budget to actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. For the general fund and the federal state program fund, this comparison is provided on pages 32-33 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 69.

FACTORS AFFECTING FINANCIAL CONDITION

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

The Portland-Vancouver, OR-WA PMSA's (Primary Metropolitan Statistical Area) economy improved slightly during fiscal year 2004. The area's unemployment rate was 6.8% at June 30, 2004, compared to a rate of 9.1% at June 30, 2003. The Portland-Vancouver Consumer Price Index (CPI) (1982-84 = 100) was 189.8 at June 30, 2004, and represents a 2.0% increase from June 30, 2003.

Financial outlook: The financial outlook for the County's General Fund over the next five years is expected to remain flat or slowly begin to recover. The regional economy is not expected to grow

and a recovery before 2005 is questionable. The State of Oregon's recent forecast also suggests a continued downturn of business activity.

The region's sluggish economy is impacting the County's revenue stream. Property taxes are expected to grow at between 2% to 3%. Business Income Tax collections suggest that we are finally seeing some growth after four years of declining revenues, but the Motor Vehicle Rental Tax is expected to remain flat. Overall revenue growth is forecast between 3.25% to 4% over the next five years. Expenditures are expected to grow at roughly the normal rate of inflation, and the County is taking a conservative approach to department spending in order to manage the budget within existing resources.

Voters in the County approved a personal income tax of 1.25% for residents to fund services for fiscal years 2004, 2005, and 2006, and the County's general fund recognized \$100,114 in tax revenue in fiscal year 2004. The tax primarily provides support to the schools in the County but also provides support to the County's health, human services, and public safety programs. In fiscal year 2004/2005 the County will begin planning for the end of the three year personal income tax.

Financial planning. The County Chair has created an Executive Committee that includes the Board Chair's Chief Operating Officer, Department Directors, and the Chief Financial Officer. The Executive Committee holds ongoing planning sessions to develop short-term and long-term goals and to address the financial stability of the County. The County's Chief Financial Officer also meets with City of Portland Financial and Budget Officers and with representatives from the City of Gresham to confer on financial issues that either overlap or impact each entity. Construction of the new Wapato jail and secure alcohol and drug treatment center was completed in the summer of 2004, but operating funds have not yet been identified, so the jail remains empty. The County is currently meeting with officials from the State of Oregon to determine if there are opportunities to lease jail beds to the State.

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

The maturities of the investments range from one day to three years with an average maturity of six to nine months. The average yield on investments was 1.43%. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the County intends to hold to maturity.

Risk management. The County has established an internal service fund to account for risk management activities and to protect the human, physical, and financial assets of the County. As part of the County's plan for risk management, resources are accumulated in the Risk Management fund to meet potential losses. In addition, various control techniques, including loss prevention training and consultation, have been implemented to minimize losses. The County is partially self-insured for employee health benefits, unemployment, workers' compensation, property, tort and general liability claims. Third party coverage is currently maintained for individual workers' compensation claims in excess of \$500, and for other medical claims in excess of \$250. Additional information on the County's risk management activity can be found in note 4.B of the notes to the financial statements, page 62.

Pension and other post-employment benefits. Substantially all County employees are participants in the State of Oregon Public Employees' Retirement System (PERS). Every other year, an independent actuary engaged by PERS calculates the amount of the annual contribution rate that member employers must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. Benefits for retirees, beneficiaries and terminated employees not yet receiving benefits are not presented, because PERS pools the risk related to these employees among all member employers and fully funds benefit obligations at time of separation from service. Accordingly, information presented in this report relates only to current employees, and shows that the retirement obligations are not fully funded. During the 2003 Legislature, various laws were approved that changed PERS and created a new retirement system for public employees hired on or after August 29, 2003.

Multnomah County also provides postretirement health and dental benefits for retirees and their dependents. At the end of the current fiscal year, there were 561 retired employees receiving these benefits, which are financed by contribution rates charged to departments. These rates are based on an actuarial valuation that is performed every two to three years. The County has reported a liability of \$55,190 in the statement of net assets in connection with its obligation to provide these benefits.

Additional information on the County's pension and post-employment benefits can be found in note 4.E on page 64 of the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2003. This was the twentieth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully Submitted,



David A. Boyer
Chief Financial Officer



Mindy Harris
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Multnomah County,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

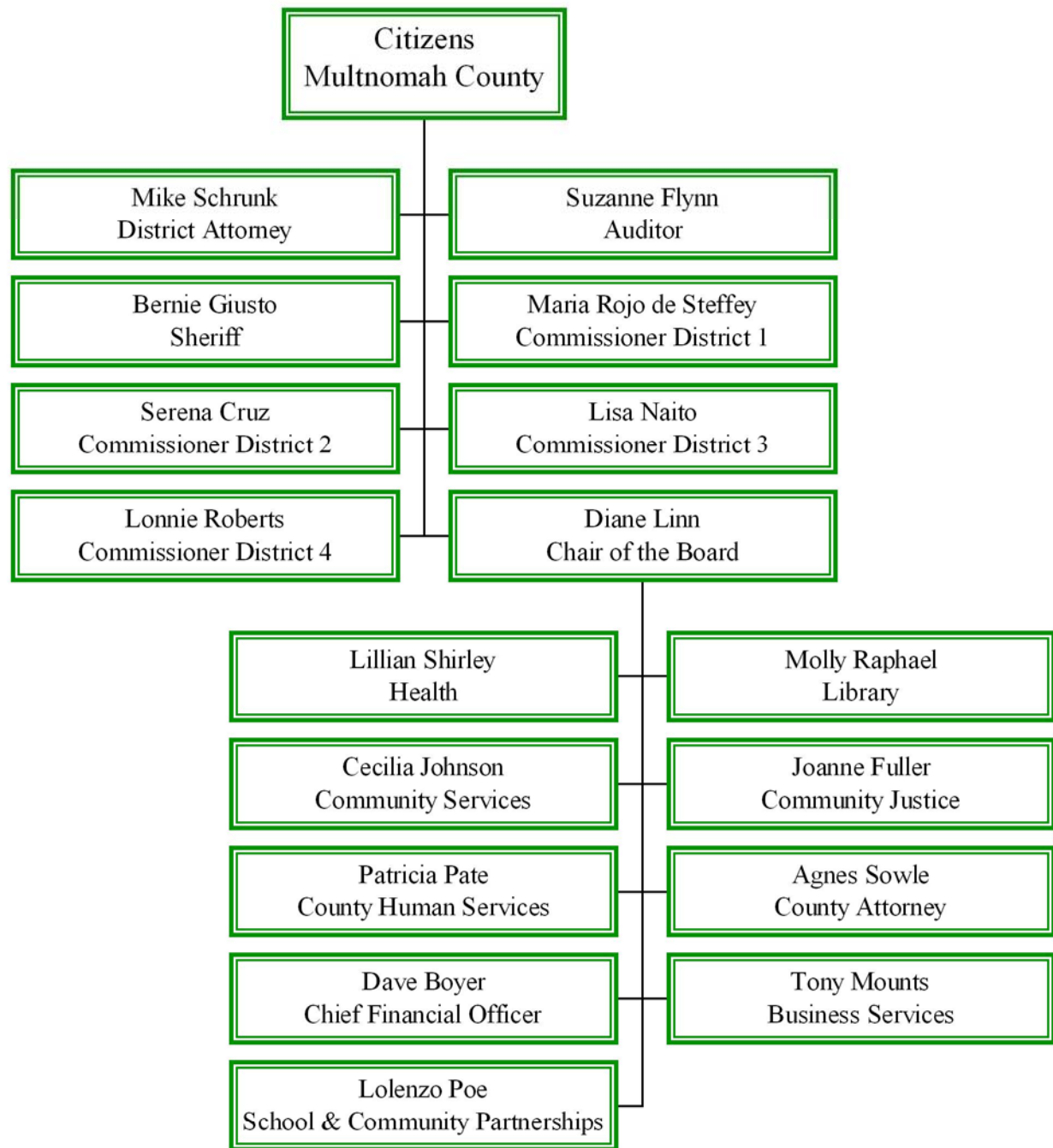
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

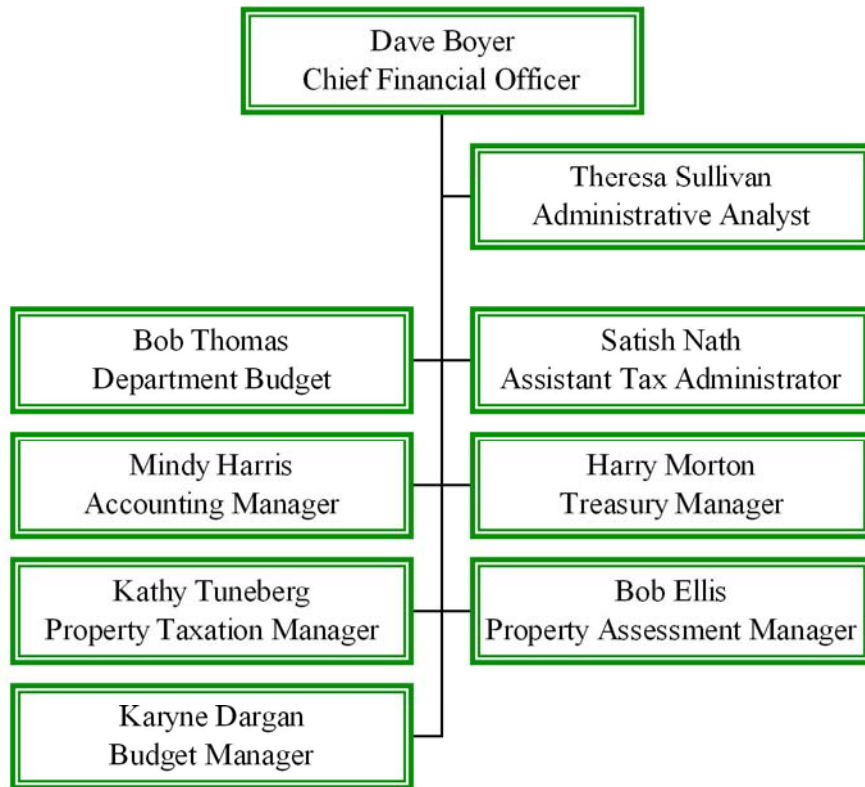
Executive Director

Multnomah County, Oregon



Multnomah County, Oregon

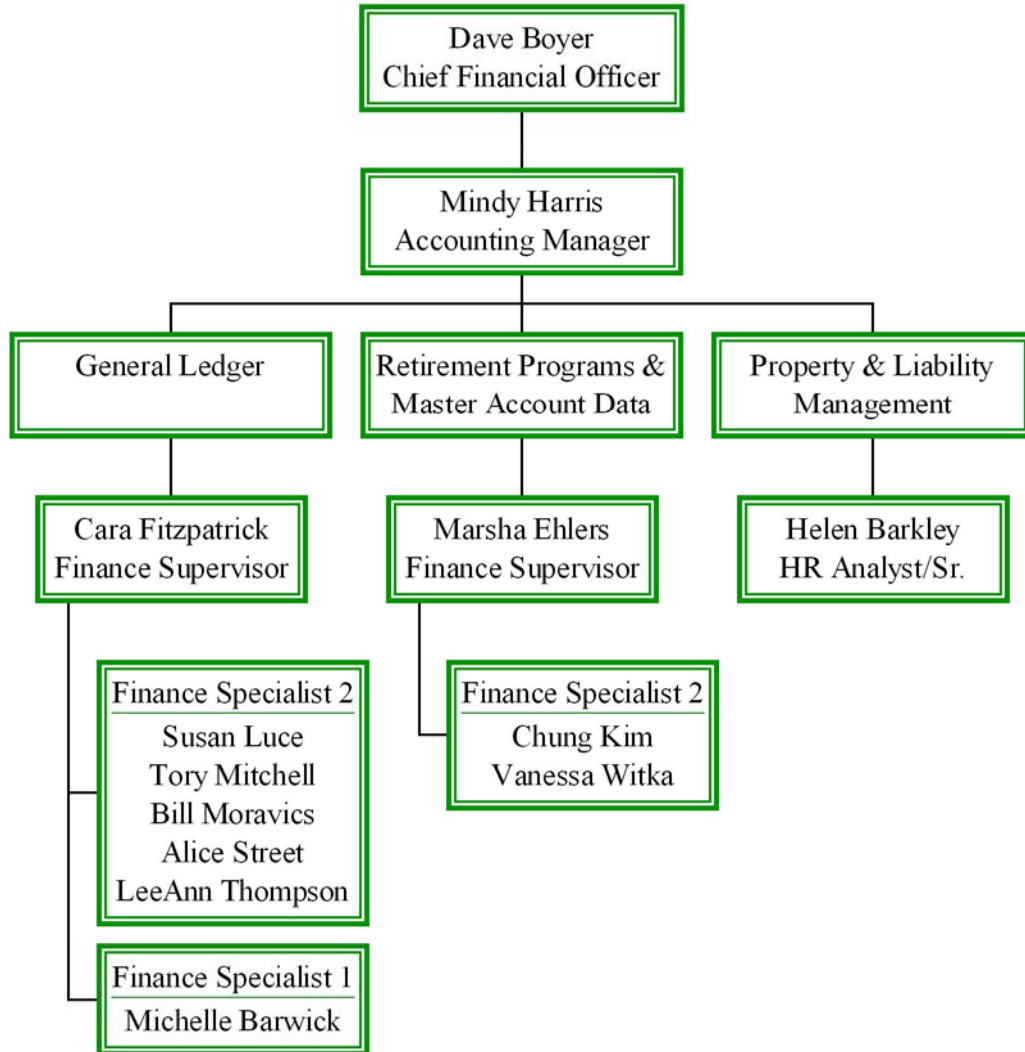
Finance, Budget & Tax



Multnomah County, Oregon

Finance Budget & Tax

Accounting Operations



MULTNOMAH COUNTY, OREGON
For the Year Ended June 30, 2004
Principal Officers

Title	Name	Term Expires
<u>Board of County Commissioners</u>		
Chair of Board	Diane Linn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
District No. 1	Maria Rojo de Steffey 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
District No. 2	Serena Cruz 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
District No. 3	Lisa Naito 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
District No. 4	Lonnie Roberts 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2004
<u>Other Elected Officers</u>		
County Auditor	Suzanne Flynn 501 SE Hawthorne, 6 th Floor Portland, OR 97214	12/31/2006
County District Attorney	Michael D. Schrunk 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/2004
County Sheriff	Bernie Giusto 501 SE Hawthorne, 3 rd Floor Portland, OR 97214	12/31/2006
<u>Other Appointed Officers</u>		
Chief Financial Officer	David A. Boyer	Not elected
Accounting Manager	Mindy Harris	Not elected
County Attorney	Agnes Sowle	Not elected

FINANCIAL SECTION

Independent Auditor's Report

The Board of County Commissioners
Multnomah County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon, as of and for the year ended June 30, 2004, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Federal and State Program Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

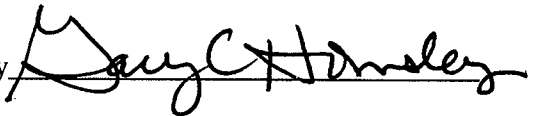
In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2004 on our consideration of Multnomah County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 12 through 24 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Multnomah County, Oregon's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, combining and individual fund financial statements and schedules, other schedules, and statistical information section 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 section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GRANT THORNTON LLP

Portland, Oregon
December 3, 2004

By 



Finance, Budget and Tax Office
MULTNOMAH COUNTY OREGON
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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, 2004. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- Multnomah County's assets exceeded its liabilities at June 30, 2004, by \$566,195 (*net assets*). Of this amount, \$18,040 is restricted for capital improvement projects and \$44,914 is restricted for future years' debt service.
- Total net assets increased by \$49,367 for fiscal year 2004. This increase is primarily due to the enactment of a three-year 1.25% personal income tax for residents of Multnomah County. The tax generated \$175,325 in revenue during fiscal year 2004 and at year-end the County recorded \$76,972 net receivable related to the personal income tax for tax years 2003 and 2004. More information about the tax can be found on pages 43-44 of this report. In addition, the increase in total net assets is partially attributable to the \$13,816 investment in capital assets from the completion of the Wapato Jail Facility.
- Total assets of the County increased by \$81,805 or approximately 7%. Most of this increase is attributable to the additional \$76,972 recorded for the personal income tax receivable at June 30, 2004.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$86,091, a decrease of \$7,106 in comparison with the prior year's decrease of \$16,137. The current year's decrease is primarily due to an overall reduction in revenues received from the State and Federal governments accompanied with lower interest rates. Of this amount, \$45,863 or approximately 53% is available for spending at the County's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$18,488, or approximately 5% 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. Financial information for these two *blended component units* is reported separately from the financial information presented for the County itself.

The government-wide financial statements can be found on pages 25-27 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 29 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, Federal State Program Fund, and the Justice Bond Capital Project Fund, all of which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements and respective reconciliations can be found on pages 28-31 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 34-36 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 pages 37-38 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 129-130 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 39 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 69 of this report.

Government-wide Financial Analysis

Certain reclassifications were made to prior year amounts in order to conform to the current year presentation.

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 \$566,195 at the close of the most recent fiscal year.

The largest portion of the County's net assets, approximately 91%, 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 \$513,757 as compared to \$478,423 a year ago. Capital assets net of related debt increased as a result of no new debt issues and a reduction in the County's outstanding debt at year-end. During fiscal year 2004 the County paid approximately \$23,389 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.

Multnomah County's Net Assets
June 30, 2004

	Governmental Activities		Business- Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 450,655	\$ 381,203	\$4,171	\$3,766	\$454,826	\$384,969
Capital assets	723,477	711,535	2,480	2,474	725,957	714,009
Total assets	<u>1,174,132</u>	<u>1,092,738</u>	<u>6,651</u>	<u>6,240</u>	<u>1,180,783</u>	<u>1,098,978</u>
Long-term liabilities outstanding	443,635	459,457	7	4	443,642	459,461
Other liabilities	168,697	121,022	2,249	1,667	170,946	122,689
Total liabilities	<u>612,332</u>	<u>580,479</u>	<u>2,256</u>	<u>1,671</u>	<u>614,588</u>	<u>582,150</u>
Net assets:						
Invested in capital assets, net of related debt	511,277	475,949	2,480	2,474	513,757	478,423
Restricted	62,954	62,535	-	-	62,954	62,535
Unrestricted	<u>(12,431)</u>	<u>(26,225)</u>	<u>1,915</u>	<u>2,095</u>	<u>(10,516)</u>	<u>(24,130)</u>
Total net assets	<u>\$ 561,800</u>	<u>\$ 512,259</u>	<u>\$4,395</u>	<u>\$4,569</u>	<u>\$566,195</u>	<u>\$516,828</u>

An additional portion of the County's net assets are restricted for capital projects and debt service, \$62,954, or approximately 11%. The amount represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net assets of \$(10,516) 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 categories of net assets for the government as a whole; invested in capital assets, net of related debt and restricted net assets.

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

Total net assets increased by \$49,367 during the current fiscal year. This increase is primarily due to \$76,972 recorded in taxes receivables, net for the County's personal income tax measure in addition to the investment of \$13,816 in capital assets to complete construction of the Wapato jail facility.

Multnomah County's Changes in Net Assets

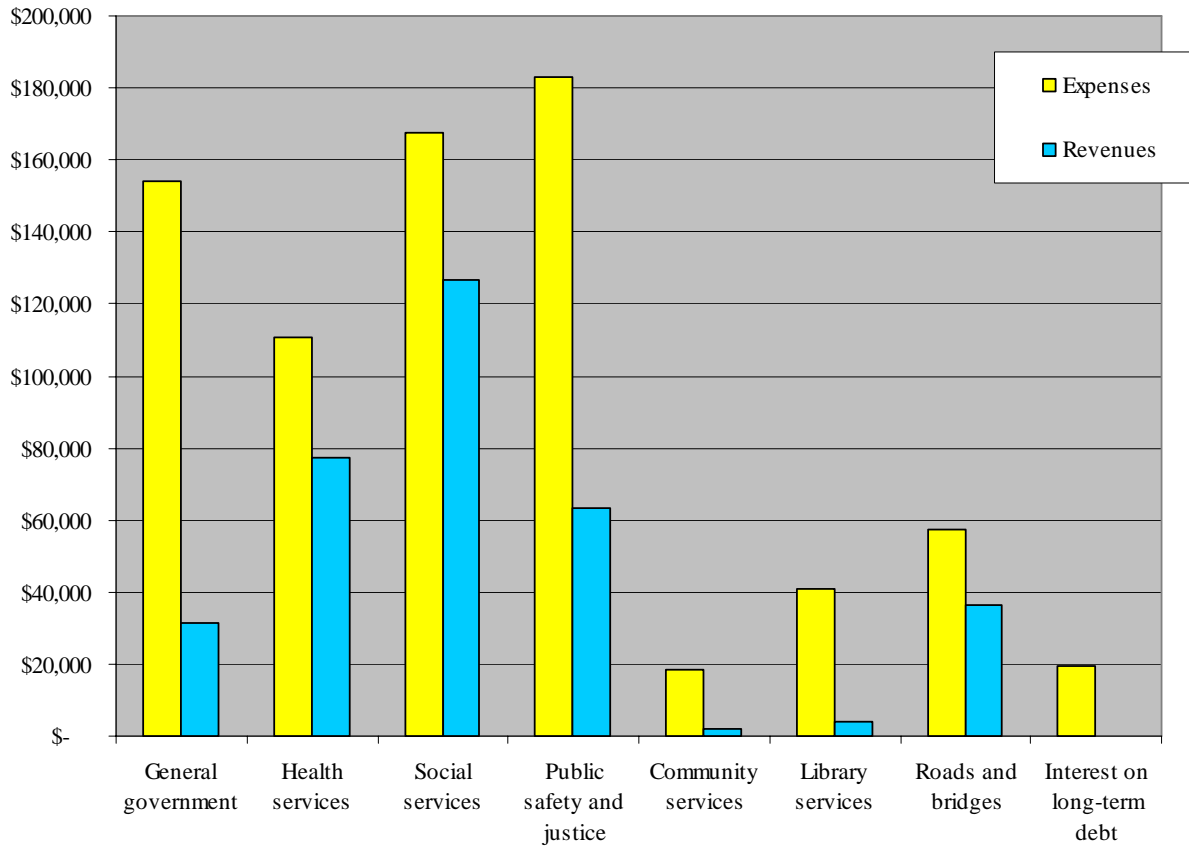
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 82,032	\$ 84,639	\$26,182	\$32,967	\$108,214	\$117,606
Operating grants and contributions	249,079	256,659	435	897	249,514	257,556
Capital grants and contributions	9,809	4,461	-	-	9,809	4,461
General revenues:						
Property taxes	208,604	203,611	-	-	208,604	203,611
Personal income taxes	175,325	-	-	-	175,325	-
Other taxes	64,874	62,589	-	-	64,874	62,589
State government shared revenues	7,584	6,206	-	-	7,584	6,206
Grants and contributions not restricted to specific programs	166	70	-	-	166	70
Interest and investment earnings	2,441	4,226	74	131	2,515	4,357
Miscellaneous	1,879	2,917	-	24	1,879	2,941
Gain (loss) on sale of capital assets	(509)	1,711	(224)	(113)	(733)	1,598
Total revenues	<u>801,284</u>	<u>627,089</u>	<u>26,467</u>	<u>33,906</u>	<u>827,751</u>	<u>660,995</u>
Expenses:						
General government	153,937	36,374	-	-	153,937	36,374
Health services	110,968	110,322	-	-	110,968	110,322
Social services	167,746	169,218	-	-	167,746	169,218
Public safety and justice	182,941	180,503	-	-	182,941	180,503
Community services	18,391	17,925	-	-	18,391	17,925
Library services	40,843	43,934	-	-	40,843	43,934
Roads and bridges	57,374	58,354	-	-	57,374	58,354
Interest on long-term debt	19,543	20,127	-	-	19,543	20,127
Dunthorpe-Riverdale Service District Number 1	-	-	355	344	355	344
Mid County Service District Number 14	-	-	499	355	499	355
Behavioral health managed care	-	-	25,787	33,739	25,787	33,739
Total expenses	<u>751,743</u>	<u>636,757</u>	<u>26,641</u>	<u>34,438</u>	<u>778,384</u>	<u>671,195</u>
Increase (decrease) in net assets before transfers	49,541	(9,668)	(174)	(532)	49,367	(10,200)
Transfers in (out)	-	440	-	(440)	-	-
Increase (decrease) in net assets	49,541	(9,228)	(174)	(972)	49,367	(10,200)
Beginning net assets	512,259	521,487	4,569	5,541	516,828	527,028
Ending net assets	<u>\$561,800</u>	<u>\$512,259</u>	<u>\$ 4,395</u>	<u>\$ 4,569</u>	<u>\$566,195</u>	<u>\$516,828</u>

Governmental activities. Governmental activities increased the County's net assets by \$49,541, thereby accounting for approximately 100% of the total increase in the net assets of the County. Key elements of this increase are as follows:

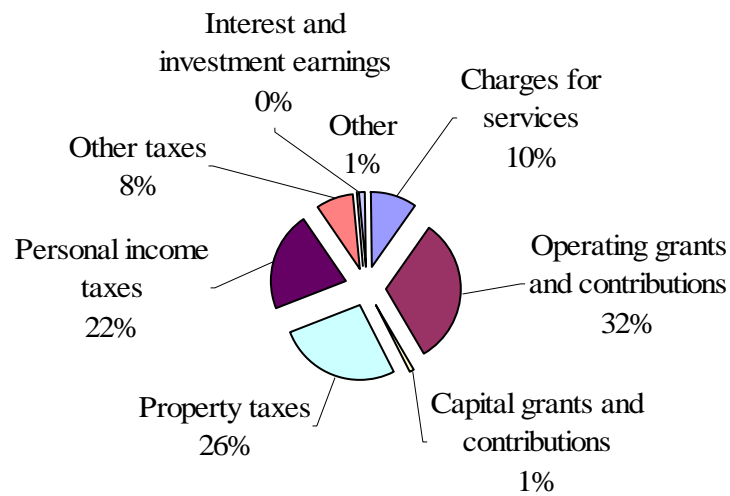
- The County's temporary personal income tax of 1.25% accounts for the majority of the increase in governmental activities revenues with \$175,325 recorded in general revenues.
- Operating grants and contributions consist primarily of federal and state revenues. Due to the stagnant economy in the region and at the national level, intergovernmental revenues declined slightly from the prior year by \$7,580, or approximately 3%.
- Capital grants and contributions increase by \$5,348 or approximately 120% over the prior year primarily due to State contributed construction work on the County's Broadway Bridge. Fiscal year 2003 was primarily a design phase year, whereas 2004 was mainly a construction phase.
- Due to market conditions and lower cash balances, interest earnings were down by \$1,785, or approximately 42%, from the prior year.
- Charges for services decreased by \$2,607 or approximately 3% primarily due to a reduction of state revenue for jail space at Inverness jail.
- General Government expenses increased by \$117,563 or approximately 323%, due primarily to enactment of the temporary local income tax and the funds dedicated to area schools. Of the \$175,325 in general revenues from the tax, \$113,677 or approximately 65% was passed through to various schools within the County and is included as a general government expense.
- Library services expenses increased \$3,091 in 2004 or approximately 7%. This increase is primarily due to an operating levy increase approved by the voters which expanded hours of operation within the library system during the year.

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

Expenses and Program Revenues - Governmental Activities



Revenues by Source, Governmental Activities

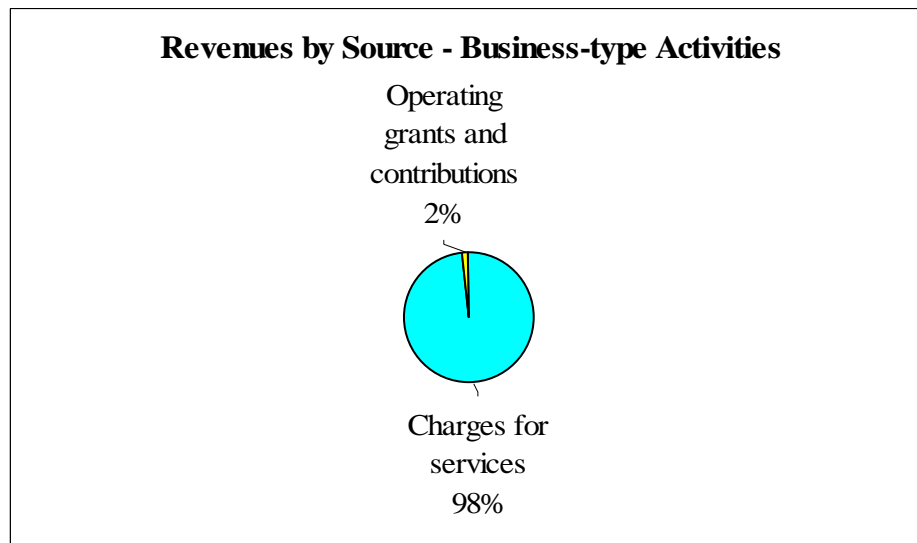
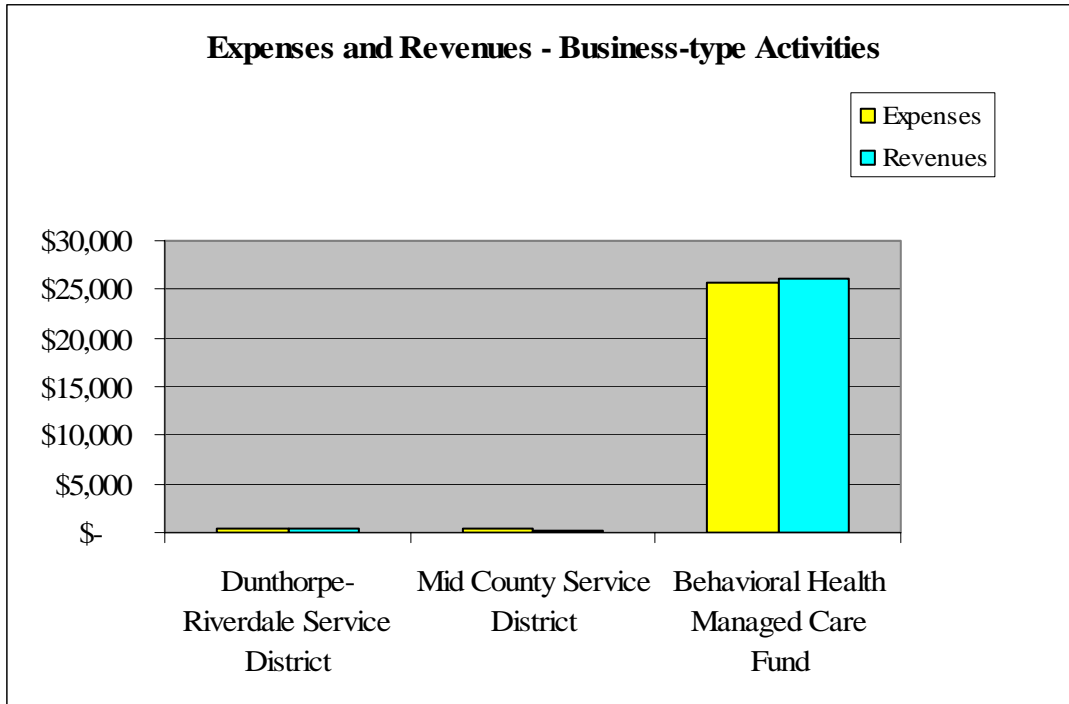


For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Additionally, where expenses decreased from prior years, this can be directly attributed to the decrease in revenues in the governmental activities.

Business-type activities. Business-type activities reduced the County's net assets by \$174, as opposed to a decrease of \$972 in the prior year. The primary reasons for the current year's decrease are:

- Interest revenue declined by \$57, or approximately 44% from the prior year, as a result of poor market conditions.
- A loss of \$224 as compared to a loss of \$113 in the prior year on the disposal of capital assets was recorded in the Mid County Service District due to the District's 2004 capital improvement plan to upgrade the District's lights and poles and disposal of capital assets too costly to maintain.
- Revenues and expenses in the Behavioral Health managed care fund are down over 20% from 2003. The main reason for the decrease is the change in the client base covered by the State of Oregon's health plan. In fiscal year 2004 a large number of clients previously receiving mental health services and benefits were excluded under the State's plan due to income restrictions and age criteria. These changes at the state level affected the County's revenues and expenses in various mental health programs during fiscal year 2004.

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



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$86,091, a decrease of \$7,106 in comparison with the prior year. Approximately 53% or \$45,863 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 new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$2,152), 2) to pay debt service (\$19,988), or 3) to pay for ongoing capital projects (\$18,088).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance was \$18,488 in the General Fund or approximately 95% of the total fund balance of \$19,492. This indicates a high degree of liquidity of the General Fund.

The fund balance of the County's General Fund increased by \$13,706 during the current fiscal year. Key factors in this increase are the enactment of a local income tax in addition to aggressive expenditure reduction efforts.

The Justice Bond Capital Project Fund has a total fund balance of \$5,406, all of which is reserved for capital projects. The fund balance decreased from the prior year by \$4,565, due to the completion of construction of the new Wapato Jail facility. The jail facility was completed during the year and added an asset value of \$13,816 capitalized on the Statement of Net Assets.

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, \$442
- Behavioral Health Managed Care Fund, \$1,222

The total change in net assets for all funds was (\$174). Other factors concerning the finances of these three funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were minimal in fiscal year 2004. The major differences in the general fund from the prior year were due to the implementation of a local income tax, which resulted in revenues of \$100,114. Of this amount \$66,875 or approximately 67% was distributed to school districts within the County and the remainder was used to fund various health, social service and public safety programs. Additionally, the County aggressively managed expenditures during the year in all program areas.

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, 2004, amounts to \$725,957 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads and bridges, sewer and street lighting systems, and motor vehicles. The total increase in the County's investment in capital assets for the current fiscal year was \$11,948 or approximately 2%.

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

- Construction on the Wapato Jail site in Northeast Portland was substantially completed. Construction costs incurred during the year reached \$13,816 with total project costs of \$47,829 upon completion.
- Construction on the Hillsdale Library in Southwest Portland was completed during the year. Construction costs incurred during the year reached \$1,979 with total project costs of \$5,602 upon completion.

Multnomah County's Capital Assets (net of depreciation)

	Governmental activities	Business-type activities	Total
Land	\$ 13,766	\$ -	\$ 13,766
Buildings and systems	308,117	-	308,117
Improvements other than buildings	280	2,480	2,760
Machinery and equipment	24,662	-	24,662
Roads	349,600	-	349,600
Bridges	27,052	-	27,052
Total	<u>\$ 723,477</u>	<u>\$ 2,480</u>	<u>\$ 725,957</u>

Additional information on the County's capital assets can be found in note 3.C on pages 53-54 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$393,303. Of this amount, \$86,445 comprises debt backed by the general obligation bonds; \$270,203 represents debt backed by the full faith and credit bonds; \$634 comprises long term lease obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (e.g., revenue bonds, capitalized leases). Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

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

	Governmental activities	Business-type activities	Total
General Obligation Bonds	\$ 86,445	\$ -	\$ 86,445
Revenue Bonds	7,425	-	7,425
Full Faith and Credit Bonds	270,203	-	270,203
Capital Leases	28,596	-	28,596
Loans	634	-	634
Total	<u>\$ 393,303</u>	<u>\$ -</u>	<u>\$ 393,303</u>

The County's total debt decreased by \$25,179, or approximately 6% during the current fiscal year. This change consists of debt payments made in fiscal year 2004, including \$10,470 to payoff a certain capital lease liability balance which was primarily funded by the full faith and credit obligation issued in the amount of \$9,615 issued in May 2003.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for general obligation debt is \$1,330,205, 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 \$665,103, which is in excess of the County's outstanding full faith and credit debt.

Additional information on the County's long-term debt can be found in note 3.F on pages 55-61 of this report.

Key Economic Factors and Budget Information

- The unemployment rate for the Portland-metropolitan area at the close of the fiscal year was approximately 6.8%. At the time of preparation of this report, the unemployment rate had dropped to approximately 6.5%. The rate is not expected to change significantly before the end of the next fiscal year.
- Voters in the County approved a three year temporary income tax increase which took effect January 1, 2003. The tax generated \$100,114 during fiscal year 2004 and is expected to generate approximately \$125,000 for each of the remaining two calendar years the tax is in effect.
- It is anticipated that property tax revenue will exceed previous estimates in the coming year, and that the County will receive \$2,200 more revenue than previously forecast.

All of these factors were considered in preparing the County's budget for fiscal year 2004-2005.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$18,488. Approximately \$15,000 of this amount is reserved and will not be available for program resources in fiscal year 2004-2005. This increase should also enable the County to fully fund reserves to the levels recommended by bond rating agencies.

Requests for Information

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

Multnomah County Finance, Budget & Tax
501 SE Hawthorne Blvd. Suite 531
Portland, OR 97214

BASIC FINANCIAL STATEMENTS

MULTNOMAH COUNTY, OREGON

Statement of Net Assets

June 30, 2004

(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments	\$ 125,235	\$ 3,902	\$ 129,137
Receivables (net of allowance for uncollectibles):			
Taxes	92,801	-	92,801
Accounts	57,418	10	57,428
Loans	875	-	875
Interest	547	-	547
Special assessments	10	26	36
Contracts	13,346	-	13,346
Inventories	2,729	-	2,729
Prepaid items	1,341	233	1,574
Capital assets:			
Land and construction in progress	13,766	-	13,766
Other capital assets (net of accumulated depreciation)	709,711	2,480	712,191
Unamortized pension asset	156,353	-	156,353
Total assets	<u>1,174,132</u>	<u>6,651</u>	<u>1,180,783</u>
LIABILITIES			
Accounts payable	116,806	2,233	119,039
Accrued salaries and benefits	6,737	8	6,745
Deferred revenue	23,049	-	23,049
Noncurrent liabilities:			
Due within one year:			
Compensated absences	5,174	8	5,182
Bonds payable	14,285	-	14,285
Capital leases payable	2,554	-	2,554
Loans payable	92	-	92
Due in more than one year:			
Compensated absences	12,073	7	12,080
Bonds payable	349,788	-	349,788
Capital leases payable	26,042	-	26,042
Loans payable	542	-	542
Post retirement medical benefits payable	55,190	-	55,190
Total liabilities	<u>612,332</u>	<u>2,256</u>	<u>614,588</u>
NET ASSETS			
Invested in capital assets, net of related debt	511,277	2,480	513,757
Restricted for:			
Capital projects	18,040	-	18,040
Debt service	44,914	-	44,914
Unrestricted	(12,431)	1,915	(10,516)
Total net assets	<u>\$ 561,800</u>	<u>\$ 4,395</u>	<u>\$ 566,195</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, 2004

Functions/Programs	Program Revenues			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 153,937	\$ 16,394	\$ 5,532	\$ 9,503
Health services	110,968	44,006	33,309	-
Social services	167,746	1,805	124,729	-
Public safety and justice	182,941	15,901	47,624	9
Community services	18,391	4	1,826	-
Library	40,843	2,042	1,976	-
Roads and bridges	57,374	1,880	34,083	297
Interest on long-term debt	19,543	-	-	-
Total governmental activities	<u>751,743</u>	<u>82,032</u>	<u>249,079</u>	<u>9,809</u>
Business-type activities:				
Dunthorpe-Riverdale Service				
District Number 1	355	344	-	-
Mid County Service				
District Number 14	499	235	-	-
Behavioral Health Managed Care	25,787	25,603	435	-
Total business-type activities	<u>26,641</u>	<u>26,182</u>	<u>435</u>	<u>-</u>
Total primary government	<u>\$ 778,384</u>	<u>\$ 108,214</u>	<u>\$ 249,514</u>	<u>\$ 9,809</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 revenues

Grants and contributions not restricted to specific programs

Interest and investment earnings

Miscellaneous

Loss on sale of capital assets

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

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

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (122,508)	\$ -	\$ (122,508)
(33,653)	-	(33,653)
(41,212)	-	(41,212)
(119,407)	-	(119,407)
(16,561)	-	(16,561)
(36,825)	-	(36,825)
(21,114)	-	(21,114)
(19,543)	-	(19,543)
<u>(410,823)</u>	<u>-</u>	<u>(410,823)</u>
-	(11)	(11)
-	(264)	(264)
-	251	251
<u>-</u>	<u>(24)</u>	<u>(24)</u>
<u>\$ (410,823)</u>	<u>\$ (24)</u>	<u>\$ (410,847)</u>
\$ 201,278	\$ -	\$ 201,278
7,326	-	7,326
175,325	-	175,325
30,286	-	30,286
32,404	-	32,404
2,184	-	2,184
7,584	-	7,584
166	-	166
2,441	74	2,515
1,879	-	1,879
(509)	(224)	(733)
<u>460,364</u>	<u>(150)</u>	<u>460,214</u>
49,541	(174)	49,367
512,259	4,569	516,828
<u>\$ 561,800</u>	<u>\$ 4,395</u>	<u>\$ 566,195</u>

MULTNOMAH COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2004
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Justice Bond Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 25,829	\$ 96	\$ 6,172	\$ 63,124	\$ 95,221
Receivables (net of allowance for uncollectible accounts):					
Taxes	89,384	-	-	3,417	92,801
Accounts	10,882	36,806	574	8,363	56,625
Loans	-	875	-	-	875
Interest	547	-	-	-	547
Special assessments	10	-	-	-	10
Contracts	1,997	-	-	11,349	13,346
Due from other funds	-	-	-	1,100	1,100
Inventories	962	309	-	1,003	2,274
Prepays and deposits	42	358	-	145	545
Total assets	<u>\$ 129,653</u>	<u>\$ 38,444</u>	<u>\$ 6,746</u>	<u>\$ 88,501</u>	<u>\$ 263,344</u>
LIABILITIES					
Accounts payable	\$ 20,180	\$ 23,421	\$ 1,336	\$ 10,354	\$ 55,291
Payroll payable	3,019	2,329	4	844	6,196
Due to other funds	-	5,150	-	2,475	7,625
Deferred revenue	86,962	7,544	-	13,635	108,141
Total liabilities	<u>110,161</u>	<u>38,444</u>	<u>1,340</u>	<u>27,308</u>	<u>177,253</u>
FUND BALANCES					
Reserved for capital projects	-	-	5,406	12,682	18,088
Reserved for debt service	-	-	-	19,988	19,988
Reserved for inventories	962	-	-	1,003	1,965
Reserved for prepaid items	42	-	-	145	187
Unreserved, reported in:					
General fund	18,488	-	-	-	18,488
Special revenue funds	-	-	-	27,375	27,375
Total fund balances	<u>19,492</u>	<u>-</u>	<u>5,406</u>	<u>61,193</u>	<u>86,091</u>
Total liabilities and fund balances	<u>\$ 129,653</u>	<u>\$ 38,444</u>	<u>\$ 6,746</u>	<u>\$ 88,501</u>	<u>\$ 263,344</u>

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

MULTNOMAH COUNTY, OREGON
Governmental Funds
Reconciliation of the Balance Sheet
to the Statement of Net Assets
As of June 30, 2004
(amounts expressed in thousands)

Fund Balances - Governmental Funds		\$ 86,091
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	1,397,810	
Less accumulated depreciation	<u>(681,145)</u>	716,665
Other long-term assets, negative net pension asset		156,353
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	(364,073)	
Capital leases payable	(28,596)	
Loans payable	<u>(634)</u>	(393,303)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(15,428)
Accrued personal income tax distributions are not due and payable in the current period and therefore are not reported in the funds.		(46,801)
Net post employment benefit obligation		(55,190)
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.		
Property taxes	9,881	
Personal income taxes	<u>75,211</u>	85,092
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>28,321</u>
Net Assets of Governmental Activities		<u>\$ 561,800</u>

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

MULTNOMAH COUNTY, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	General Fund	Federal and State Special Revenue Fund	Justice Bond Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 320,748	\$ -	\$ -	\$ 54,456	\$ 375,204
Intergovernmental	19,168	195,285	-	38,525	252,978
Licenses and permits	10,383	1,803	-	2,575	14,761
Charges for services	10,730	38,110	-	7,695	56,535
Interest	805	9	158	988	1,960
Other	13,248	753	11	35,017	49,029
Total revenues	<u>375,082</u>	<u>235,960</u>	<u>169</u>	<u>139,256</u>	<u>750,467</u>
EXPENDITURES					
Current:					
General government	119,341	-	-	5,118	124,459
Health services	46,718	65,027	-	-	111,745
Social services	41,989	126,584	-	75	168,648
Public safety and justice	135,984	41,084	9,338	10,845	197,251
Community services	-	2,422	-	16,896	19,318
Library	-	-	-	42,753	42,753
Roads and bridges	-	-	-	40,454	40,454
Capital outlay	167	843	246	10,712	11,968
Debt service:					
Principal	-	-	-	25,179	25,179
Interest	698	-	-	18,845	19,543
Total expenditures	<u>344,897</u>	<u>235,960</u>	<u>9,584</u>	<u>170,877</u>	<u>761,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,185</u>	<u>-</u>	<u>(9,415)</u>	<u>(31,621)</u>	<u>(10,851)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	1	-	-	424	425
Transfers in	1,625	-	4,850	26,166	32,641
Transfers out	(18,105)	-	-	(11,216)	(29,321)
Total other financing sources (uses)	<u>(16,479)</u>	<u>-</u>	<u>4,850</u>	<u>15,374</u>	<u>3,745</u>
Net change in fund balances	13,706	-	(4,565)	(16,247)	(7,106)
Fund balances - beginning	5,786	-	9,971	77,440	93,197
Fund balances - ending	<u>\$ 19,492</u>	<u>\$ -</u>	<u>\$ 5,406</u>	<u>\$ 61,193</u>	<u>\$ 86,091</u>

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

MULTNOMAH COUNTY, OREGON
Governmental Funds
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the year ended June 30, 2004
(amounts expressed in thousands)

Net change in fund balances - Governmental Funds		\$ (7,106)
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	36,104	
Less current year depreciation	<u>(35,324)</u>	780
Contributed and donated capital assets	9,453	
Proceeds on sale of capital assets	(425)	
Loss on disposal of capital assets	<u>(553)</u>	8,475
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Decrease in deferred revenues - property taxes	(414)	
Increase in deferred revenues - personal income taxes	<u>75,211</u>	74,797
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments.		
Principal payments (including capital leases)		25,179
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Increase in long-term compensated absences	(1,072)	
Increase in personal income tax distribution liability	<u>(46,801)</u>	(47,873)
Amortization expense on the net pension asset		(6,152)
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>1,441</u>
Change in Net Assets of Governmental Activities		<u>\$ 49,541</u>

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

MAJOR GOVERNMENTAL FUNDS

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

- **General Fund** – accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes, 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. The modified accrual basis of accounting is used to record revenues and expenditures.
- **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.

MULTNOMAH COUNTY, OREGON
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes				
Property:				
Current	\$ 174,272	\$ 174,272	\$ 172,937	\$ (1,335)
Prior	4,829	4,829	4,175	(654)
Penalties and interest	1,424	1,424	1,468	44
Payments in lieu of taxes	85	85	1,422	1,337
Transient lodging	-	-	1	1
Business income	25,075	25,075	30,286	5,211
Personal income	128,200	128,200	100,114	(28,086)
Motor vehicle rental	12,214	12,214	10,345	(1,869)
Intergovernmental:				
Federal	7,026	11,582	4,924	(6,658)
State	12,344	12,344	12,719	375
Local	1,736	1,736	1,525	(211)
Licenses and permits	8,013	8,013	10,383	2,370
Charges for services	3,459	3,460	10,730	7,270
Interest	2,315	2,315	805	(1,510)
Other:				
Service reimbursements	12,463	12,164	12,236	72
Miscellaneous	1,458	1,458	1,012	(446)
Total revenues	<u>394,913</u>	<u>399,171</u>	<u>375,082</u>	<u>(24,089)</u>
EXPENDITURES				
Human services	29,709	29,726	27,973	1,753
Community justice services	43,527	43,199	42,552	647
Health services	41,282	45,789	46,718	(929)
District attorney	16,168	16,059	15,081	978
Sheriff	81,053	80,513	78,504	2,009
Business and community services	43,822	43,656	40,418	3,238
Nondepartmental	114,174	114,812	79,635	35,177
School and community	14,384	14,616	14,016	600
Total expenditures	<u>384,119</u>	<u>388,370</u>	<u>344,897</u>	<u>43,473</u>
Excess of revenues over expenditures	<u>10,794</u>	<u>10,801</u>	<u>30,185</u>	<u>19,384</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	1	1
Transfers in	1,877	1,877	1,625	(252)
Transfers out	(18,098)	(18,105)	(18,105)	-
Total other financing uses	<u>(16,221)</u>	<u>(16,228)</u>	<u>(16,479)</u>	<u>(251)</u>
Net change in fund balances	<u>(5,427)</u>	<u>(5,427)</u>	<u>13,706</u>	<u>19,133</u>
Fund balances - beginning	<u>5,427</u>	<u>5,427</u>	<u>5,786</u>	<u>359</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,492</u>	<u>\$ 19,492</u>

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

MULTNOMAH COUNTY, OREGON
Federal and State Program Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 194,494	\$ 209,596	\$ 195,285	\$ (14,311)
Licenses and permits	2,364	2,364	1,803	(561)
Charges for services	46,030	45,667	38,110	(7,557)
Interest	6	6	9	3
Other:				
Service reimbursements	74	74	199	125
Miscellaneous	470	594	554	(40)
Total revenues	<u>243,438</u>	<u>258,301</u>	<u>235,960</u>	<u>(22,341)</u>
EXPENDITURES				
Human services	112,286	116,852	110,895	5,957
Community justice services	30,544	30,241	27,833	2,408
Health services	70,792	73,473	65,034	8,439
District attorney	4,553	5,173	4,941	232
Sheriff	7,709	9,191	9,146	45
Business and community services	655	4,937	1,476	3,461
Nondepartmental	914	973	944	29
School and Community	15,985	17,461	15,691	1,770
Total expenditures	<u>243,438</u>	<u>258,301</u>	<u>235,960</u>	<u>22,341</u>
Excess (deficiency) of revenues				
over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

PROPRIETARY FUNDS

The County utilizes nine Proprietary Funds made up of three Enterprise Funds and six Internal Service Funds. Internal Service Funds' statements are noted at pages 114-128.

Enterprise Funds:

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

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

MULTNOMAH COUNTY, OREGON
Statement of Net Assets
Proprietary Funds
June 30, 2004
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe- Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 313	\$ 447	\$ 3,142	\$ 3,902	\$ 30,014
Receivables (net of allowances for uncollectibles:					
Accounts	-	-	10	10	793
Special assessments	14	12	-	26	-
Inventories	-	-	-	-	455
Due from other funds	-	-	-	-	6,525
Prepaid items	-	-	233	233	796
Total current assets	327	459	3,385	4,171	38,583
Noncurrent assets:					
Capital assets (net of accumulated depreciation)	1,150	1,330	-	2,480	6,812
Total assets	1,477	1,789	3,385	6,651	45,395
LIABILITIES					
Current liabilities:					
Accounts payable	76	17	2,140	2,233	14,714
Payroll payable	-	-	8	8	541
Compensated absences	-	-	8	8	498
Total current liabilities	76	17	2,156	2,249	15,753
Noncurrent liabilities:					
Compensated absences	-	-	7	7	1,321
Total liabilities	76	17	2,163	2,256	17,074
NET ASSETS					
Invested in capital assests, net of related debt	1,150	1,330	-	2,480	6,812
Unrestricted	251	442	1,222	1,915	21,509
Total net assets	\$ 1,401	\$ 1,772	\$ 1,222	\$ 4,395	\$ 28,321

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, 2004
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				
	Dunthorpe Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES					
Charges for sales and services	\$ 344	\$ 235	\$ 26,038	\$ 26,617	\$ 115,183
Insurance premiums	-	-	-	-	2,348
Experience ratings and other	-	-	-	-	736
Total operating revenues	<u>344</u>	<u>235</u>	<u>26,038</u>	<u>26,617</u>	<u>118,267</u>
OPERATING EXPENSES					
Cost of sales and services	284	312	24,032	24,628	110,050
Administration	29	29	1,755	1,813	3,366
Depreciation	42	158	-	200	2,908
Total operating expenses	<u>355</u>	<u>499</u>	<u>25,787</u>	<u>26,641</u>	<u>116,324</u>
Operating income (loss)	<u>(11)</u>	<u>(264)</u>	<u>251</u>	<u>(24)</u>	<u>1,943</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	6	10	58	74	481
Gain (Loss) on disposal of capital assets	-	(224)	-	(224)	44
Total nonoperating revenues (expenses)	<u>6</u>	<u>(214)</u>	<u>58</u>	<u>(150)</u>	<u>525</u>
Income (loss) before contributions and transfers	(5)	(478)	309	(174)	2,468
Capital contributions in	-	-	-	-	2,365
Capital contributions out	-	-	-	-	(72)
Transfers in	-	-	-	-	145
Transfers out	-	-	-	-	(3,465)
Change in net assets	<u>(5)</u>	<u>(478)</u>	<u>309</u>	<u>(174)</u>	<u>1,441</u>
Total net assets - beginning	1,406	2,250	913	4,569	26,880
Total net assets - ending	<u>\$ 1,401</u>	<u>\$ 1,772</u>	<u>\$ 1,222</u>	<u>\$ 4,395</u>	<u>\$ 28,321</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, 2004
(amounts expressed in thousands)

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe Riverdale Service District	Mid County Service District	Behavioral Health Managed Care	Total	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 344	\$ 236	\$ 26,089	\$ 26,669	\$ 118,218
Payments to suppliers	(288)	(317)	(22,845)	(23,450)	(64,487)
Payments to employees	(17)	(26)	(1,760)	(1,803)	(26,995)
Internal activity - payments to other funds	-	-	(491)	(491)	(15,759)
Other receipts	-	-	-	-	68
Net cash provided by (used in) operating activities	39	(107)	993	925	11,045
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	145
Transfers out	-	-	-	-	(3,465)
Net cash used in noncapital and related financing activities	-	-	-	-	(3,320)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(134)	(296)	-	(430)	(3,310)
Proceeds on sales of capital assets	-	-	-	-	51
Net cash used in capital and related financing activities	(134)	(296)	-	(430)	(3,259)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	6	10	58	74	481
Net cash provided by investing activities	6	10	58	74	481
Net increase (decrease) in cash and cash equivalents	(89)	(393)	1,051	569	4,947
Balances at beginning of the year	402	840	2,091	3,333	25,067
Balances at end of the year	\$ 313	\$ 447	\$ 3,142	\$ 3,902	\$ 30,014
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (11)	\$ (264)	\$ 251	\$ (24)	\$ 1,943
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Cash flows reported in other categories:					
Depreciation	42	158	-	200	2,908
Changes in assets and liabilities:					
Receivables, net	(1)	-	51	50	19
Inventories	-	-	-	-	162
Due from other funds	-	-	-	-	5,825
Prepaid items	-	-	114	114	(223)
Accounts payable	9	(1)	572	580	310
Compensated absences	-	-	4	4	120
Due to other funds	-	-	-	-	-
Payroll payable	-	-	1	1	(19)
Total adjustments	50	157	742	949	9,102
Net cash provided by (used in) operating activities:	\$ 39	\$ (107)	\$ 993	\$ 925	\$ 11,045
Noncash financing activities:					
Contributions of capital assets from government	\$ -	\$ -	\$ -	\$ -	\$ 2,365

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

FIDUCIARY FUNDS

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

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

MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004
(amounts expressed in thousands)

	<u>Agency Funds</u>	<u>Library Retirement Pension Trust Fund</u>
ASSETS		
Cash and investments	\$ 14,797	\$ -
Investments, at fair value:		
Bond/mortgage account	-	10,042
High quality long term bond account	-	3,959
Total investments	-	14,001
Taxes receivable	39,554	-
Accounts receivable	1,899	-
Total assets	<u>56,250</u>	<u>14,001</u>
LIABILITIES		
Accounts payable	9,066	-
Due to other governmental units	37,534	-
Amounts held in trust	9,650	-
Total liabilities	<u>56,250</u>	<u>-</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 14,001</u>

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

MULTNOMAH COUNTY, OREGON
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended June 30, 2004
(amounts expressed in thousands)

	Library Retirement Pension Trust Fund
ADDITIONS	
Investment earnings:	
Interest	\$ 63
Total investment earnings	63
Total additions	63
DEDUCTIONS	
Benefits	698
Administrative expenses	30
Total deductions	728
Change in net assets	(665)
Net assets - beginning	14,666
Net assets - ending	\$ 14,001

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004
(dollar amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

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

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

The County also maintains a Hospital Facilities Authority (Authority). The Authority only issues conduit debt for health care facilities and the County has no assets or liabilities recorded for the Authority.

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

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of 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*.

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

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

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

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

Property taxes, excise taxes, 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.

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

The County reports the following major proprietary funds:

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.

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 six internal service funds: Risk Management Fund, Fleet Management Fund, Telephone Fund, Data Processing Fund, Mail/Distribution Fund and Facilities Management Fund.

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Fiduciary Funds account for assets held by the County for other governmental units. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. For example, the County holds deposits and investments for the benefit of the participants in the County Library Retirement Pension Trust Fund. Fiduciary funds are custodial in nature (ie. assets equal liabilities) and do not measure the results of operations.

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.

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

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

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

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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 considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the date of acquisition.

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

2. Receivables and payables

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

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

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

Multnomah County residents approved a personal income tax effective from calendar year 2003 through calendar year 2005. The tax is a 1.25% levy on the Oregon taxable income of Multnomah County residents reduced by an exemption amount. The tax generated \$100,114 in its first year, and will generate an estimated \$125,000 for each of the two remaining calendar years the tax is in effect. The revenues generated from the tax will provide funding for public school districts within Multnomah County in addition to funding

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for elderly, disabled and mentally ill persons, and programs for public safety and health. Included in the financial statements is an allowance for uncollectible accounts of \$4,572 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 property 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.

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. *Restricted amounts*

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 classified as restricted on the Statement of Net Assets and they are recorded in separate funds supporting the specific function or operation.

5. *Capital assets*

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phases of capital assets of business-type activities is included as part of the

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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 years |
| • Sewer systems | 50 years |
| • Street lighting | 10 to 30 years |
| • Equipment, including software | 3 to 10 years |
| • Buildings and improvements | 40 years |

6. *Other assets – unamortized pension asset*

The County recognized a net pension asset in the Statement of Net Assets in connection with the debt the County issued in 1999 to fund the County's Public Employees Retirement System (PERS) unfunded accrued actuarial liability (UAAL). The pension asset is amortized over thirty years, the life of the debt, resulting in \$6,152 of amortization expense annually. Amortization expense on the pension asset is included in the general government line item on the Statement of Activities.

7. *Deferred revenues*

Deferred revenues reported in the government-wide financial statements represent unearned revenues. The deferred 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, such as collections on the 2004 calendar year for the County's 1.25% personal income tax. 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 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 and Internal Service Funds.

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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. Post employment health care benefits considered to be special termination benefits are recognized as a 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. When incurred, bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The post employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year.

10. *Fund equity*

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

11. *Estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires 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.

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.

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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 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, none of which was material.

B. Excess of expenditures over appropriations

For the year-ended June 30, 2004, expenditures exceeded appropriations in the following area:

<u>Fund</u>	<u>Agency</u>	<u>Amount</u>
General	Health Services	\$929

In the General Fund, the Health Department exceeded its appropriation as a result of mid-year changes to the Oregon Health Plan. These changes resulted in more clients, who had been Medicaid eligible, becoming uninsured, reducing the Health Department's Medicaid revenue collection for the year. Additionally, Health Department spending was restricted throughout the year, in response to this revenue shortfall, but it was not enough to completely bridge the gap. Because many of these clients who lost Medicaid coverage were already in service, medical ethics required that they continue to receive treatment, even if their care was uncompensated. The General fund's over expenditure in the Health department was funded by available fund balance.

In addition, the Building Project Fund noted a deficit in the fund balance at year-end. The deficit was a result of various capital projects including renovation to Multnomah County libraries. The County has entered into an internal loan agreement in order to reduce the Building Project's deficit fund balance. The loan is a five year agreement in which the General Fund will make a cash transfer each year for five years to aid the Capital Project's Fund balance. At June 30, 2004 the Building Project Fund noted a \$691 deficit fund balance.

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Note 3. Detailed notes on all funds

A. Deposits and investments

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

State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the Oregon State Treasury can require banks to provide more than 25% of the balances of municipal corporations' deposits as collateral. The County cannot, however, determine which, if any, institutions have been required to meet a collateral requirement larger than 25%. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds.

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 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 pursuant to the County's investment policy are delivered versus 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 repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund Board, providing the County with a margin against a decline in the market value of the securities. Daily marking-to-market also protects the County against declines in market

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

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

At year-end, the carrying amount of the County's deposits was \$10,522 and the bank balance was \$10,486. The bank balance was covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers in the name of the County as the County's agent. The balance of \$36 represents petty cash accounts that were uninsured and uncollateralized.

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

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

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

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

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3. Commercial paper and other corporate debt 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.

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.

The County has one investment that is uninsured and unregistered, is held by a counterparty and is not in the County's name. The investment is a pension trust investment that is held for the benefit of employees of the former Library Association of Portland. At the close of the year, the market value of the investment was \$14,001. More information can be found about this investment in note 4F, on page 67.

As of June 30, 2004, the County had the following investments and maturities:

Investment Type	Fair Value	Weighted Average Yield	Risk Concentration	Investment Maturity (in years)	
				Less than 1	1-3
US Agencies	\$65,320	1.93	46%	\$37,447	\$27,873
Corporate Debt	13,454	1.37	9%	13,454	-
Commercial Paper	20,454	1.25	14%	20,454	-
US Treasuries	9,885	2.11	7%	9,885	-
Local Government					
Investment Pool	24,229	1.29	17%	24,229	-
Cash and Equivalents	10,522	1.13	7%	10,522	-
Total	<u>\$143,864</u>			<u>\$115,991</u>	<u>\$27,873</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 as follows:

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Accounts Receivable

	Governmental Activities							
	General	Federal State Program	Justice Bond Project	Internal Service Funds	Nonmajor Funds	Total Governmental Activities	Business- type Activities	Total
Receivables:								
Taxes:								
Income	\$ 81,543	\$ -	\$ -	\$ -	\$ -	\$ 81,543	\$ -	\$ 81,543
Property	9,950			-	1,716	11,666		11,666
Other	2,463			-	1,701	4,164		4,164
Accounts	10,882	42,103	574	793	8,363	62,715	10	62,725
Loans	-	875	-	-	-	875	-	875
Interest	547	-	-	-	-	547	-	547
Special assessments	10	-	-	-	-	10	30	40
Contracts	1,997	-	-	-	11,349	13,346	-	13,346
Gross receivables	107,392	42,978	574	793	23,129	174,866	40	174,906
Less: allowance for discounts/uncollectibles	(4,572)	(5,297)	-	-	-	(9,869)	(4)	(9,873)
Net total receivables	<u>\$102,820</u>	<u>\$ 37,681</u>	<u>\$ 574</u>	<u>\$ 793</u>	<u>\$ 23,129</u>	<u>\$164,997</u>	<u>\$ 36</u>	<u>\$165,033</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. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Personal income tax receivable	\$ 79,783
Delinquent property taxes receivable (General Fund)	8,432
Delinquent property taxes receivable (other governmental funds)	1,449
Grant draw downs prior to meeting all eligibility requirements	7,980
Contracts receivable	13,346
Contract revenue received in advance	551
Loans receivable	875
Tax title land sales inventory	287
Special assessments receivable	10
Allowance for doubtful accounts – personal income tax	(4,572)
Total deferred revenue for governmental funds	<u>\$ 108,141</u>

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C. Capital assets

Capital asset activity for the year ended June 30, 2004 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,987	\$ -	\$ (221)	\$ 13,766
Work in progress	37,986	-	(37,986)	-
Total capital assets, not being depreciated	<u>51,973</u>	<u>-</u>	<u>(38,207)</u>	<u>13,766</u>
Capital assets, being depreciated:				
Buildings	339,017	61,553	(1,712)	398,858
Improvements other than buildings	433	-	-	433
Machinery and equipment	114,690	12,670	(6,726)	120,634
Bridges	72,616	11,746	(160)	84,202
Infrastructure	810,589	3,178	-	813,767
Total capital assets being depreciated	<u>1,337,345</u>	<u>89,147</u>	<u>(8,598)</u>	<u>1,417,894</u>
Less accumulated depreciation for:				
Buildings	(83,058)	(8,902)	1,219	(90,741)
Improvements other than buildings	(142)	(11)	-	(153)
Machinery and equipment	(94,809)	(7,775)	6,612	(95,972)
Bridges	(55,913)	(1,241)	4	(57,150)
Infrastructure	(443,861)	(20,306)	-	(464,167)
Total accumulated depreciation	<u>(677,783)</u>	<u>(38,235)</u>	<u>7,835</u>	<u>(708,183)</u>
Total capital assets being depreciated, net	<u>659,562</u>	<u>50,912</u>	<u>(763)</u>	<u>709,711</u>
Governmental activities capital assets, net	<u>\$ 711,535</u>	<u>\$ 50,912</u>	<u>\$ (38,970)</u>	<u>\$ 723,477</u>
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 4,272	\$ 430	\$ (328)	\$ 4,374
Machinery and equipment	41	-	-	41
Total capital assets being depreciated	<u>4,313</u>	<u>430</u>	<u>(328)</u>	<u>4,415</u>
Less accumulated depreciation for:				
Improvements other than buildings	(1,798)	(200)	104	(1,894)
Machinery and equipment	(41)	-	-	(41)
Total accumulated depreciation	<u>(1,839)</u>	<u>(200)</u>	<u>104</u>	<u>(1,935)</u>
Business-type activities capital assets, net	<u>\$ 2,474</u>	<u>\$ 230</u>	<u>\$ (224)</u>	<u>\$ 2,480</u>

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

Governmental activities:	
General government	\$ 14,418
Health services	7
Social services	4
Public safety & justice	269
Community services	46
Library	3,218
Roads and bridges	20,273
Total depreciation expense – governmental activities	<u>\$38,235</u>
Business-type activities:	
Sewer	\$ 42
Lighting	158
Behavioral Health Managed Care	-
Total depreciation expense – business-type activities	<u>\$ 200</u>

D. Interfund receivables, payables, and transfers

The County records “due to” and “due from” 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 composition of interfund balances as of June 30, 2004 is as follows:

Due to / from other funds:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>Amount</u>
Asset Preservation	SB 1145	\$ 1,100
Risk Management	Building Project	1,375
Risk Management	Federal and State	5,150
		<u>\$ 7,625</u>

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Interfund Transfers:

Following are the County's interfund transfers for the year ended June 30, 2004. The general fund transfers to the major and nonmajor governmental funds were made to meet the local match on Federal and State grant expenditures or to provide additional resources for current operations.

Transfers In:					
Transfers Out:	General Fund	Justice Bond Capital Project Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	\$ -	\$ -	\$17,960	\$ 145	\$18,105
Nonmajor Governmental Funds	1,625	4,850	4,741	-	11,216
Internal Service Funds	-	-	3,465	-	3,465
Total transfers out	<u>\$ 1,625</u>	<u>\$ 4,850</u>	<u>\$26,166</u>	<u>\$ 145</u>	<u>\$32,786</u>

E. Short-term debt

Tax Revenue Anticipation Note

The County issues short-term debt in order to meet current operational needs during months when property tax collections are slow. At July 1, 2003 the County issued \$40,000 in tax revenue anticipation notes. The notes carry an interest rate of 1.75% and are due at June 30, 2004. Short-term liability activity for the year-ended June 30, 2004 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax revenue anticipation note	\$ -	\$ 40,000	\$ 40,000	\$ -	\$ -

F. Long-term debt

General Obligation Bonds

The County issues general obligation bonds to provide funds for the rehabilitation, construction and acquisition of various library and public safety facilities and related equipment. General obligation bonds have been issued for these governmental activities. The original amount of general obligation bonds issued in

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prior years was \$139,700. In February 1999, the County advance refunded a portion of these general obligation bonds by issuing \$66,115 in new general obligation bonds.

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	3.70-6.00%	<u>\$ 86,445</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>
2005	\$ 5,420	\$ 3,787
2006	5,685	3,525
2007	5,960	3,256
2008	6,255	2,972
2009	6,555	2,677
2010-2014	36,815	8,817
2015-2017	19,755	1,397
Total	<u>\$ 86,445</u>	<u>\$ 26,431</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. In November 2000, the County issued \$2,000 of revenue bonds to finance the costs of acquiring land and constructing, renovating, improving and equipping certain facilities to be used as a vocational training center for developmentally disabled residents of Multnomah County. The County entered into a public / private partnership with Port City Development, a 501(c)(3) non profit agency. Also in November 2000, the County issued \$3,500 of revenue bonds to re-finance the costs of acquiring real property and constructing facility improvements related to the Oregon Food Bank. The total original amount of bonds issued in prior years was \$8,655.

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Revenue bonds outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00-5.20%	<u>\$ 7,425</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>
2005	\$ 490	\$ 337
2006	515	314
2007	540	291
2008	560	267
2009	585	243
2010-2014	3,410	763
2015-2016	1,325	62
Total	<u>\$ 7,425</u>	<u>\$ 2,277</u>

Full Faith and Credit Bonds

On April 1, 1999, the County issued \$36,125 in Certificates of Participation at a net interest cost of 4.71% to finance the costs of acquiring land and facilities. Certificates of Participation are direct obligations and pledge the full faith and credit of the County. At June 30, 2004, \$31,160 of these bonds were outstanding.

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds to fund the County's unfunded accrued actuarial liability (UAAL). The County estimates that by funding the actuarial liability, the County will receive a present value savings of about \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. The total interest cost is 7.67%. Payment of principal and interest, except for a term bond, will be guaranteed by MBIA. At June 30, 2004, \$181,103 of these bonds were outstanding.

On April 1, 2000, the County issued \$61,215 in full faith and credit bonds to finance the costs of acquiring and installing the integrated enterprise computer system, acquire land, acquire facilities and construct other County facilities and structures. Full faith and credit bonds are direct obligations and pledge the full faith and credit of the County. At June 30, 2004, \$48,325 of these bonds were outstanding.

On May 15, 2003, the County issued \$9,615 in Full Faith and Credit Refunding Obligations, Series 2003 with an average interest rate of 1.50% to 3.25%. This issue was used to refund \$10,470 of outstanding Certificates of Participation, Series 1993 with an average interest rate of 2.75% to 7.50%. On July 1, 2003 the \$10,470

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Certificates of Participation were called and paid off. Full faith and credit bond obligations outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00-7.74%	<u>\$ 270,203</u>

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>
2005	\$ 8,375	\$ 12,277
2006	9,230	11,855
2007	10,420	11,361
2008	11,725	10,785
2009	11,700	10,117
2010-2014	66,776	55,626
2015-2019	94,164	41,729
2020-2024	30,715	115,629
2025-2029	22,836	161,644
2030	4,262	38,887
Total	<u>\$ 270,203</u>	<u>\$ 469,910</u>

Capital Leases

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

<u>Asset</u>	<u>Governmental Activities</u>
Buildings	\$ 72,878
Less: Accumulated depreciation	(24,515)
Total	<u>\$ 48,363</u>

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.75-7.25%	<u>\$ 28,596</u>

Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 2,554	\$ 1,350
2006	2,699	1,217
2007	2,836	1,072
2008	2,996	917
2009	2,825	753
2010-2014	13,070	1,692
2015-2019	1,616	163
Total	<u>\$ 28,596</u>	<u>\$ 7,164</u>

Loans Payable

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	5.65-7.20%	<u>\$ 634</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>
2005	\$ 92	\$ 38
2006	95	35
2007	87	27
2008	83	22
2009	90	15
2010-2014	177	23
2015-2016	10	-
Total	<u>\$ 634</u>	<u>\$ 160</u>

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Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2004 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
General Obligation Bonds	\$ 91,610	\$ -	\$ 5,165	\$ 86,445	\$ 5,420
Revenue Bonds	7,890	-	465	7,425	490
Full Faith and Credit Bonds	276,763	-	6,560	270,203	8,375
Capital Leases	41,501	-	12,905	28,596	2,554
Loans Payable	718	-	84	634	92
Compensated Absences	16,055	20,948	19,756	17,247	5,174
Governmental activity long-term liabilities:	<u>\$ 434,537</u>	<u>\$ 20,948</u>	<u>\$ 44,935</u>	<u>\$ 410,550</u>	<u>\$ 22,105</u>
<u>Business-Type Activities</u>					
Compensated Absences	<u>\$ 11</u>	<u>\$ 21</u>	<u>\$ 17</u>	<u>\$ 15</u>	<u>\$ 8</u>

Defeased General Obligation Bonds

In prior years, the County defeased certain general obligation bond issues by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service on the old bonds. Accordingly, the trust account assets and related liability for the defeased bonds are not included in the County's financial statements. At June 30, 2004, the amount of these bonds outstanding totaled \$62,180.

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

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repayment, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2004, \$39,935 of Educational Facilities Revenue Bonds were outstanding.

On December 3, 1998, the County created a component unit, the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). On March 1, 1999, the Authority issued \$26,000 in Hospital Revenue Bonds (Terwilliger Plaza), which have not been recorded as a liability for purposes of compliance with generally accepted accounting principles. The proceeds of these bonds were used by health care facilities to finance various capital projects and refund outstanding bonds. The Hospital Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the health care facilities. Terwilliger Plaza has pledged the gross revenues of the health care facility making up Terwilliger Plaza to secure payment of the bonds. The bonds shall not be payable from a charge upon any fund or asset, nor shall the County be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County. Upon completion of the project, the assets constructed or purchased are owned by Terwilliger Plaza. Since the County does not own any of the assets or assume any of the liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County's financial statements. As of June 30, 2004, \$24,800 of these bonds were outstanding.

On December 1, 1999, the County issued \$9,830 in Higher Education Variable Rate Demand Revenue Bonds. The proceeds of these bonds were used to provide funds to reimburse Concordia University for the costs of acquiring, constructing and improving the educational facilities of the University (the Project), fund a debt service reserve fund and pay the costs of issuing the bonds. The Higher Education Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by the University. As the County does not own any of the assets constructed or assume any liabilities associated with the Project, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements. As of June 30, 2004, \$9,060 of the Higher Education Variable Rate Demand Revenue Bonds were outstanding.

Note 4. Other information

A. Hospital Facilities Authority of Multnomah County

The primary purpose of the Authority is to issue conduit debt for various health care facilities. The Authority is a related organization for which the County is not financially accountable because the County does not control or will have a financial

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benefit or burden relationship with the Authority even though the County's board is the same governing board as the Authority. At June 30, 2004 the net assets of the Authority were \$4,897 (unaudited).

B. 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, 2004, interfund premiums exceeded reimbursable expenditures.

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

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

	Fiscal year ended 6/30/04	Fiscal year ended 6/30/03
Unpaid claims, beginning of fiscal year	\$ 10,006	\$ 9,263
Incurred claims (including IBNRs)	16,885	14,852
Claim payments	(16,301)	(14,109)
Unpaid claims, end of fiscal year	<u>\$ 10,590</u>	<u>\$ 10,006</u>

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C. Subsequent events

On July 1, 2004, the County issued \$20,000 in Tax and Revenue Anticipation Notes to meet current cash flow needs of the County, prior to the receipt of property tax revenues in November. The interest rate on the notes is 3.0% and the yield is 1.6%. The notes mature on June 30, 2005.

On October 1, 2004, the County issued \$54,235 in Full Faith and Credit Refunding Obligations. The proceeds will be used to advance refund any or all of the callable portions of the Certificates of Participation, Series 1998, Certificates of Participation, Series 1999A and Full Faith and Credit Obligations, Series 2000A and to pay the costs of issuance and delivery of the obligations. The obligations carry a variable interest rate from 3.0% to 5.0% and mature on August 1, 2019.

On November 2, 2004 the voters of Multnomah County defeated a ballot measure to repeal the temporary County personal income tax. With the repeal being defeated the tax remains in effect.

D. 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.

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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, 2004:

<u>Year ended June 30</u>	
2005	\$ 3,375
2006	1,661
2006	1,191
2007	657
2008	802
2009 - 2013	940
2014 - 2018	590
2019 - 2023	590
2024 - 2028	590
2029 - 2033	300
Total minimum payments	<u>\$ 10,696</u>

The County recorded \$3,830 in rent expense for the year ended June 30, 2004.

E. Other post employment benefits

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

At June 30, 2004, there were 561 retirees that were receiving the post employment health care benefit. The County finances the plan by creating a reserve account that meets the actuarially determined amount of benefits that will be payable in the future. For the year ended June 30, 2004, the County paid \$1,831 for these benefits, which was net of \$2,404 of retiree contributions. The County records a liability on the Statement of Net Assets for these post employment benefits in the amount of \$55,190.

MULTNOMAH COUNTY, OREGON
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F. Employee retirement systems, pension plans and deferred compensation plan

Pension plans

The County participates in the Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee pension plan that covers substantially all employees; maintains a single employer defined benefit plan for employees transferred to the County from the former Library Association of Portland; and maintains a defined contribution plan for substantially all County employees 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 required by collective bargaining agreements to contribute the required 6.0% of annual covered payroll. The County is also required to contribute at an actuarially determined rate; the current rate is 7.94% of annual covered payroll.

Annual pension cost. For 2004, the County's annual pension cost of \$27,388 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2001 actuarial valuation using the entry age normal actuarial cost method. This actuarial valuation is the most recent available at the time of printing this report. The actuarial assumptions

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included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 3.5% per year, and (c) projected wage growth, excluding seniority / merit raises, of 4.25% per year. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 2001, was 26 years.

Three Year Trend Information for PERS

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/02	\$ 30,344	100%	\$ -
6/30/03	31,419	100%	-
6/30/04	27,388	100%	-

Following is a Schedule of Funding Progress for PERS:

Public Employees Retirement System Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded (Funded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
12/31/93	\$147,577	\$249,433	\$101,856	59%	\$122,873	83%
12/31/95	201,614	330,154	128,540	61%	142,614	90%
12/31/97	291,095	449,588	158,493	65%	155,915	102%
12/31/99	935,746	859,337	(76,409)	109%	191,152	(40)%
12/31/01	Pooled	Pooled	(203,703)	Pooled	207,148	(98)%

Local government member employers had an opportunity to elect to participate in the state and local Government Rate Pool as of January 1, 2002. The County elected to participate in this pool. Therefore, the actuarial value of assets and the actuarial accrued liability for the County are blended with other employers participating in the pool, and are not available for the County exclusively.

The actuarial information included in the above table was prepared using the recently enacted amendments to PERS. There is current litigation involving PERS benefits, and there will likely be litigation over PERS benefits in the future. The most widespread of the current actions involves the sustainability of the 2003

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legislation, which will be reviewed by the Oregon Supreme Court. If the Supreme Court voids all or part of the 2003 legislation, it could have a significant impact on the actuarial information reported above. The Oregon Supreme Court ruling is expected to be made in January 2005.

Multnomah County Library Retirement Plan

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

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

At June 30, 2004, there were 265 plan members. Current employees have an annual covered payroll of \$4,990. The total payroll and covered payroll are the same because the Plan is frozen. There are 120 participants currently receiving benefits. The assets of the Plan consist of unallocated insurance contracts and therefore are appropriately valued at contract value. Employer contributions to the Plan, participant benefits, and participant refunds are recognized using the accrual basis of accounting. The costs of administering the Plan are deducted from the earnings. The annual required contribution, or annual pension cost, of the County was \$0, due to the plan being fully funded.

MULTNOMAH COUNTY, OREGON
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Following is a Schedule of Funding Progress for the Plan:

Multnomah County Library Retirement Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/98	\$ 5,655	\$ 6,715	\$ 1,060	84%	\$ 5,433	20%
1/1/99	10,750	11,445	695	94%	5,422	13%
1/1/00	10,998	11,321	323	97%	5,056	6%
1/1/01	11,197	11,240	43	100%	5,008	1%
1/1/02	13,273	11,552	(1,721)	115%	5,255	(33%)
1/1/03	14,739	13,014	(1,725)	113%	4,946	(35%)
1/1/04	14,332	12,912	(1,420)	111%	4,990	(28%)

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, 2004, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$100,003. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

- SB 1145 Fund
- Building Project Fund
- Library Construction / 1996 Bonds Fund
- Capital Improvement Fund
- Capital Acquisition Fund
- Asset Preservation Fund
- Library Property Fund

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Assets:				
Cash and investments	\$ 29,796	\$ 19,601	\$ 13,727	\$ 63,124
Receivables:				
Taxes	2,917	500	-	3,417
Accounts	6,370	305	1,688	8,363
Contracts	3,305	5,740	2,304	11,349
Due from other funds	-	-	1,100	1,100
Inventories	1,003	-	-	1,003
Prepaid items	145	-	-	145
Total assets and other debits	<u>\$ 43,536</u>	<u>\$ 26,146</u>	<u>\$ 18,819</u>	<u>\$ 88,501</u>
LIABILITIES				
Accounts payable	\$ 9,333	\$ -	\$ 1,021	\$ 10,354
Payrolls payable	844	-	-	844
Due to other funds	-	-	2,475	2,475
Deferred revenue	4,836	6,158	2,641	13,635
Total liabilities	<u>15,013</u>	<u>6,158</u>	<u>6,137</u>	<u>27,308</u>
FUND BALANCES				
Reserved for capital projects	-	-	12,682	12,682
Reserved for debt service	-	19,988	-	19,988
Reserved for inventories	1,003	-	-	1,003
Reserved for prepaid items	145	-	-	145
Unreserved, undesignated	27,375	-	-	27,375
Total fund balances	<u>28,523</u>	<u>19,988</u>	<u>12,682</u>	<u>61,193</u>
Total liabilities and fund balances	<u>\$ 43,536</u>	<u>\$ 26,146</u>	<u>\$ 18,819</u>	<u>\$ 88,501</u>

MULTNOMAH COUNTY, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 47,003	\$ 7,453	\$ -	\$ 54,456
Intergovernmental	34,667	-	3,858	38,525
Licenses and permits	2,575	-	-	2,575
Charges for services	6,752	464	479	7,695
Interest	489	234	265	988
Other	1,529	30,250	3,238	35,017
Total revenues	<u>93,015</u>	<u>38,401</u>	<u>7,840</u>	<u>139,256</u>
EXPENDITURES				
Current:				
General government	986	66	4,066	5,118
Social services	75	-	-	75
Public safety and justice	3,977	-	6,868	10,845
Community services	15,430	-	1,466	16,896
Library services	42,681	-	72	42,753
Roads and bridges	40,454	-	-	40,454
Capital outlay	2,167	-	8,545	10,712
Debt service:				
Principal	-	25,179	-	25,179
Interest	-	18,845	-	18,845
Total expenditures	<u>105,770</u>	<u>44,090</u>	<u>21,017</u>	<u>170,877</u>
Deficiency of revenues under expenditures	<u>(12,755)</u>	<u>(5,689)</u>	<u>(13,177)</u>	<u>(31,621)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	204	-	220	424
Transfers in	22,637	64	3,465	26,166
Transfers out	(6,366)	-	(4,850)	(11,216)
Total other financing sources	<u>16,475</u>	<u>64</u>	<u>(1,165)</u>	<u>15,374</u>
Net change in fund balances	3,720	(5,625)	(14,342)	(16,247)
Fund balances - beginning	24,803	25,613	27,024	77,440
Fund balances - ending	<u>\$ 28,523</u>	<u>\$ 19,988</u>	<u>\$ 12,682</u>	<u>\$ 61,193</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.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **General Reserve Fund** – accounts for a reserve maintained separate from the General Fund at approximately 5% of the total budgeted revenues of the General Fund, to be used only for extreme emergencies related to disaster relief or public life and safety issues.
- **Land Corner Preservation Fund** - accounts for the collection of fees on all recordings of real property transactions and surveying activity. The fund makes expenditures to maintain public land corners.
- **Tax Title Land Sales Fund** - accounts for the receipt and sale of real property foreclosed upon by the County because of unpaid property taxes. Proceeds are subsequently distributed to all taxing districts.
- **Animal Control Fund** - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- **Willamette River Bridges Fund** - accounts for motor vehicle fees and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- **Recreation Fund** - accounts for State revenues and the pass through disbursements to Metro for the operation of parks.
- **Library Fund** - accounts for the public library operations.
- **Justice Services Special Operations Fund** - accounts for revenues and expenditures dedicated to justice services in the community corrections department, district attorney's office, and sheriff's office.
- **Inmate Welfare Fund** - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- **Special Excise Tax Fund** - accounts for a transient lodging tax and motor vehicle tax collection to be used for convention center expenditures.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004
(amounts expressed in thousands)

	Strategic Investment Program	Road	Emergency Communications	Bicycle Path Construction	County School	General Reserve
ASSETS						
Cash and investments	\$ 1,415	\$ 6,129	\$ 1	\$ 277	\$ -	\$ 11,168
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	4,428	57	-	-	-
Contracts	-	-	-	-	-	3,056
Inventories	-	716	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 1,415</u>	<u>\$ 11,273</u>	<u>\$ 58</u>	<u>\$ 277</u>	<u>\$ -</u>	<u>\$ 14,224</u>
LIABILITIES						
Accounts payable	\$ 36	\$ 6,267	\$ -	\$ -	\$ -	\$ -
Payroll Payable	1	171	-	-	-	-
Deferred revenue	-	213	-	-	-	3,056
Total liabilities	<u>37</u>	<u>6,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,056</u>
FUND BALANCES						
Reserved for inventories	-	716	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-
Unreserved, undesignated	1,378	3,906	58	277	-	11,168
Total fund balances	<u>1,378</u>	<u>4,622</u>	<u>58</u>	<u>277</u>	<u>-</u>	<u>11,168</u>
Total liabilities and fund balances	<u>\$ 1,415</u>	<u>\$ 11,273</u>	<u>\$ 58</u>	<u>\$ 277</u>	<u>\$ -</u>	<u>\$ 14,224</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Total
\$ 775	\$ 332	\$ 1	\$ 3,510	\$ 8	\$ 4,895	\$ 450	\$ 580	\$ 255	\$ 29,796
-	-	-	-	-	1,217	-	-	1,700	2,917
-	-	-	1,161	17	216	353	59	79	6,370
-	249	-	-	-	-	-	-	-	3,305
-	287	-	-	-	-	-	-	-	1,003
-	1	-	-	-	144	-	-	-	145
<u>\$ 775</u>	<u>\$ 869</u>	<u>\$ 1</u>	<u>\$ 4,671</u>	<u>\$ 25</u>	<u>\$ 6,472</u>	<u>\$ 803</u>	<u>\$ 639</u>	<u>\$ 2,034</u>	<u>\$ 43,536</u>
\$ 16	\$ 29	\$ 1	\$ 196	\$ 25	\$ 978	\$ 68	\$ 3	\$ 1,714	\$ 9,333
11	4	-	70	-	545	42	-	-	844
-	536	-	-	-	1,031	-	-	-	4,836
<u>27</u>	<u>569</u>	<u>1</u>	<u>266</u>	<u>25</u>	<u>2,554</u>	<u>110</u>	<u>3</u>	<u>1,714</u>	<u>15,013</u>
-	287	-	-	-	-	-	-	-	1,003
-	1	-	-	-	144	-	-	-	145
748	12	-	4,405	-	3,774	693	636	320	27,375
748	300	-	4,405	-	3,918	693	636	320	28,523
<u>\$ 775</u>	<u>\$ 869</u>	<u>\$ 1</u>	<u>\$ 4,671</u>	<u>\$ 25</u>	<u>\$ 6,472</u>	<u>\$ 803</u>	<u>\$ 639</u>	<u>\$ 2,034</u>	<u>\$ 43,536</u>

MULTNOMAH COUNTY, OREGON
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2004
(amounts expressed in thousands)

	Strategic Investment Program	Roads	Emergency Communications	Bicycle Path Construction	County School	General Reserve
REVENUES						
Taxes	\$ 1,038	\$ 7,627	\$ -	\$ -	\$ 205	\$ -
Intergovernmental	-	32,040	207	-	11	-
Licenses and permits	-	56	-	-	-	-
Charges for services	-	747	-	-	-	167
Interest	-	167	1	2	-	151
Other:						
Grants and contributions	-	-	-	-	-	-
Service reimbursements	-	-	-	-	-	-
Miscellaneous	9	43	-	-	-	-
Total revenues	<u>1,047</u>	<u>40,680</u>	<u>208</u>	<u>2</u>	<u>216</u>	<u>318</u>
EXPENDITURES						
Current:						
General government	641	10	-	-	-	-
Social services	75	-	-	-	-	-
Public safety and justice	-	-	-	-	-	-
Community services	-	-	150	-	216	-
Library services	-	-	-	-	-	-
Roads and bridges	-	34,655	-	-	-	-
Capital outlay	4	1,944	-	-	-	-
Total expenditures	<u>720</u>	<u>36,609</u>	<u>150</u>	<u>-</u>	<u>216</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>327</u>	<u>4,071</u>	<u>58</u>	<u>2</u>	<u>-</u>	<u>318</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	-	-	-	204
Transfers in	-	-	-	62	-	1,037
Transfers out	(605)	(4,741)	-	-	-	-
Total other financing sources (uses)	<u>(605)</u>	<u>(4,741)</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>1,241</u>
Net change in fund balances	(278)	(670)	58	64	-	1,559
Fund balance - beginning	1,656	5,292	-	213	-	9,609
Fund balance - ending	<u>\$ 1,378</u>	<u>\$ 4,622</u>	<u>\$ 58</u>	<u>\$ 277</u>	<u>\$ -</u>	<u>\$ 11,168</u>

Land Corner Preservation	Tax Title Land Sales	Animal Control	Willamette River Bridges	Recreation	Library	Justice Services Special Operations	Inmate Welfare	Special Excise Tax	Total
\$ -	\$ 101	\$ -	\$ -	\$ 112	\$ 22,985	\$ -	\$ -	\$ 14,935	\$ 47,003
-	-	100	1,428	-	854	27	-	-	34,667
1	-	811	-	-	90	1,617	-	-	2,575
1,072	205	109	4	-	1,743	1,192	1,513	-	6,752
-	29	-	-	-	121	8	3	7	489
-	-	-	50	-	1,201	-	-	-	1,251
-	-	-	-	-	-	88	-	-	88
-	-	-	11	-	106	-	21	-	190
1,073	335	1,020	1,493	112	27,100	2,932	1,537	14,942	93,015
-	335	-	-	-	-	-	-	-	986
-	-	-	-	-	-	-	-	-	75
-	-	-	-	-	-	2,856	1,121	-	3,977
-	-	-	-	122	-	-	-	14,942	15,430
-	-	-	-	-	42,681	-	-	-	42,681
653	-	-	5,146	-	-	-	-	-	40,454
-	-	-	141	-	15	63	-	-	2,167
653	335	-	5,287	122	42,696	2,919	1,121	14,942	105,770
420	-	1,020	(3,794)	(10)	(15,596)	13	416	-	(12,755)
-	-	-	-	-	-	-	-	-	204
-	-	-	4,679	10	16,849	-	-	-	22,637
-	-	(1,020)	-	-	-	-	-	-	(6,366)
-	-	(1,020)	4,679	10	16,849	-	-	-	16,475
420	-	-	885	-	1,253	13	416	-	3,720
328	300	-	3,520	-	2,665	680	220	320	24,803
\$ 748	\$ 300	\$ -	\$ 4,405	\$ -	\$ 3,918	\$ 693	\$ 636	\$ 320	\$ 28,523

MULTNOMAH COUNTY, OREGON
Strategic Investment Program Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes	\$ -	\$ 1,409	\$ 1,038	\$ (371)
Other:				
Miscellaneous	1,409	-	9	9
Total revenues	1,409	1,409	1,047	(362)
EXPENDITURES				
Business and community services	1,874	1,874	645	1,229
School and community	249	249	75	174
Total expenditures	2,123	2,123	720	1,403
Excess (deficiency) of revenues over (under) expenditures	(714)	(714)	327	1,041
OTHER FINANCING USES				
Transfers out	(690)	(690)	(605)	85
Net change in fund balances	(1,404)	(1,404)	(278)	1,126
Fund balances - beginning	1,404	1,404	1,656	252
Fund balances - ending	\$ -	\$ -	\$ 1,378	\$ 1,378

MULTNOMAH COUNTY, OREGON

Road Fund

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

For the Year Ended June 30, 2004

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Gasoline	\$ 7,700	\$ 7,700	\$ 7,011	\$ (689)
Forest reserve yield	601	601	616	15
Intergovernmental	27,822	28,940	32,040	3,100
Licenses and permits	45	45	56	11
Charges for services	463	463	747	284
Interest	215	215	167	(48)
Other:				
Miscellaneous	770	770	43	(727)
Total revenues	<u>37,616</u>	<u>38,734</u>	<u>40,680</u>	<u>1,946</u>
EXPENDITURES				
Business and community services	39,077	39,240	36,609	2,631
Nondepartmental	242	242	-	242
Total expenditures	<u>39,319</u>	<u>39,482</u>	<u>36,609</u>	<u>2,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,703)</u>	<u>(748)</u>	<u>4,071</u>	<u>4,819</u>
OTHER FINANCING USES				
Transfers out	(3,786)	(4,741)	(4,741)	-
Net change in fund balances	(5,489)	(5,489)	(670)	4,819
Fund balances - beginning	5,489	5,489	5,292	(197)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,622</u>	<u>\$ 4,622</u>

MULTNOMAH COUNTY, OREGON
Emergency Communications Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 273	\$ 273	\$ 207	\$ (66)
Interest	9	9	1	(8)
Total revenues	282	282	208	(74)
EXPENDITURES				
Sheriff	282	282	150	132
Excess of revenues over expenditures	-	-	58	58
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 58	\$ 58

MULTNOMAH COUNTY, OREGON
Bicycle Path Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 23	\$ 23	\$ -	\$ (23)
Interest	3	3	2	(1)
Total revenues	26	26	2	(24)
EXPENDITURES				
Business and community services	279	279	-	279
Excess (deficiency) of revenues over (under) expenditures	(253)	(253)	2	255
OTHER FINANCING SOURCES				
Transfers in	52	52	62	10
Net change in fund balances	(201)	(201)	64	265
Fund balances - beginning	201	201	213	12
Fund balances - ending	\$ -	\$ -	\$ 277	\$ 277

MULTNOMAH COUNTY, OREGON
County School Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Forest reserve yield	\$ 210	\$ 210	\$ 205	\$ (5)
Intergovernmental	-	-	11	11
Interest	2	2	-	(2)
Total revenues	<u>212</u>	<u>212</u>	<u>216</u>	<u>4</u>
EXPENDITURES				
Nondepartmental	<u>226</u>	<u>226</u>	<u>216</u>	<u>10</u>
Deficiency of revenues under expenditures	(14)	(14)	-	14
Fund balances - beginning	14	14	-	(14)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
General Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 167	\$ 167
Interest	150	150	151	1
Total revenues	150	150	318	168
EXPENDITURES				
Nondepartmental	10,587	10,587	-	10,587
Excess (deficiency) of revenues over (under) expenditures	(10,437)	(10,437)	318	10,755
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	204	204
Transfers in	1,037	1,037	1,037	-
Total other financing sources	1,037	1,037	1,241	204
Net change in fund balances	(9,400)	(9,400)	1,559	10,959
Fund balances - beginning	9,400	9,400	9,609	209
Fund balances - ending	\$ -	\$ -	\$ 11,168	\$ 11,168

MULTNOMAH COUNTY, OREGON
Land Corner Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 1	\$ 1
Charges for services	850	850	1,072	222
Total revenues	850	850	1,073	223
EXPENDITURES				
Business and community services	854	854	653	201
Nondepartmental	271	271	-	271
Total expenditures	1,125	1,125	653	472
Excess (deficiency) of revenues over (under) expenditures	(275)	(275)	420	695
Fund balances - beginning	275	275	328	53
Fund balances - ending	\$ -	\$ -	\$ 748	\$ 748

MULTNOMAH COUNTY, OREGON
Tax Title Land Sales Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Sales on foreclosures	\$ 348	\$ 348	\$ 101	\$ (247)
Charges for services	2	2	205	203
Interest	30	30	29	(1)
Total revenues	380	380	335	(45)
EXPENDITURES				
Business and community services	678	678	334	344
Nondepartmental	2	2	1	1
Total expenditures	680	680	335	345
Deficiency of revenues under expenditures	(300)	(300)	-	300
Fund balances - beginning	300	300	300	-
Fund balances - ending	\$ -	\$ -	\$ 300	\$ 300

MULTNOMAH COUNTY, OREGON
Animal Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 100	\$ 100
Licenses and permits	854	854	811	(43)
Charges for services	273	273	109	(164)
Miscellaneous	60	60	-	(60)
Total revenues	<u>1,187</u>	<u>1,187</u>	<u>1,020</u>	<u>(167)</u>
OTHER FINANCING USES				
Transfers out	<u>(1,187)</u>	<u>(1,187)</u>	<u>(1,020)</u>	<u>167</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Willamette River Bridges Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 1,550	\$ 1,550	\$ 1,428	\$ (122)
Charges for services	-	-	4	4
Other:				
Grants and contributions	-	-	50	50
Miscellaneous	175	175	11	(164)
Total revenues	1,725	1,725	1,493	(232)
EXPENDITURES				
Business and community services	8,562	8,562	5,287	3,275
Nondepartmental	11	11	-	11
Total expenditures	8,573	8,573	5,287	3,286
Deficiency of revenues under expenditures	(6,848)	(6,848)	(3,794)	3,054
OTHER FINANCING SOURCES				
Transfers in	3,734	3,734	4,679	945
Net change in fund balances	(3,114)	(3,114)	885	3,999
Fund balances - beginning	3,114	3,114	3,520	406
Fund balances - ending	\$ -	\$ -	\$ 4,405	\$ 4,405

MULTNOMAH COUNTY, OREGON
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - Gasoline	\$ 116	\$ 116	\$ 112	\$ (4)
EXPENDITURES				
Business and community services	126	126	122	4
Deficiency of revenues under expenditures	(10)	(10)	(10)	-
OTHER FINANCING SOURCES				
Transfers in	10	10	10	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON

Library Fund

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

For the Year Ended June 30, 2004

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes - property	\$ 24,141	\$ 24,141	\$ 22,985	\$ (1,156)
Intergovernmental	903	903	854	(49)
Licenses and permits	95	95	90	(5)
Charges for services	2,416	2,416	1,743	(673)
Interest	100	100	121	21
Other:				
Grants and contributions	-	-	1,201	1,201
Miscellaneous	140	140	106	(34)
Total revenues	<u>27,795</u>	<u>27,795</u>	<u>27,100</u>	<u>(695)</u>
EXPENDITURES				
Library	<u>45,637</u>	<u>45,644</u>	<u>42,696</u>	<u>2,948</u>
Deficiency of revenues under expenditures	<u>(17,842)</u>	<u>(17,849)</u>	<u>(15,596)</u>	<u>2,253</u>
OTHER FINANCING SOURCES				
Transfers in	<u>16,842</u>	<u>16,849</u>	<u>16,849</u>	<u>-</u>
Net change in fund balances	<u>(1,000)</u>	<u>(1,000)</u>	<u>1,253</u>	<u>2,253</u>
Fund balances - beginning	<u>1,000</u>	<u>1,000</u>	<u>2,665</u>	<u>1,665</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,918</u>	<u>\$ 3,918</u>

MULTNOMAH COUNTY, OREGON
Justice Services Special Operations Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental	\$ 776	\$ 946	\$ 27	\$ (919)
Licenses and permits	1,455	1,469	1,617	148
Charges for services	226	226	1,192	966
Interest	5	5	8	3
Other:				
Service reimbursements	-	83	88	5
Total revenues	<u>2,462</u>	<u>2,729</u>	<u>2,932</u>	<u>203</u>
EXPENDITURES				
Community justice services	950	950	836	114
District attorney	323	323	205	118
Sheriff	1,665	1,932	1,878	54
Nondepartmental	2	2	-	2
Total expenditures	<u>2,940</u>	<u>3,207</u>	<u>2,919</u>	<u>288</u>
Excess (deficiency) of revenues				
over (under) expenditures	(478)	(478)	13	491
Fund balances - beginning	478	478	680	202
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 693</u>	<u>\$ 693</u>

MULTNOMAH COUNTY, OREGON
Inmate Welfare Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 1,096	\$ 1,096	\$ 1,513	\$ 417
Interest	1	1	3	2
Other:				
Miscellaneous	24	24	21	(3)
Total revenues	<u>1,121</u>	<u>1,121</u>	<u>1,537</u>	<u>416</u>
EXPENDITURES				
Community justice services	19	19	12	7
Sheriff	<u>1,112</u>	<u>1,112</u>	<u>1,109</u>	<u>3</u>
Total expenditures	<u>1,131</u>	<u>1,131</u>	<u>1,121</u>	<u>10</u>
Excess (deficiency) of revenues over (under) expenditures	(10)	(10)	416	426
Fund balances - beginning	<u>10</u>	<u>10</u>	<u>220</u>	<u>210</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636</u>	<u>\$ 636</u>

MULTNOMAH COUNTY, OREGON
Special Excise Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes	\$ 16,665	\$ 16,665	\$ 14,935	\$ (1,730)
Interest	15	15	7	(8)
Total revenues	16,680	16,680	14,942	(1,738)
EXPENDITURES				
Nondepartmental	18,680	18,680	14,942	3,738
Deficiency of revenues under expenditures	(2,000)	(2,000)	-	2,000
Fund balances - beginning	2,000	2,000	320	(1,680)
Fund balances - ending	\$ -	\$ -	\$ 320	\$ 320

NONMAJOR DEBT SERVICE FUNDS

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

- **Capital 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.
- **PERS Pension Bond Fund** – accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's PERS unfunded liability. Revenues consist of charges to departments and interest.
- **Revenue Bond Fund** – accounts for payment of principal and interest on bonds to be issued to construct various facilities. The revenues are derived from the lease payments on the facilities and interest.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2004
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
ASSETS					
Cash and investments	\$ 388	\$ 8,634	\$ 8,164	\$ 2,415	\$ 19,601
Receivables:					
Taxes	-	500	-	-	500
Accounts	-	-	-	305	305
Contracts	-	-	-	5,740	5,740
Total assets	<u>\$ 388</u>	<u>\$ 9,134</u>	<u>\$ 8,164</u>	<u>\$ 8,460</u>	<u>\$ 26,146</u>
LIABILITIES					
Deferred revenue	-	418	-	5,740	6,158
Total liabilities	<u>-</u>	<u>418</u>	<u>-</u>	<u>5,740</u>	<u>6,158</u>
FUND BALANCES					
Reserved for debt service	388	8,716	8,164	2,720	19,988
Total liabilities and fund balances	<u>\$ 388</u>	<u>\$ 9,134</u>	<u>\$ 8,164</u>	<u>\$ 8,460</u>	<u>\$ 26,146</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	PERS Pension Bond	Revenue Bond	Total
REVENUES					
Taxes	\$ -	\$ 7,453	\$ -	\$ -	\$ 7,453
Charges for services	-	-	-	464	464
Interest	-	126	81	27	234
Other - service reimbursements	12,860	-	17,390	-	30,250
Total revenues	<u>12,860</u>	<u>7,579</u>	<u>17,471</u>	<u>491</u>	<u>38,401</u>
EXPENDITURES					
Current:					
General government	9	-	52	5	66
Debt service:					
Principal	17,759	5,165	1,790	465	25,179
Interest	6,171	4,033	8,284	357	18,845
Total expenditures	<u>23,939</u>	<u>9,198</u>	<u>10,126</u>	<u>827</u>	<u>44,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,079)</u>	<u>(1,619)</u>	<u>7,345</u>	<u>(336)</u>	<u>(5,689)</u>
OTHER FINANCING SOURCES					
Transfers in	-	-	-	64	64
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>64</u>
Net change in fund balances	(11,079)	(1,619)	7,345	(272)	(5,625)
Fund balances - beginning	11,467	10,335	819	2,992	25,613
Fund balances - ending	<u>\$ 388</u>	<u>\$ 8,716</u>	<u>\$ 8,164</u>	<u>\$ 2,720</u>	<u>\$ 19,988</u>

MULTNOMAH COUNTY, OREGON
Capital Debt Retirement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 150	\$ 150	\$ -	\$ (150)
Other - service reimbursements	11,643	11,643	12,860	1,217
Total revenues	11,793	11,793	12,860	1,067
EXPENDITURES				
Nondepartmental	25,638	25,638	23,939	1,699
Deficiency of revenues under expenditures	(13,845)	(13,845)	(11,079)	2,766
OTHER FINANCING SOURCES				
Transfers in	1,445	1,445	-	(1,445)
Total other financing sources	1,445	1,445	-	(1,445)
Net change in fund balances	(12,400)	(12,400)	(11,079)	1,321
Fund balances - beginning	12,400	12,400	11,467	(933)
Fund balances - ending	\$ -	\$ -	\$ 388	\$ 388

MULTNOMAH COUNTY, OREGON
General Obligation Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Property:				
Current year	\$ 7,081	\$ 7,081	\$ 7,139	\$ 58
Prior years'	99	99	269	170
Penalties and interest	-	-	45	45
Interest	127	127	126	(1)
Total revenues	<u>7,307</u>	<u>7,307</u>	<u>7,579</u>	<u>272</u>
EXPENDITURES				
Nondepartmental	16,441	16,441	9,198	7,243
Deficiency of revenues under expenditures	(9,134)	(9,134)	(1,619)	7,515
Fund balances - beginning	9,134	9,134	10,335	1,201
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,716</u>	<u>\$ 8,716</u>

MULTNOMAH COUNTY, OREGON
PERS Pension Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 110	\$ 110	\$ 81	\$ (29)
Other - service reimbursements	10,189	15,734	17,390	1,656
Total revenues	10,299	15,844	17,471	1,627
EXPENDITURES				
Nondepartmental	11,999	17,544	10,126	7,418
Excess (deficiency) of revenues				
over (under) expenditures	(1,700)	(1,700)	7,345	9,045
Fund balances - beginning	1,700	1,700	819	(881)
Fund balances - ending	\$ -	\$ -	\$ 8,164	\$ 8,164

MULTNOMAH COUNTY, OREGON
Revenue Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 458	\$ 458	\$ 464	\$ 6
Interest	55	55	27	(28)
Total revenues	513	513	491	(22)
EXPENDITURES				
Nondepartmental	3,515	3,515	827	2,688
Deficiency of revenues under expenditures	(3,002)	(3,002)	(336)	2,666
OTHER FINANCING SOURCES				
Transfers in	64	64	64	-
Net change in fund balances	(2,938)	(2,938)	(272)	2,666
Fund balances - beginning	2,938	2,938	2,992	54
Fund balances - ending	\$ -	\$ -	\$ 2,720	\$ 2,720

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:

- **SB1145 Fund** - accounts for State revenue to build jail beds to house convicted felons with sentences less than twelve months.
- **Building Project Fund** - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- **Library Construction Fund / 1996 Bonds** - accounts for the renovation of branch libraries and upgrades to Library computer systems and linkages.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Capital Acquisition Fund** - accounts for purchase of personal computers and capital purchases with economic payoffs of less than five years.
- **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.
- **Library Property Fund** – accounts for the proceeds on sales of certain library branch properties and other related library transactions.
- **Justice Bond Project Fund (Major 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.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2004
(amounts expressed in thousands)

	SB 1145	Building Project	Library Construction / 1996 Bonds	Capital Improvement
ASSETS				
Cash and investments	\$ 31	\$ 934	\$ 1,457	\$ 6,121
Receivables:				
Accounts	1,069	-	181	401
Contracts	-	-	-	1,363
Due from other funds	-	-	-	-
Total assets	<u>\$ 1,100</u>	<u>\$ 934</u>	<u>\$ 1,638</u>	<u>\$ 7,885</u>
LIABILITIES				
Accounts payable	\$ -	\$ 250	\$ 15	\$ 420
Due to other funds	1,100	1,375	-	-
Deferred revenue	-	-	-	1,700
Total liabilities	<u>1,100</u>	<u>1,625</u>	<u>15</u>	<u>2,120</u>
FUND BALANCES				
Reserved for capital projects	-	(691)	1,623	5,765
Total liabilities and fund balances	<u>\$ 1,100</u>	<u>\$ 934</u>	<u>\$ 1,638</u>	<u>\$ 7,885</u>

Capital Acquisition	Asset Preservation	Library Property	Total
\$ 2,148	\$ 3,036	\$ -	\$ 13,727
37	-	-	1,688
941	-	-	2,304
-	1,100	-	1,100
<u>\$ 3,126</u>	<u>\$ 4,136</u>	<u>\$ -</u>	<u>\$ 18,819</u>
\$ 10	\$ 326	\$ -	\$ 1,021
-	-	-	2,475
941	-	-	2,641
<u>951</u>	<u>326</u>	<u>-</u>	<u>6,137</u>
2,175	3,810	-	12,682
<u>\$ 3,126</u>	<u>\$ 4,136</u>	<u>\$ -</u>	<u>\$ 18,819</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	SB 1145	Building Project	Library Construction / 1996 Bonds	Capital Improvement
REVENUES				
Intergovernmental	\$ 3,858	\$ -	\$ -	\$ -
Charges for services	-	-	-	228
Interest	-	13	30	121
Other:				
Grants and contributions	-	-	-	297
Service reimbursements	-	-	-	-
Miscellaneous	-	32	2	-
Total revenues	<u>3,858</u>	<u>45</u>	<u>32</u>	<u>646</u>
EXPENDITURES				
Current:				
General government	-	-	-	1,605
Public safety and justice	6,868	-	-	-
Community services	-	1,019	-	-
Library services	-	-	60	-
Capital outlay	-	2,077	784	3,366
Total expenditures	<u>6,868</u>	<u>3,096</u>	<u>844</u>	<u>4,971</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,010)</u>	<u>(3,051)</u>	<u>(812)</u>	<u>(4,325)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	220
Transfers in	-	-	-	2,032
Transfers out	(4,850)	-	-	-
Total other financing sources (uses)	<u>(4,850)</u>	<u>-</u>	<u>-</u>	<u>2,252</u>
Net change in fund balances	<u>(7,860)</u>	<u>(3,051)</u>	<u>(812)</u>	<u>(2,073)</u>
Fund balances - beginning	<u>7,860</u>	<u>2,360</u>	<u>2,435</u>	<u>7,838</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (691)</u>	<u>\$ 1,623</u>	<u>\$ 5,765</u>

Capital Acquisition	Asset Preservation	Library Property	Total
\$ -	\$ -	\$ -	\$ 3,858
37	5	209	479
27	71	3	265
-	-	-	297
2,907	-	-	2,907
-	-	-	34
<u>2,971</u>	<u>76</u>	<u>212</u>	<u>7,840</u>
2,461	-	-	4,066
-	-	-	6,868
-	447	-	1,466
-	-	12	72
40	1,405	873	8,545
<u>2,501</u>	<u>1,852</u>	<u>885</u>	<u>21,017</u>
<u>470</u>	<u>(1,776)</u>	<u>(673)</u>	<u>(13,177)</u>
-	-	-	220
-	1,433	-	3,465
-	-	-	(4,850)
<u>-</u>	<u>1,433</u>	<u>-</u>	<u>(1,165)</u>
470	(343)	(673)	(14,342)
1,705	4,153	673	27,024
<u>\$ 2,175</u>	<u>\$ 3,810</u>	<u>\$ -</u>	<u>\$ 12,682</u>

MULTNOMAH COUNTY, OREGON

SB 1145 Fund

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

For the Year Ended June 30, 2004

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental - State	\$ 6,870	\$ 6,870	\$ 3,858	\$ (3,012)
Interest	50	50	-	(50)
Total revenues	6,920	6,920	3,858	(3,062)
EXPENDITURES				
Sheriff	6,870	6,870	6,868	2
Nondepartmental	50	50	-	50
Total expenditures	6,920	6,920	6,868	52
Deficiency of revenues under expenditures	-	-	(3,010)	(3,010)
OTHER FINANCING USES				
Transfers out	(4,850)	(4,850)	(4,850)	-
Net change in fund balances	(4,850)	(4,850)	(7,860)	(3,010)
Fund balances - beginning	4,850	4,850	7,860	3,010
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Building Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 15	\$ 15	\$ 13	\$ (2)
Other - miscellaneous	-	-	32	32
Total revenues	15	15	45	30
EXPENDITURES				
Business and community services	5,405	5,405	3,033	2,372
Nondepartmental	250	250	63	187
Total expenditures	5,655	5,655	3,096	2,559
Deficiency of revenues under expenditures	(5,640)	(5,640)	(3,051)	(2,589)
OTHER FINANCING SOURCES				
Financing proceeds	1,600	1,600	-	(1,600)
Net change in fund balances	(4,040)	(4,040)	(3,051)	989
Fund balances - beginning	4,040	4,040	2,360	(1,680)
Fund balances - ending	\$ -	\$ -	\$ (691)	\$ (691)

MULTNOMAH COUNTY, OREGON
Library Construction / 1996 Bonds Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 50	\$ 50	\$ 30	\$ (20)
Other - miscellaneous	-	-	2	2
Total revenues	50	50	32	(18)
EXPENDITURES				
Library	2,100	2,100	844	1,256
Nondepartmental	50	50	-	50
Total expenditures	2,150	2,150	844	1,306
Deficiency of revenues under expenditures	(2,100)	(2,100)	(812)	1,288
Fund balances - beginning	2,100	2,100	2,435	335
Fund balances - ending	\$ -	\$ -	\$ 1,623	\$ 1,623

MULTNOMAH COUNTY, OREGON
Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 800	\$ 800	\$ 228	\$ (572)
Interest	28	28	121	93
Other grants and contributions	-	-	297	297
Total revenues	828	828	646	(182)
EXPENDITURES				
Business and community services	12,993	12,993	4,948	8,045
Nondepartmental	23	23	23	-
Total expenditures	13,016	13,016	4,971	8,045
Deficiency of revenues under expenditures	(12,188)	(12,188)	(4,325)	7,863
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	220	220
Transfers in	2,032	2,032	2,032	-
Total other financing sources	2,032	2,032	2,252	220
Net change in fund balances	(10,156)	(10,156)	(2,073)	8,083
Fund balances - beginning	10,156	10,156	7,838	(2,318)
Fund balances - ending	\$ -	\$ -	\$ 5,765	\$ 5,765

MULTNOMAH COUNTY, OREGON
Capital Acquisition Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 31	\$ 31	\$ 37	\$ 6
Interest	95	95	27	(68)
Other - Service reimbursements	2,816	2,814	2,907	93
Total revenues	2,942	2,940	2,971	31
EXPENDITURES				
Nondepartmental	241	241	-	241
Business and community services	5,349	5,347	2,501	2,846
Total expenditures	5,590	5,588	2,501	3,087
Excess (deficiency) of revenues over (under) expenditures	(2,648)	(2,648)	470	3,118
Fund balances - beginning	2,648	2,648	1,705	(943)
Fund balances - ending	\$ -	\$ -	\$ 2,175	\$ 2,175

MULTNOMAH COUNTY, OREGON
Asset Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 5	\$ 5
Interest	15	15	71	56
Total revenues	15	15	76	61
EXPENDITURES				
Nondepartmental	40	40	40	-
Business and community services	5,683	5,683	1,812	3,871
Total expenditures	5,723	5,723	1,852	3,871
Deficiency of revenues under expenditures	(5,708)	(5,708)	(1,776)	3,932
OTHER FINANCING SOURCES				
Transfers in	1,433	1,433	1,433	-
Net change in fund balances	(4,275)	(4,275)	(343)	3,932
Fund balances - beginning	4,275	4,275	4,153	(122)
Fund balances - ending	\$ -	\$ -	\$ 3,810	\$ 3,810

MULTNOMAH COUNTY, OREGON
Library Property Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ -	\$ -	\$ 209	\$ 209
Interest	-	-	3	3
Total revenues	-	-	212	212
EXPENDITURES				
Library	885	885	885	-
Deficiency of revenues under expenditures	(885)	(885)	(673)	212
OTHER FINANCING SOURCES				
Bond proceeds	885	885	-	(885)
Net change in fund balances	-	-	(673)	(673)
Fund balances - beginning	-	-	673	673
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Justice Bond Capital Project Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Interest	\$ 125	\$ 125	\$ 158	\$ 33
Other:				
Grants and contributions	-	-	9	9
Miscellaneous	-	-	2	2
Total revenues	125	125	169	44
EXPENDITURES				
Business and community services	7,702	7,702	2,512	5,190
Sheriff	18,876	18,876	6,948	11,928
Nondepartmental	300	300	124	176
Total expenditures	26,878	26,878	9,584	17,294
Deficiency of revenues under expenditures	(26,753)	(26,753)	(9,415)	17,338
OTHER FINANCING SOURCES				
Transfers in	4,850	4,850	4,850	-
Financing proceeds	3,890	3,890	-	(3,890)
Total other financing sources	8,740	8,740	4,850	(3,890)
Net change in fund balances	(18,013)	(18,013)	(4,565)	13,448
Fund balances - beginning	18,013	18,013	9,971	(8,042)
Fund balances - ending	\$ -	\$ -	\$ 5,406	\$ 5,406

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
Dunthorpe-Riverdale Service District No. 1 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - sewer:				
Current	\$ 317	\$ 317	\$ 325	\$ 8
Prior	-	-	6	6
Charges for services	5	5	12	7
Interest	13	13	6	(7)
Total revenues	<u>335</u>	<u>335</u>	<u>349</u>	<u>14</u>
EXPENDITURES				
Business and community services	624	624	447	177
Nondepartmental	61	61	-	61
Total expenditures	<u>685</u>	<u>685</u>	<u>447</u>	<u>238</u>
Deficiency of revenues under expenditures	(350)	(350)	(98)	252
Fund balances - beginning	350	350	337	(13)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239</u>	<u>\$ 239</u>

MULTNOMAH COUNTY, OREGON
Dunthorpe Riverdale Service District No. 1 Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Dunthorpe Riverdale Operating Fund	\$ 349	\$ 447
Deferred revenue current year	13	-
Deferred revenue prior year	(12)	-
Depreciation expense	-	42
Capital outlay	-	(132)
Capitalized expense	-	(2)
Uncollectible prior year	-	(2)
Uncollectible current year	-	2
	<hr/>	<hr/>
Revenues and expenses - page 35	<u>\$ 350</u>	<u>\$ 355</u>

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Assessments - street lighting:				
Current year	\$ 203	\$ 203	\$ 230	\$ 27
Prior year	-	-	6	6
Interest	22	22	10	(12)
Total revenues	225	225	246	21
EXPENDITURES				
Business and community services	713	713	638	75
Nondepartmental	207	207	-	207
Total expenditures	920	920	638	282
Deficiency of revenues under expenditures	(695)	(695)	(392)	303
Fund balances - beginning	695	695	824	129
Fund balances - ending	\$ -	\$ -	\$ 432	\$ 432

MULTNOMAH COUNTY, OREGON
Mid County Service District No. 14 Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mid County Operating Fund	\$ 246	\$ 638
Deferred revenue current year	11	-
Deferred revenue prior year	(12)	-
Depreciation expense	-	158
Capitalized expense	-	(296)
Loss on disposal of capital assets	-	224
Uncollectible prior year	-	(3)
Uncollectible current year	-	2
	<u> </u>	<u> </u>
Revenues and expenses - page 35	<u>\$ 245</u>	<u>\$ 723</u>

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state and local	\$ 29,882	\$ 29,882	\$ 26,038	\$ (3,844)
Interest	-	-	58	58
Total revenues	29,882	29,882	26,096	(3,786)
EXPENDITURES				
Human services	29,882	29,882	25,787	4,095
Excess of revenues over expenditures	-	-	309	309
Fund balances - beginning	-	-	913	913
Fund balances - ending	\$ -	\$ -	\$ 1,222	\$ 1,222

MULTNOMAH COUNTY, OREGON
Behavioral Health Managed Care Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Behavioral Health Operating Fund	\$ 26,096	\$ 25,787
Revenues and expenses - page 35	<u>\$ 26,096</u>	<u>\$ 25,787</u>

INTERNAL SERVICE FUNDS

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

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

MULTNOMAH COUNTY, OREGON
Internal Service Funds
Combining Statement of Net Assets
June 30, 2004
(amounts expressed in thousands)

Governmental Activities - Internal Service Funds							
	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Telephone</u>	<u>Data Processing</u>	<u>Mail / Distribution</u>	<u>Facilities Management</u>	<u>Total Internal Service Funds</u>
ASSETS							
Current assets:							
Cash and investments	\$ 18,848	\$ 3,106	\$ 1,202	\$ 4,480	\$ 259	\$ 2,119	\$ 30,014
Accounts receivable	-	288	92	55	8	350	793
Inventories	-	437	-	-	18	-	455
Due from other funds	6,525	-	-	-	-	-	6,525
Prepaid items	377	-	-	416	-	3	796
Total current assets	<u>25,750</u>	<u>3,831</u>	<u>1,294</u>	<u>4,951</u>	<u>285</u>	<u>2,472</u>	<u>38,583</u>
Noncurrent assets:							
Capital assets (net of accumulated depreciation)	-	3,189	957	2,650	-	16	6,812
Total assets	<u>\$ 25,750</u>	<u>\$ 7,020</u>	<u>\$ 2,251</u>	<u>\$ 7,601</u>	<u>\$ 285</u>	<u>\$ 2,488</u>	<u>\$ 45,395</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 11,966	\$ 189	\$ 224	\$ 785	\$ 49	\$ 1,501	\$ 14,714
Payroll payable	65	44	14	268	9	141	541
Compensated absences	65	32	14	239	4	144	498
Total current liabilities	<u>12,096</u>	<u>265</u>	<u>252</u>	<u>1,292</u>	<u>62</u>	<u>1,786</u>	<u>15,753</u>
Noncurrent liabilities:							
Compensated absences	151	90	17	709	11	343	1,321
Total liabilities	<u>12,247</u>	<u>355</u>	<u>269</u>	<u>2,001</u>	<u>73</u>	<u>2,129</u>	<u>17,074</u>
NET ASSETS							
Invested in capital assets, net of related debt	-	3,189	957	2,650	-	16	6,812
Unrestricted	13,503	3,476	1,025	2,950	212	343	21,509
Total net assets	<u>\$ 13,503</u>	<u>\$ 6,665</u>	<u>\$ 1,982</u>	<u>\$ 5,600</u>	<u>\$ 212</u>	<u>\$ 359</u>	<u>\$ 28,321</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2004
(amounts expressed in thousands)

Governmental Activities - Internal Service Funds							
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	Total Internal Service Funds
OPERATING REVENUES							
Charges for sales and services	\$ 48,251	\$ 5,217	\$ 4,897	\$ 19,646	\$ 1,596	\$ 35,576	\$ 115,183
Insurance premiums	2,348	-	-	-	-	-	2,348
Experience ratings and other	705	1	-	-	2	28	736
Total operating revenues	<u>51,304</u>	<u>5,218</u>	<u>4,897</u>	<u>19,646</u>	<u>1,598</u>	<u>35,604</u>	<u>118,267</u>
OPERATING EXPENSES							
Cost of sales and services	51,620	4,164	3,441	18,087	1,113	31,625	110,050
Administration	517	306	712	1,023	478	330	3,366
Depreciation	1	1,258	709	928	-	12	2,908
Total operating expenses	<u>52,138</u>	<u>5,728</u>	<u>4,862</u>	<u>20,038</u>	<u>1,591</u>	<u>31,967</u>	<u>116,324</u>
Operating income (loss)	<u>(834)</u>	<u>(510)</u>	<u>35</u>	<u>(392)</u>	<u>7</u>	<u>3,637</u>	<u>1,943</u>
NONOPERATING REVENUES							
Interest revenue	350	63	19	47	2	-	481
Gain on disposal of capital assets	-	44	-	-	-	-	44
Total nonoperating revenues	<u>350</u>	<u>107</u>	<u>19</u>	<u>47</u>	<u>2</u>	<u>-</u>	<u>525</u>
Income (loss) before contributions and transfers	(484)	(403)	54	(345)	9	3,637	2,468
Capital contributions in	-	32	-	2,333	-	-	2,365
Capital contributions out	-	(72)	-	-	-	-	(72)
Transfers in	-	-	-	-	-	145	145
Transfers out	-	-	-	-	-	(3,465)	(3,465)
Change in net assets	<u>(484)</u>	<u>(443)</u>	<u>54</u>	<u>1,988</u>	<u>9</u>	<u>317</u>	<u>1,441</u>
Total net assets - beginning	13,987	7,108	1,928	3,612	203	42	26,880
Total net assets - ending	<u>\$ 13,503</u>	<u>\$ 6,665</u>	<u>\$ 1,982</u>	<u>\$ 5,600</u>	<u>\$ 212</u>	<u>\$ 359</u>	<u>\$ 28,321</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2004
(amounts expressed in thousands)

Governmental Activities - Internal Service Funds							
	Risk Management	Fleet Management	Telephone	Data Processing	Mail / Distribution	Facilities Management	Total Internal Service Funds
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 51,242	\$ 5,088	\$ 4,905	\$ 19,667	\$ 1,595	\$ 35,721	\$118,218
Payments to suppliers	(41,030)	(1,544)	(3,123)	(4,310)	(889)	(13,591)	(64,487)
Payments to employees	(3,814)	(2,287)	(826)	(13,456)	(544)	(6,068)	(26,995)
Internal activity - payments to other funds	(1,032)	(518)	(215)	(1,584)	(100)	(12,310)	(15,759)
Other receipts	64	1	-	-	-	3	68
Net cash provided by operating activities	5,430	740	741	317	62	3,755	11,045
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	-	-	-	145	145
Transfers out	-	-	-	-	-	(3,465)	(3,465)
Net cash used in noncapital and related financing activities	-	-	-	-	-	(3,320)	(3,320)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases of capital assets	-	(2,323)	(684)	(303)	-	-	(3,310)
Proceeds on sales of capital assets	-	51	-	-	-	-	51
Net cash used in capital and related financing activities	-	(2,272)	(684)	(303)	-	-	(3,259)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	350	63	19	47	2	-	481
Net cash provided by investing activities	350	63	19	47	2	-	481
Net increase (decrease) in cash and cash equivalents	5,780	(1,469)	76	61	64	435	4,947
Balances at beginning of the year	13,068	4,575	1,126	4,419	195	1,684	25,067
Balances - beginning							
Balances at the end of the year	\$ 18,848	\$ 3,106	\$ 1,202	\$ 4,480	\$ 259	\$ 2,119	\$ 30,014
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (834)	\$ (510)	\$ 35	\$ (392)	\$ 7	\$ 3,637	\$ 1,943
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	1	1,258	709	928	-	12	2,908
Changes in assets and liabilities:							
Receivables	2	(127)	7	20	(4)	121	19
Inventories	-	67	-	-	19	76	162
Due from other funds	5,825	-	-	-	-	-	5,825
Prepaid items	(77)	-	-	(143)	-	(3)	(223)
Accounts payable	490	47	(12)	(106)	41	(150)	310
Compensated absences	25	10	2	12	-	71	120
Payroll payable	(2)	(5)	-	(2)	(1)	(9)	(19)
Total adjustments	6,264	1,250	706	709	55	118	9,102
Net cash provided by operating activities	\$ 5,430	\$ 740	\$ 741	\$ 317	\$ 62	\$ 3,755	\$ 11,045
Noncash financing activities:							
Contributions of capital assets	\$ -	\$ 32	\$ -	\$ 2,333	\$ -	\$ -	\$ 2,365

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 1,735	\$ 1,735	\$ 2,360	\$ 625
Interest	750	750	350	(400)
Other:				
Service reimbursements	49,926	46,287	48,248	1,961
Experience ratings and other	2,169	2,169	696	(1,473)
Total revenues	54,580	50,941	51,654	713
EXPENDITURES				
Business and community services	53,818	50,179	49,857	322
Nondepartmental	13,266	13,266	2,280	10,986
Total expenditures	67,084	63,445	52,137	11,308
Deficiency of revenues under expenditures	(12,504)	(12,504)	(483)	12,021
Fund balances - beginning	12,504	12,504	13,986	1,482
Fund balances - ending	\$ -	\$ -	\$ 13,503	\$ 13,503

MULTNOMAH COUNTY, OREGON
Risk Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Risk Management Operating Fund	\$ 51,654	\$ 52,137
Depreciation expense	-	1
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 51,654</u>	<u>\$ 52,138</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental - state	\$ -	\$ -	\$ 4	\$ 4
Charges for services	840	840	973	133
Interest	150	150	63	(87)
Other:				
Miscellaneous	41	41	51	10
Service reimbursements	4,334	4,347	4,241	(106)
Total revenues	<u>5,365</u>	<u>5,378</u>	<u>5,332</u>	<u>(46)</u>
EXPENDITURES				
Business and community services	8,577	8,590	6,793	1,797
Nondepartmental	1,569	1,569	-	1,569
Total expenditures	<u>10,146</u>	<u>10,159</u>	<u>6,793</u>	<u>3,366</u>
Deficiency of revenues under expenditures	(4,781)	(4,781)	(1,461)	3,320
Fund balances - beginning	4,781	4,781	4,937	156
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,476</u>	<u>\$ 3,476</u>

MULTNOMAH COUNTY, OREGON
Fleet Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Fleet Management Operating Fund	\$ 5,332	\$ 6,793
Depreciation expense	-	1,258
Proceeds from asset sales	(51)	-
Gain on disposal of capital assets	44	-
Capital outlay	-	(2,323)
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 5,325</u>	<u>\$ 5,728</u>

MULTNOMAH COUNTY, OREGON
Telephone Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 1,226	\$ 1,226	\$ 473	\$ (753)
Interest	25	25	19	(6)
Other - service reimbursements	3,466	3,465	4,424	959
Total revenues	4,717	4,716	4,916	200
EXPENDITURES				
Business and community services	5,604	5,603	4,837	766
Nondepartmental	4	4	-	4
Total expenditures	5,608	5,607	4,837	770
Excess (deficiency) of revenues				
over (under) expenditures	(891)	(891)	79	970
Fund balances - beginning	891	891	946	55
Fund balances - ending	\$ -	\$ -	\$ 1,025	\$ 1,025

MULTNOMAH COUNTY, OREGON
Telephone Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Telephone Operating Fund	\$ 4,916	\$ 4,837
Depreciation expense	-	709
Capital outlay	-	(684)
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 4,916</u>	<u>\$ 4,862</u>

MULTNOMAH COUNTY, OREGON
Data Processing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Charges for sales and services	\$ 19,490	\$ 19,490	\$ 19,646	\$ 156
Interest	46	46	47	1
Other - miscellaneous	265	265	-	(265)
Total revenues	19,801	19,801	19,693	(108)
EXPENDITURES				
Business and community services	21,192	21,192	19,413	1,779
Nondepartmental	73	73	-	73
Total expenditures	21,265	21,265	19,413	1,852
Deficiency of revenues under expenditures	(1,464)	(1,464)	280	1,744
Fund balances - beginning	1,464	1,464	2,670	1,206
Fund balances - ending	\$ -	\$ -	\$ 2,950	\$ 2,950

MULTNOMAH COUNTY, OREGON
Data Processing Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Data Processing Operating Fund	\$ 19,693	\$ 19,413
Depreciation expense	-	928
Capital Outlay	-	(303)
	<u> </u>	<u> </u>
Revenues and expenses - page 115	<u>\$ 19,693</u>	<u>\$ 20,038</u>

MULTNOMAH COUNTY, OREGON
Mail/Distribution Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
REVENUES				
Intergovernmental:				
Federal, state, and local	\$ 63	\$ 63	\$ 33	\$ (30)
Interest	2	2	2	-
Other - service reimbursements	1,477	1,779	1,565	(214)
Total revenues	<u>1,542</u>	<u>1,844</u>	<u>1,600</u>	<u>(244)</u>
EXPENDITURES				
Business and community services	1,526	1,828	1,591	237
Nondepartmental	155	155	-	155
Total expenditures	<u>1,681</u>	<u>1,983</u>	<u>1,591</u>	<u>392</u>
Excess (deficiency) of revenues over (under) expenditures	(139)	(139)	9	148
Fund balances - beginning	139	139	203	64
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212</u>	<u>\$ 212</u>

MULTNOMAH COUNTY, OREGON
Mail / Distribution Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the year ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Mail / Distribution Operating Fund	\$ 1,600	\$ 1,591
Revenues and expenses - page 115	<u>\$ 1,600</u>	<u>\$ 1,591</u>

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				favorable
				(unfavorable)
REVENUES				
Intergovernmental - state	\$ -	\$ 51	\$ 51	\$ -
Charges for services	2,014	2,014	1,908	(106)
Miscellaneous	1,750	1,750	28	(1,722)
Other - service reimbursements	36,582	36,558	33,617	(2,941)
Total revenues	40,346	40,373	35,604	(4,769)
EXPENDITURES				
Business and community services	37,001	37,028	31,955	5,073
Non Departmental	25	25	-	25
Total expenditures	37,026	37,053	31,955	5,098
Excess of revenues over expenditures	3,320	3,320	3,649	329
OTHER FINANCING SOURCES (USES)				
Transfers in	145	145	145	-
Transfers out	(3,465)	(3,465)	(3,465)	-
Total other financing uses	(3,320)	(3,320)	(3,320)	-
Net change in fund balances	-	-	329	329
Fund balances - beginning	-	-	14	14
Fund balances - ending	\$ -	\$ -	\$ 343	\$ 343

MULTNOMAH COUNTY, OREGON
Facilities Management Fund
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses
For the Year ended June 30, 2004
(amounts expressed in thousands)

	<u>Revenues</u>	<u>Expenditures</u>
Facilities Management Operating Fund	\$ 35,604	\$ 31,955
Depreciation expense	-	12
	<hr/>	<hr/>
Revenues and expenses - page 115	<u>\$ 35,604</u>	<u>\$ 31,967</u>

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, 2004
(amounts expressed in thousands)

	Sundry Taxing Bodies	Department & Offices Agency	Public Guardian	Visitors' Facilities	Total
ASSETS:					
Cash and Investments	\$ 7,385	\$ 6,573	\$ 832	\$ 7	\$ 14,797
Receivables:					
Taxes	37,546	58	-	1,950	39,554
Accounts	-	1,897	-	2	1,899
Total assets	<u>\$ 44,931</u>	<u>\$ 8,528</u>	<u>\$ 832</u>	<u>\$ 1,959</u>	<u>\$ 56,250</u>
LIABILITIES:					
Accounts payable	\$ 6,224	\$ 670	\$ 213	\$ 1,959	\$ 9,066
Due to other governmental units	37,534	-	-	-	37,534
Amounts held in trust	1,173	7,858	619	-	9,650
Total liabilities	<u>\$ 44,931</u>	<u>\$ 8,528</u>	<u>\$ 832</u>	<u>\$ 1,959</u>	<u>\$ 56,250</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2004
(amounts expressed in thousands)

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
SUNDRY TAXING BODIES:				
Assets:				
Cash and investments	\$ 5,421	\$ 1,537,389	\$ 1,535,425	\$ 7,385
Taxes receivable	38,604	23,126,175	23,127,233	37,546
Total assets	<u>\$ 44,025</u>	<u>\$ 24,663,564</u>	<u>\$ 24,662,658</u>	<u>\$ 44,931</u>
Liabilities:				
Accounts payable	\$ -	\$ 790,491	\$ 784,267	\$ 6,224
Due to other governmental units	38,367	715,224	716,057	37,534
Amounts held in trust	5,658	705,470	709,955	1,173
Total liabilities	<u>\$ 44,025</u>	<u>\$ 2,211,185</u>	<u>\$ 2,210,279</u>	<u>\$ 44,931</u>
DEPARTMENT AND OFFICES AGENCY:				
Assets:				
Cash and investments	\$ 4,985	\$ 998,054	\$ 996,466	\$ 6,573
Taxes receivable	267	914,639	914,848	58
Accounts receivable	5,037	5,192	8,332	1,897
Total assets	<u>\$ 10,289</u>	<u>\$ 1,917,885</u>	<u>\$ 1,919,646</u>	<u>\$ 8,528</u>
Liabilities:				
Accounts payable	\$ 584	\$ 37,537	\$ 37,451	\$ 670
Amounts held in trust	9,705	951,779	953,626	7,858
Total liabilities	<u>\$ 10,289</u>	<u>\$ 989,316</u>	<u>\$ 991,077</u>	<u>\$ 8,528</u>
PUBLIC GUARDIAN:				
Assets:				
Cash and investments	\$ 745	\$ 2,952	\$ 2,865	\$ 832
Accounts receivable	-	1,550	1,550	-
Total assets	<u>\$ 745</u>	<u>\$ 4,502</u>	<u>\$ 4,415</u>	<u>\$ 832</u>
Liabilities:				
Accounts payable	\$ 79	\$ 3,187	\$ 3,053	\$ 213
Amounts held in trust	666	2,241	2,288	619
Total liabilities	<u>\$ 745</u>	<u>\$ 5,428</u>	<u>\$ 5,341</u>	<u>\$ 832</u>
VISITORS FACILITIES:				
Assets:				
Cash and investments	\$ 14	\$ 12,976	\$ 12,983	\$ 7
Taxes receivable	1,435	3,902	3,387	1,950
Accounts receivable	454	2,153	2,605	2
Total assets	<u>\$ 1,903</u>	<u>\$ 19,031</u>	<u>\$ 18,975</u>	<u>\$ 1,959</u>
Liabilities:				
Accounts payable	\$ 1,434	\$ 3,771	\$ 3,246	\$ 1,959
Amounts held in trust	469	9,682	10,151	-
Total liabilities	<u>\$ 1,903</u>	<u>\$ 13,453</u>	<u>\$ 13,397</u>	<u>\$ 1,959</u>
TOTAL - ALL AGENCY FUNDS:				
Assets:				
Cash and investments	\$ 11,165	\$ 2,551,371	\$ 2,547,739	\$ 14,797
Taxes receivable	40,306	24,044,716	24,045,468	39,554
Accounts receivable	5,491	8,895	12,487	1,899
Total assets	<u>\$ 56,962</u>	<u>\$ 26,604,982</u>	<u>\$ 26,605,694</u>	<u>\$ 56,250</u>
Liabilities:				
Accounts payable	\$ 2,097	\$ 834,986	\$ 828,017	\$ 9,066
Due to other governmental units	38,367	715,224	716,057	37,534
Amounts held in trust	16,498	1,669,172	1,676,020	9,650
Total liabilities	<u>\$ 56,962</u>	<u>\$ 3,219,382</u>	<u>\$ 3,220,094</u>	<u>\$ 56,250</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, 2004
(amounts expressed in thousands)

	<u>June 30, 2004</u>	<u>June 30, 2003</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 13,766	\$ 13,987
Work in progress	-	37,986
Buildings	398,858	339,017
Improvements other than buildings	433	433
Machinery and equipment	120,634	114,690
Bridges	84,202	72,616
Infrastructure	813,767	810,589
Total governmental funds capital assets	<u>\$ 1,431,660</u>	<u>\$ 1,389,318</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
Beginning balance	\$ 1,389,318	\$ 1,355,640
Fiscal year activity:		
General fund	33,649	24,894
Road fund	3,095	2,888
Bicycle path construction fund	3	-
Federal and state program fund	642	(165)
Willamette River Bridges fund	2	-
Library fund	1,346	3,978
Assessment and taxation fund	-	(57)
Justice services special operations	51	-
Justice bond capital project fund	33	2,657
Revenue bond project fund	-	684
Equipment acquisition fund	-	(6)
Building project fund	7	985
Library construction fund/1993	-	(503)
Library construction fund/1996	(44)	137
Capital improvement fund	-	1,300
Fleet management fund	1,843	(844)
Telephone fund	(560)	(1,572)
Data processing fund	2,283	(707)
Mail distribution fund	(8)	-
Facilities management fund	-	9
Total governmental funds capital assets, ending balance	<u>\$ 1,431,660</u>	<u>\$ 1,389,318</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
For the Year Ended June 30, 2004
(amounts expressed in thousands)

	<u>Land</u>	<u>Work in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Bridges</u>	<u>Infrastructure</u>	<u>Total</u>
FUNCTION AND ACTIVITY								
General government:								
Legislative	\$ 155	\$ -	\$ 4,623	\$ -	\$ -	\$ -	\$ -	\$ 4,778
Administrative	762	-	23,822	-	42,045	-	-	66,629
	<u>917</u>	<u>-</u>	<u>28,445</u>	<u>-</u>	<u>42,045</u>	<u>-</u>	<u>-</u>	<u>71,407</u>
Health and social services:								
Health	2,570	-	28,672	-	376	-	-	31,618
Social	4,083	-	72,972	-	1,324	-	-	78,379
	<u>6,653</u>	<u>-</u>	<u>101,644</u>	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>109,997</u>
Public safety:								
Law enforcement	1,845	-	164,489	37	4,448	-	-	170,819
Justice services	51	-	5,602	-	425	-	-	6,078
	<u>1,896</u>	<u>-</u>	<u>170,091</u>	<u>37</u>	<u>4,873</u>	<u>-</u>	<u>-</u>	<u>176,897</u>
Community services:								
Community service development	-	-	1,547	108	6	-	-	1,661
Recreation	203	-	-	-	-	-	-	203
Library	2,971	-	58,653	140	70,824	-	-	132,588
	<u>3,174</u>	<u>-</u>	<u>60,200</u>	<u>248</u>	<u>70,830</u>	<u>-</u>	<u>-</u>	<u>134,452</u>
Roads and bridges:								
Roads and bridges	558	-	11,481	58	1,186	84,202	813,767	911,252
	<u>558</u>	<u>-</u>	<u>11,481</u>	<u>58</u>	<u>1,186</u>	<u>84,202</u>	<u>813,767</u>	<u>911,252</u>
External organizations:								
External use	568	-	26,997	90	-	-	-	27,655
	<u>\$13,766</u>	<u>\$ -</u>	<u>\$398,858</u>	<u>\$ 433</u>	<u>\$120,634</u>	<u>\$84,202</u>	<u>\$ 813,767</u>	<u>\$1,431,660</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, 2004
(amounts expressed in thousands)

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets June 30, 2003	Additions	Deductions & Reclassifications	Governmental Funds Capital Assets June 30, 2004
General government:				
Legislative	\$ 6,144	\$ 192	\$ (1,558)	\$ 4,778
Administrative	66,669	7,465	(7,505)	66,629
	<u>72,813</u>	<u>7,657</u>	<u>(9,063)</u>	<u>71,407</u>
Health and social services:				
Health	31,528	638	(548)	31,618
Social	73,518	2,078	2,783	78,379
	<u>105,046</u>	<u>2,716</u>	<u>2,235</u>	<u>109,997</u>
Public safety:				
Law enforcement	155,332	16,180	(693)	170,819
Justice services	5,969	201	(92)	6,078
	<u>161,301</u>	<u>16,381</u>	<u>(785)</u>	<u>176,897</u>
Community services:				
Community service development	1,518	143	-	1,661
Recreation	203	-	-	203
Library	129,222	7,766	(4,400)	132,588
	<u>130,943</u>	<u>7,909</u>	<u>(4,400)</u>	<u>134,452</u>
Roads and bridges:				
Roads and bridges	895,740	15,787	(275)	911,252
	<u>895,740</u>	<u>15,787</u>	<u>(275)</u>	<u>911,252</u>
External organizations:				
External use	23,475	711	3,469	27,655
	<u>\$ 1,389,318</u>	<u>\$ 51,161</u>	<u>\$ (8,819)</u>	<u>\$ 1,431,660</u>

OTHER SCHEDULES

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

MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2004
(amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2003	Current Levy	Add (Deduct) Corrections and Adjustments	Add Interest on Delinquent Taxes	Deduct Discounts Allowed	Deduct Collections Including Interest on Delinquent Taxes	Taxes Receivable June 30, 2004
2003-04	\$ -	\$ 927,794	\$ (4,086)	\$ 486	\$ (22,239)	\$ (873,388)	\$ 28,567
2002-03	30,052	-	(2,614)	1,092	35	(17,224)	11,341
2001-02	11,532	-	(1,469)	683	30	(4,979)	5,797
2000-01 and prior	9,257	-	(538)	765	55	(6,016)	3,523
	<u>\$ 50,841</u>	<u>\$ 927,794</u>	<u>\$ (8,707)</u>	<u>\$ 3,026</u>	<u>\$ (22,119)</u>	<u>\$ (901,607)</u>	<u>\$ 49,228</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2004

	Current Levy	Prior years' Levy	Total Property Taxes	Other Taxes	Total
General fund	\$ 5,658	\$ 4,290	\$ 9,948	\$ -	\$ 9,948
Special revenue funds:					
Library fund	730	487	1,217	-	1,217
Special excise tax fund	-	-	-	1,700	1,700
Total special revenue funds	<u>730</u>	<u>487</u>	<u>1,217</u>	<u>1,700</u>	<u>2,917</u>
General obligation bond fund	232	267	499	1	500
Agency funds	<u>21,929</u>	<u>15,605</u>	<u>37,534</u>	<u>2,020</u>	<u>39,554</u>
Sub-total taxes receivable	<u>28,549</u>	<u>20,649</u>	<u>49,198</u>	<u>3,721</u>	<u>52,919</u>
Special assessments collected through taxes	18	12	30	-	30
Total receivables	<u>\$ 28,567</u>	<u>\$ 20,661</u>	<u>\$ 49,228</u>	<u>\$ 3,721</u>	<u>\$ 52,949</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
For the Year Ended June 30, 2004
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

	Outstanding June 30, 2003		2003-04 Transactions			Outstanding June 30, 2004	
	Matured	Unmatured	Issued	Matured	Refunded or Paid	Matured	Unmatured
Dated March 1, 1994	\$ -	\$ 3,215	\$ -	\$ 1,020	\$ 1,020	\$ -	\$ 2,195
Dated October 1, 1994	-	795	-	385	385	-	410
Dated October 1, 1996	-	22,500	-	3,405	3,405	-	19,095
Dated February 1, 1999	-	65,100	-	355	355	-	64,745
	<u>\$ -</u>	<u>\$ 91,610</u>	<u>\$ -</u>	<u>\$ 5,165</u>	<u>\$ 5,165</u>	<u>\$ -</u>	<u>\$ 86,445</u>

GENERAL OBLIGATION BOND INTEREST COUPONS

Dated March 1, 1994	\$ 130
Dated October 1, 1994	33
Dated October 1, 1996	1,011
Dated February 1, 1999	2,859
	<u>\$ 4,033</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenue Bonds Outstanding
June 30, 2004
(amounts expressed in thousands)

REVENUE BONDS

Fiscal Year of Maturity	Series 1998 Dated 10/01/98 4.00 to 4.75%		Series 2000A Dated 11/01/00 4.45 to 5.20%		Series 2000B Dated 11/01/00 4.45 to 5.20%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 185	\$ 104	\$ 110	\$ 85	\$ 195	\$ 148	\$ 490	\$ 337
2006	190	96	120	79	205	139	515	314
2007	200	88	125	74	215	129	540	291
2008	205	80	130	68	225	119	560	267
2009	215	72	135	62	235	109	585	243
2010	225	63	145	55	250	97	620	215
2011	230	53	150	48	265	85	645	186
2012	245	42	160	41	275	72	680	155
2013	255	31	165	33	295	58	715	122
2014	265	19	175	24	310	42	750	85
2015	275	7	185	15	325	26	785	48
2016	-	-	195	5	345	9	540	14
	<u>\$ 2,490</u>	<u>\$ 655</u>	<u>\$ 1,795</u>	<u>\$ 589</u>	<u>\$ 3,140</u>	<u>\$ 1,033</u>	<u>\$ 7,425</u>	<u>\$ 2,277</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds Outstanding
June 30, 2004
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

Fiscal Year of Maturity	Series 1994 Dated 03/01/94 3.70 to 5.25%		Series 1994B Dated 10/01/94 4.25 to 6.00%		Series 1996A Dated 10/01/96 3.90 to 5.65%	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 1,070	\$ 81	\$ 410	\$ 11	\$ 565	\$ 105
2006	1,125	28	-	-	590	77
2007	-	-	-	-	620	48
2008	-	-	-	-	655	16
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
	<u>\$ 2,195</u>	<u>\$ 109</u>	<u>\$ 410</u>	<u>\$ 11</u>	<u>\$ 2,430</u>	<u>\$ 246</u>

Series 1996B Dated 10/01/96 3.90 to 5.65%		Series 1999 Dated 2/01/99 3.90 to 5.65%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 3,010	\$ 744	\$ 365	\$ 2,846	\$ 5,420	\$ 3,787
3,160	597	810	2,823	5,685	3,525
3,320	440	2,020	2,768	5,960	3,256
3,495	271	2,105	2,685	6,255	2,972
3,680	92	2,875	2,585	6,555	2,677
-	-	6,860	2,387	6,860	2,387
-	-	7,160	2,093	7,160	2,093
-	-	7,470	1,780	7,470	1,780
-	-	7,490	1,451	7,490	1,451
-	-	7,835	1,106	7,835	1,106
-	-	6,780	773	6,780	773
-	-	6,330	466	6,330	466
-	-	6,645	158	6,645	158
<u>\$ 16,665</u>	<u>\$ 2,144</u>	<u>\$ 64,745</u>	<u>\$ 23,921</u>	<u>\$ 86,445</u>	<u>\$ 26,431</u>

MULTNOMAH COUNTY, OREGON
Schedule of Loans Outstanding
June 30, 2004
(amounts expressed in thousands)

GENERAL LONG-TERM LOANS

Fiscal Year of Maturity	Dated 02/15/96 7.2%		Dated 07/05/96 5.65%		Dated 10/01/96 7.2%	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 36	\$ 21	\$ 2	\$ 2	\$ 11	\$ 1
2006	39	19	2	2	11	1
2007	42	16	2	2	3	-
2008	45	13	2	1	-	-
2009	48	9	2	1	-	-
2010	52	6	2	1	-	-
2011	52	3	3	1	-	-
2012	-	-	3	1	-	-
2013	-	-	3	1	-	-
2014	-	-	3	-	-	-
2015	-	-	3	-	-	-
2016	-	-	3	-	-	-
	<u>\$ 314</u>	<u>\$ 87</u>	<u>\$ 30</u>	<u>\$ 12</u>	<u>\$ 25</u>	<u>\$ 2</u>

Dated 12/01/96 7.2%		Dated 01/15/97 5.9%		Dated 02/08/99 5.9%		Dated 10/26/99 5.9%		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 4	\$ -	\$ 7	\$ 1	\$ 16	\$ 5	\$ 16	\$ 8	\$ 92	\$ 38
4	-	7	1	17	4	15	8	95	35
2	-	4	-	18	3	16	6	87	27
-	-	-	-	19	2	17	6	83	22
-	-	-	-	21	1	19	4	90	15
-	-	-	-	-	-	13	3	67	10
-	-	-	-	-	-	11	3	66	7
-	-	-	-	-	-	10	2	13	3
-	-	-	-	-	-	12	1	15	2
-	-	-	-	-	-	13	1	16	1
-	-	-	-	-	-	4	-	7	-
-	-	-	-	-	-	-	-	3	-
<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 2</u>	<u>\$ 91</u>	<u>\$ 15</u>	<u>\$ 146</u>	<u>\$ 42</u>	<u>\$ 634</u>	<u>\$ 160</u>

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
June 30, 2004
(amounts expressed in thousands)

FULL FAITH AND CREDIT BONDS

Fiscal Year of Maturity	Series 1999 Dated 04/01/99 4.00 to 4.75%		Series 2000A Dated 04/01/00 5.00 to 5.50%		Series 1999 Dated 12/01/99 6.49 to 7.74%	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 1,375	\$ 1,368	\$ 3,625	\$ 2,520	\$ 2,535	\$ 8,163
2006	1,430	1,312	3,550	2,348	3,365	7,988
2007	1,490	1,254	3,735	2,161	4,295	7,753
2008	1,550	1,192	3,935	1,965	5,325	7,450
2009	1,615	1,126	2,675	1,759	6,470	7,072
2010	1,685	1,057	2,820	1,611	7,740	6,609
2011	1,760	982	2,975	1,470	9,150	6,052
2012	1,840	902	3,140	1,322	10,710	5,388
2013	1,925	817	3,315	1,165	4,479	12,563
2014	2,125	722	3,505	995	4,472	13,565
2015	2,120	624	3,705	811	4,469	14,618
2016	2,250	525	2,015	616	6,845	13,341
2017	2,325	420	2,135	510	16,985	4,358
2018	2,435	306	2,260	396	19,470	3,096
2019	2,555	188	2,395	271	22,200	1,649
2020	2,680	64	2,540	140	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>\$ 31,160</u>	<u>\$ 12,859</u>	<u>\$ 48,325</u>	<u>\$ 20,060</u>	<u>\$ 181,103</u>	<u>\$ 435,621</u>

Series 2003			
Dated 05/15/03			
1.50 to 3.25%		Total	
Principal	Interest	Principal	Interest
\$ 840	\$ 226	\$ 8,375	\$ 12,277
885	207	9,230	11,855
900	193	10,420	11,361
915	178	11,725	10,785
940	160	11,700	10,117
960	138	13,205	9,415
990	113	14,875	8,617
1,025	84	16,715	7,696
1,060	52	10,779	14,597
1,100	19	11,202	15,301
		10,294	16,053
		11,110	14,482
		21,445	5,288
		24,165	3,798
		27,150	2,108
		10,539	20,080
		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>\$ 9,615</u>	<u>\$ 1,370</u>	<u>\$ 270,203</u>	<u>\$ 469,910</u>

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Purchases Outstanding
June 30, 2004
(amounts expressed in thousands)

GENERAL LONG-TERM LEASE OBLIGATIONS

Fiscal Year of Maturity	Dated 01/22/81 6.00% to 7.25%		Dated 02/01/98 3.75 to 4.90%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 239	\$ 93	\$ 2,315	\$ 1,257	\$ 2,554	\$ 1,350
2006	259	73	2,440	1,144	2,699	1,217
2007	281	50	2,555	1,022	2,836	1,072
2008	306	26	2,690	891	2,996	917
2009	-	-	2,825	753	2,825	753
2010	-	-	2,960	617	2,960	617
2011	-	-	3,100	480	3,100	480
2012	-	-	3,250	333	3,250	333
2013	-	-	3,405	175	3,405	175
2014	-	-	355	87	355	87
2015	-	-	375	70	375	70
2016	-	-	395	51	395	51
2017	-	-	410	31	410	31
2018	-	-	436	11	436	11
	<u>\$ 1,085</u>	<u>\$ 242</u>	<u>\$ 27,511</u>	<u>\$ 6,922</u>	<u>\$ 28,596</u>	<u>\$ 7,164</u>

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Year ended June 30, 2004

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Administrative Services:			
Schools and Roads_Grants to States	10.665	PL 106-393	1,021,230
Passed Through State Department of Education:			
School Breakfast Program	10.553	2613007	52,135
National School Lunch Program	10.555	2613007	93,625
Child and Adult Care Food Program	10.558	2613007	1,793
Summer Food Service Program for Children	10.559	3195	15,000
Passed Through State Department of Human Services/Health Division:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	1936002309	2,210,454
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	92598	62,556
Passed through State Department of Human Services/Senior & Disabled Services Division:			
Nutrition Services Incentive	10.570	85087-9	324,755
Total Department of Agriculture			<u>3,781,548</u>
<u>U.S. Department of Commerce</u>			
Direct Programs:			
Technology Opportunities Program	11.552		200,571
Total Department of Commerce			<u>200,571</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		286,972
Supportive Housing Program *	14.235		2,144,432
Passed Through City of Portland-Bureau of Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	0210215	293,259
Supportive Housing Program *	14.235	0210215	20,408
HOME Investment Partnerships Program	14.239	0210215	72,218
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	34990	105,000
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	310480	23,189
Passed Through Housing Authority of Portland:			
Public Housing Capital Fund	14.872	MULTN002	46,910
Passed Through Oregon Housing and Community Services:			
Housing Opportunities for Persons with AIDS	14.241	ORH 010031	29,170
Total Department of Housing and Urban Development			<u>3,021,558</u>

(continued)

* Indicates a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards (continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Interior</u>			
Direct Programs:			
Payment in Lieu of Taxes	15.226		18,761
Distribution of Receipts to State and Local Governments	15.227		1,203,995
Total Department of Interior			1,222,756
<u>U.S. Department of Justice</u>			
Direct Programs:			
Supervised Visitation, Safe Havens for Children Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.527		166,482
Local Law Enforcement Block Grants Program	16.580		48,972
Executive Office for Weed and Seed *	16.592		516,959
State Criminal Alien Assistance Program	16.595		270,474
Bulletproof Vest Partnership Program	16.606		199,065
Community Prosecution and Project Safe Neighborhoods	16.607		24,030
Passed Through Oregon Department of Corrections:	16.609		670,454
Offender Reentry Program	16.202	2848	297,775
Passed Through SE Uplift:			
Executive Office for Weed and Seed *	16.595	101002/102003	28,565
Executive Office for Weed and Seed *	16.595	092502	1,711
Executive Office for Weed and Seed *	16.595	061603	10,181
Executive Office for Weed and Seed *	16.595	101503	32,000
Executive Office for Weed and Seed *	16.595	Multnomah County	23,308
Passed Through State Department of Justice:			
Crime Victim Assistance	16.575	02-01858/03-2092	134,409
Crime Victim Assistance	16.575	01-1643	128
Passed Through Oregon Health Sciences University:			
Education and Training to End Violence Against and Abuse of Women with Disabilities	16.529	GCDRCO109AC	16,263
Passed Through State Police:			
Juvenile Accountability Incentive Block Grants	16.523	02-625	687,371
Violence Against Women Formula Grants	16.588	02-763/03-761	65,880
Byrne Formula Grant Program	16.579	02-049	145,494
Byrne Formula Grant Program	16.579	02-034	128,120
Byrne Formula Grant Program	16.579	01-031	89,342
Byrne Formula Grant Program	16.579	01-05/10-02	107,358
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	LAO2001-85	4,453
Total Department of Justice			3,668,794
<u>U.S. Department of Transportation</u>			
Passed Through Oregon Sheriff's Association, Inc.:			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	Multnomah County	31,250

* Indicates a major program

(continued)

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards (continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed Through State Department of Transportation:			
Highway Planning and Construction	20.205	0000132900-55	1,392,823
Highway Planning and Construction	20.205	59477-00	23,187
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	1936002309	14,002
Total Department of Transportation			<u>1,430,012</u>
<u>National Foundation on the Arts and Humanities</u>			
Passed Through Oregon State Library:			
State Library Program	45.310	03-6-3.1	105,448
State Library Program	45.310	03-5-2.7	67,728
State Library Program	45.310	03-L-4	16,847
State Library Program	45.310	03-E-S-1	258,600
Total National Foundation on the Arts and Humanities			<u>448,623</u>
<u>U.S. Environmental Protection Agency</u>			
Passed Through State Department of Human Resources:			
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	107286	5,000
Total U.S. Environmental Protection Agency			<u>5,000</u>
<u>U.S. Department of Energy</u>			
Passed Through Oregon Housing and Community Services:			
Weatherization Assistance for Low-Income Persons	81.042	210009	475,956
Total Department of Energy			<u>475,956</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Adult Education_State Grant Program	84.002		28,017
Twenty-First Century Community Learning Centers	84.287		13,330
Passed Through Oregon Department of Education:			
Twenty-First Century Community Learning Centers	84.287	02-21CCLC	322,622
Passed Through Oregon Department of Human Resources:			
Safe and Drug Free Schools and Communities_ State Grants	84.186	926001	243,613
Passed Through Portland Public Schools:			
Title I Grants to Local Educational Agencies	84.010	310489	71,412
Twenty-First Century Learning Centers	84.287	52284	53,091
TRIO_Dissemination Partnership Grants	84.344	0410547	9,305
Total Department of Education			<u>741,390</u>
<u>Elections Assistance Commission</u>			
Passed Through Oregon Secretary of State:			
Help America Vote College Pollworker Program	90.400	1936002309	3,000
Total Elections Assistance Committee			<u>3,000</u>
<u>U.S. Department of Health & Human Services</u>			
Direct Programs:			
Medical Reserve Corps Small Grant Program	93.008		59,757

* Indicates a major program

(continued)

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards (continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Health Center Grants for Homeless Populations	93.151		1,274,878
Community Health Centers	93.224		3,842,243
Consolidated Knowledge Development and Application (KD&A) Program	93.230		1,184,575
Health Community Access Program	93.252		121,431
Drug Abuse Research Programs	93.279		602,124
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	* 93.283		688,193
Refugee and Entrant Assistance_Discretionary Grants	93.576		155,793
HIV Emergency Relief Project Grants	93.914		3,707,476
Grants to Provide Outpatient Early Intervention Services With respect to HIV Disease	93.918		856,709
Healthy Start Initiative	93.926		975,411
Special Projects of National Significance	93.928		384,482
Passed Through Child Care Development Services Inc: Maternal and Child Health Federal Consolidated Programs	93.110	105450	35,102
Passed Through Legacy Health Systems: Consolidated Knowledge Development and Application (KD&A) Program	93.230	1479TI13338-01	45,329
Passed Through National Association of City and County Health Officers: Centers for Disease Control and Prevention	* 93.283	6630	22,074
Investigations and Technical Assistance	* 93.283	3670	19,294
Passed Through Mount Hood Community College Head Start: Head Start	93.600	464812	51,194
Passed Through NW Family Services: Maternal and Child Health Federal Consolidated Programs	93.110	1 HID MC 00908	330,819
Passed Through Oregon Department of Business and Consumer Services: Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	44102-20	8,756
Passed Through Oregon Commission on Children And Families: Promoting Safe and Stable Families	93.556	1936002309	184,325
Child Care and Development Block Grant	93.575	1936002309	227,813
Social Services Block Grant	93.667	1936002309	840,655
Passed Through Oregon Housing and Community Services: Temporary Assistance for Needy Families	93.558	0310559	69,077
Low-Income Home Energy Assistance	* 93.568	0310559	3,168,372
Community Services Block Grant	93.569	0310559	1,085,159
Passed Through Oregon Health Sciences University: Health Education and Training Centers	93.189	GALHE008AC	33,265
Child Care and Development Block Grant	93.575	AFF-2005-0025	48,377
Ryan White HIV/AIDS Dental Reimbursements	93.924	GPBHD0010AC	9,973

* Indicates a major program

(continued)

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards (continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Passed through State Department of Human Resources:			
Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	85087-9	9,536
Special Programs for the Aging Title III, Part D_ Disease Prevention and Health Promotion Services	93.043	85087-9	38,568
Special Programs for the Aging Title III, Part B_ Supportive Services & Senior Centers	93.044	85087-9	713,214
Special Programs for the Aging Title III, Part C_ Nutrition Services	93.045	85087-9	881,350
National Family Caregiver Support	93.052	85087-9	320,414
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	1936002309	164,592
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	1936002309	488,780
Projects for Assistance in Transition From Homelessness (PATH)	93.150	926001	231,250
Health Program for Toxic Substances and Disease Registry	93.161	1936002309	4,645
Childhood Lead Poisoning Prevention_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197	1936002309	1,909
Family Planning_Services	93.217	1936002309	379,363
Abstinence Education	93.235	1936002309	58,822
Occupational Safety and Health Research Projects	93.262	1936002309	6,960
Immunization Grants	93.268	1936002309	1,317,468
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	* 93.283	1936002309	1,185,841
Temporary Assistance for Needy Families	93.558	103006	18,046
Temporary Assistance for Needy Families	93.558	926001	238,350
Community-Based Family Resource and Support Grants	93.590	9801ORFRPG/277038	3,037
Child Abuse and Neglect State Grants	93.669	104743	2,585
Medical Assistance Program	* 93.778	1936002309	13,405
Medical Assistance Program	* 93.778	1936002309	97,209
Medical Assistance Program	* 93.778	111369	92,286
Medical Assistance Program	* 93.778	103333	1,055,539
Medical Assistance Program	* 93.778	85087-9	11,388,149
Medical Assistance Program	* 93.778	111369	379,338
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	926001	101,060
HIV Care Formula Grants	93.917	1936002309	158,737
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	1936002309	329,600
Human Immunodeficiency Virus (HIV) Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	1936002309	91,920

* Indicates a major program

(continued)

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards (continued)

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Block Grants for Community Mental Health Services	93.958	926001	465,005
Block Grants for Prevention and Treatment of Substance Abuse *	93.959	936002309/99186	120,000
Block Grants for Prevention and Treatment of Substance Abuse *	93.959	926001	3,951,488
Maternal and Child Health Services Block Grant to the States	93.994	1936002309	578,466
Passed Through Oregon Department of Justice: Child Support Enforcement *	93.563	102324	1,491,177
Passed Through Oregon Research Institute: Alcohol Research Programs	93.273	R01AA11510	205,511
Passed Through University of Oregon: Research for Mothers and Children	93.865	211231B	4,699
Passed Through University of Washington: AIDS Education and Training Centers	93.145	0210068/0210069	75,591
Total Department of Health and Human Services			<u>46,696,566</u>
<u>US Department of Homeland Security</u>			
<u>Direct Programs:</u>			
Port Security Research and Development Grant	97.060		570,431
Passed Through Oregon Emergency Management: State Domestic Preparedness Equipment Support Program	97.004	03-155	1,420,401
Public Assistance Grants	97.036	1936002309	451,871
Emergency Management Performance Grants	97.042	1936002309	161,767
Passed Through Oregon State Marine Board: Boating Safety Financial Assistance	97.012	1936002309	493,119
Passed Through United Way: Emergency Food and Shelter National Board Program	97.024	708000-009	636,720
Total Department of Homeland Security			<u>3,734,309</u>
<u>Other Federal Assistance (No CFDA)</u>			
<u>Department of Agriculture</u>			
<u>Direct Programs:</u>			
U.S. Forest Service Patrol Contract	10-01-LE-110600-498		20,981
U.S. Forest Service Patrol Contract	10.0210313		55,922
Total Department of Agriculture			<u>76,903</u>
<u>U.S. Department of Energy</u>			
<u>Direct Programs:</u>			
Youth Employment Project/Bonneville Power Administration	81.00001101		116
Total Department of Energy			<u>116</u>
Total Other Federal Assistance			<u>77,019</u>
Total Federal Assistance			<u>\$ 65,538,352</u>

* Indicates a major program

MULTNOMAH COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2004

Note A – General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Multnomah County, Oregon (the County) for the year ended June 30, 2004. The County's reporting entity is defined in Note 1 to the County's June 30, 2004 basic financial statements.

Note B – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using a basis of accounting which is consistent with the basic financial statements, as described in Note 1 to the County's basic financial statements.

Note C – Relationship to General Purpose Financial Statements

As described in Note 2 to the County's basic financial statements, federal financial assistance revenues reported in the County's basic financial statements are included with intergovernmental revenues.

Note D – Noncash Awards

The accompanying Schedule of Expenditures of Federal Awards includes a noncash award from the Department of Health and Human Resources in the form of vaccines (CFDA #93.268 – Childhood Immunization Grants). The value of the Childhood Immunization Grant award was determined by the granting agency. The amount expended and advanced at June 30, 2004 is calculated on a proportionate basis.

MULTNOMAH COUNTY, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2004

Note E – Subrecipients

Of the federal expenditures presented in the schedule, Multnomah County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Nutrition Services Incentive	10.570	\$ 324,755
Schools and Roads_Grants to States	10.665	216,071
Community Development Block Grants/Entitlement Grants	14.218	592,554
Supportive Housing Program	14.235	2,045,560
HOME investment Partnerships Program	14.239	63,470
Juvenile Accountability Incentive Block Grants	16.523	320,910
Supervised Visitation, Safe Havens for Children	16.527	102,205
Byrne Formula Grant Program	16.579	61,390
Executive Office for Weed and Seed	16.595	264,216
Community Prosecution and Project Safe Neighborhoods	16.609	48,164
Title I Grants to Local Educational Agencies	84.010	46,586
Safe and Drug Free Schools and Communities - State Grants	84.186	86,323
Twenty-First Century Community Learning Centers	84.287	316,539
TRIO_Dissemination Partnership Grants	84.344	9,000
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	38,218
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	375,286
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	880,150
National Family Caregiver Support	93.052	160,901
Acquired Immunodeficiency (AIDS) Activity	93.118	272,320
Projects for Assistance in Transition From Homelessness (PATH)	93.150	230,805
Health Center Grants for Homeless Populations	93.151	63,448
Community Health Centers	93.224	274,791
Consolidated Knowledge Development and Application (KD&A) Program	93.230	221,567
Drug Abuse Research Programs	93.279	89,189
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	240,482
Temporary Assistance for Needy Families	93.558	229,094
Low-Income Home Energy Assistance Program	93.568	288,056
Community Services Block Grant	93.569	847,942
Child Care and Development Block Grant (Discretionary Fund of the Child Care and Development Fund)	93.575	211,324
Community-Based Family Resource and Support Grants	93.590	1,082
Social Services Block Grant	93.667	782,759
Child Abuse and Neglected State Grants	93.669	2,341
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	85,511
HIV Emergency Relief Project Grants	93.914	2,500,912
Special Programs of National Significance	93.928	166,991
Block Grant for Community Mental Health Services	93.958	305,997
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	3,208,029
Maternal and Child Health Services Block Grant to the States	93.994	4,702
State Domestic Preparedness Support Program	97.004	906,362
Emergency Food and Shelter National Board Program	97.024	174,504
Total subrecipient pass through		\$ <u>17,060,506</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 City'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.

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

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt	\$ 511,277	\$ 475,949	\$ 472,133
Restricted	62,954	62,535	74,973
Unrestricted	<u>(12,431)</u>	<u>(26,225)</u>	<u>(139,086)</u>
Total Governmental Activities Net Assets	<u>\$ 561,800</u>	<u>\$ 512,259</u>	<u>\$ 408,020</u>
Business-Type Activities:			
Invested in Capital Assets, Net of Related Debt	\$ 2,480	\$ 2,474	\$ 2,405
Unrestricted	<u>1,915</u>	<u>2,095</u>	<u>3,136</u>
Total Business-Type Activities Net Assets	<u>\$ 4,395</u>	<u>\$ 4,569</u>	<u>\$ 5,541</u>
Primary government:			
Invested in Capital Assets, Net of Related Debt	\$ 513,757	\$ 478,423	\$ 474,538
Restricted	62,954	62,535	74,973
Unrestricted	<u>(10,516)</u>	<u>(24,130)</u>	<u>(135,950)</u>
Total Primary Government Net Assets	<u>\$ 566,195</u>	<u>\$ 516,828</u>	<u>\$ 413,561</u>

Source: Current and prior years' financial statements

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

	2004	2003	2002
Program Revenues			
Governmental activities:			
Fees, fines and charges for services:			
General government	\$ 16,394	\$ 15,976	\$ 12,712
Health services	44,006	40,901	13,762
Social services	1,805	759	543
Public safety and justice	15,901	23,216	14,224
Community services	4	-	6
Library	2,042	2,537	1,745
Roads and bridges	1,880	1,250	910
Operating grants and contributions	249,079	256,659	277,418
Capital grants and contributions	9,809	4,461	86
Total governmental activities program revenues	<u>340,920</u>	<u>345,759</u>	<u>321,406</u>
Business-type activities:			
Charges for services:			
Dunthorpe	344	248	249
Mid County	235	233	235
Behavioral Health	25,603	32,486	32,781
Operating grants and contributions	435	897	337
Total business-type activities program revenues	<u>26,617</u>	<u>33,864</u>	<u>33,602</u>
Total primary government program revenues	<u>367,537</u>	<u>379,623</u>	<u>355,008</u>
Expenses			
Governmental activities:			
General government	153,937	36,374	17,673
Health services	110,968	110,322	92,109
Social services	167,746	169,218	188,043
Public safety and justice	182,941	180,503	184,213
Community services	18,391	17,925	23,877
Library	40,843	43,934	39,529
Roads and bridges	57,374	58,354	57,478
Interest on long-term debt	19,543	20,127	21,139
Total governmental activities expenses	<u>751,743</u>	<u>636,757</u>	<u>624,061</u>
Business-type activities:			
Dunthorpe	355	344	306
Mid County	499	355	348
Behavioral Health	25,787	33,739	34,951
Total business-type activities expenses	<u>26,641</u>	<u>34,438</u>	<u>35,605</u>
Total primary government expenses	<u>778,384</u>	<u>671,195</u>	<u>659,666</u>

(continued)

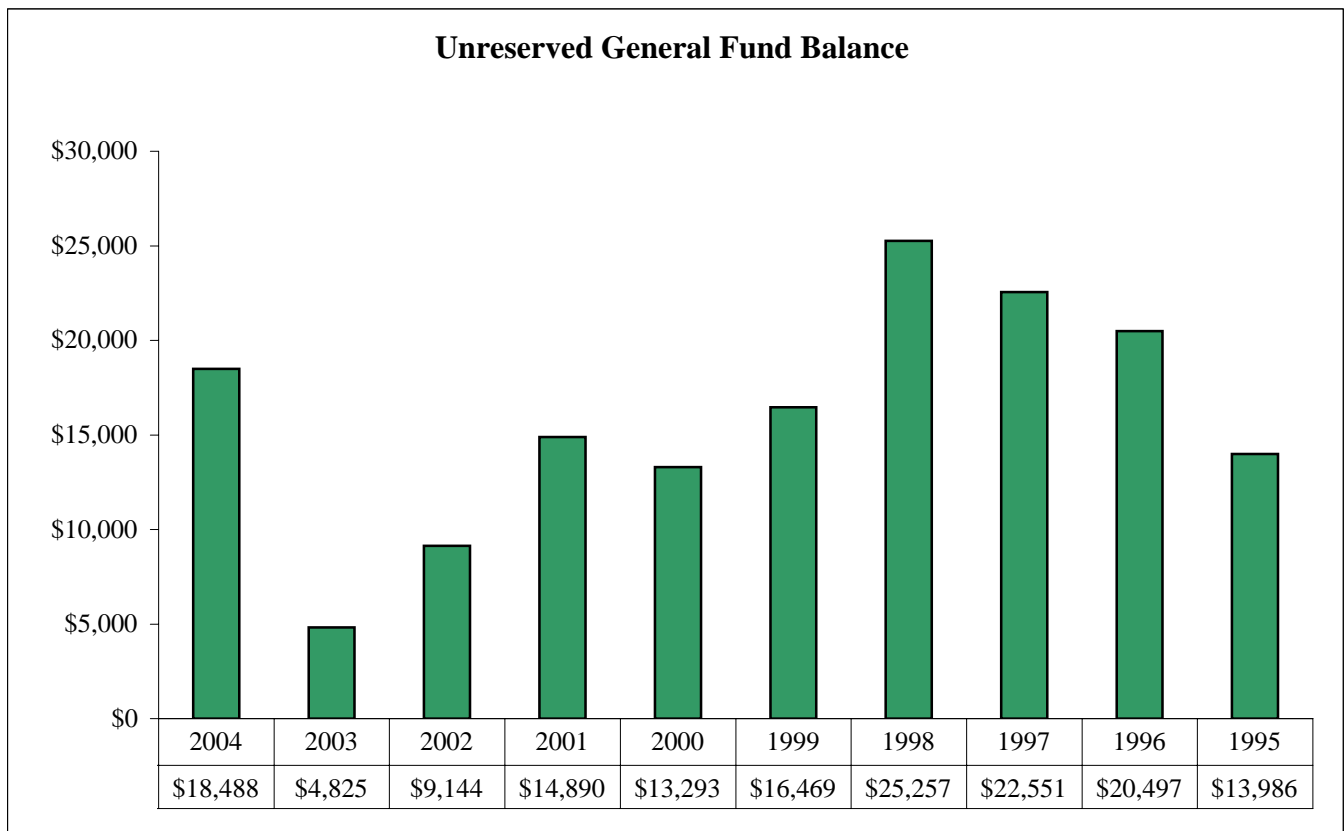
(continued)

	2004	2003	2002
Net (Expense)/Revenue			
Governmental activities	\$ (410,823)	\$ (290,998)	\$ (302,655)
Business-type activities	(24)	(574)	(2,003)
Total primary government net expense	<u>\$ (410,847)</u>	<u>\$ (291,572)</u>	<u>\$ (304,658)</u>
 General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes:			
Property and other local taxes levied for:			
General purposes	\$ 201,278	\$ 193,912	\$ 195,130
Debt service	7,326	9,699	11,114
Personal income taxes	175,325	-	-
Business income taxes	30,286	26,491	26,935
Selective excise and use taxes	32,404	33,199	32,799
Payments in lieu of taxes	2,184	2,899	1,810
State government shared revenues	7,584	6,206	-
Grants and contributions not restricted to specific programs	166	70	60
Interest and investment earnings	2,443	4,226	7,982
Gain (loss) on sale of capital assets	(509)	1,711	-
Miscellaneous	1,877	2,917	4,496
Transfers	-	440	(3)
Total governmental activities	<u>460,364</u>	<u>281,770</u>	<u>280,323</u>
 Business-type activities:			
Interest and investment earnings	74	131	339
Miscellaneous	-	24	6
Loss on sale of capital assets	(224)	(113)	(71)
Transfers	-	(440)	3
Total business-type activities	<u>(150)</u>	<u>(398)</u>	<u>277</u>
 Total primary government	<u>460,214</u>	<u>281,372</u>	<u>280,600</u>
 Change in Net Assets			
Governmental activities	49,541	(9,228)	(22,332)
Business-type activities	(174)	(972)	(1,726)
Total primary government change in net assets	<u>\$ 49,367</u>	<u>\$ (10,200)</u>	<u>\$ (24,058)</u>

Source: Current and prior years' financial statements

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

	2004	2003	2002	2001
General Fund				
Reserved	\$ 1,004	\$ 961	\$ -	\$ 869
Unreserved	18,488	4,825	9,144	14,890
Total general fund	19,492	5,786	9,144	15,759
All Other Governmental Funds				
Reserved	39,224	63,810	75,627	123,342
Undesignated, reported in:				
Special revenue funds	27,375	23,601	24,563	19,953
Total all other governmental funds	66,599	87,411	100,190	143,295
Total governmental funds	\$ 86,091	\$ 93,197	\$ 109,334	\$ 159,054

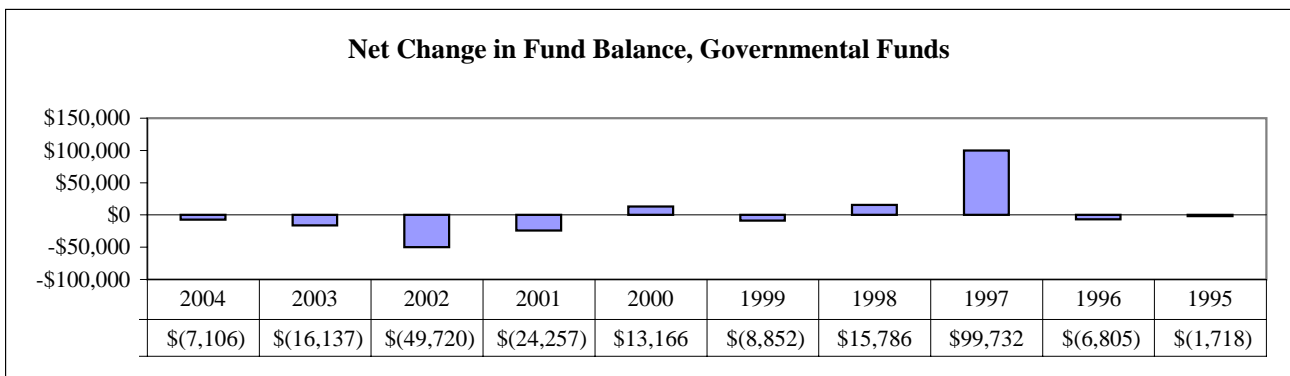


Source: Current and prior years' financial statements

2000	1999	1998	1997	1996	1995
\$ 969	\$ 605	\$ 616	\$ 748	\$ 735	\$ 718
13,293	16,469	25,257	22,551	20,497	13,986
14,262	17,074	25,873	23,299	21,232	14,704
145,418	126,815	125,499	118,972	25,406	41,657
23,625	26,250	27,619	20,934	16,835	13,917
169,043	153,065	153,118	139,906	42,241	55,574
\$ 183,305	\$ 170,139	\$ 178,991	\$ 163,205	\$ 63,473	\$ 70,278

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

	2004	2003	2002	2001
Revenues				
Taxes	\$ 375,204	\$ 268,225	\$ 267,641	\$ 266,466
Charges for services	55,180	66,325	18,586	20,234
Licenses and permits	14,760	14,496	8,134	5,037
Intergovernmental	252,978	261,020	290,077	308,993
Interest	1,960	3,499	6,972	14,760
Miscellaneous	50,385	37,495	58,415	51,994
Total revenues	<u>750,467</u>	<u>651,060</u>	<u>649,825</u>	<u>667,484</u>
Expenditures				
Current:				
General government	124,459	52,375	53,134	36,612
Health services	111,745	106,408	95,847	285,999
Social services	168,648	168,329	186,280	-
Public safety and justice	197,251	200,114	190,122	183,897
Community services	19,318	19,398	21,552	85,143
Library	42,753	40,741	42,706	-
Roads and bridges	40,454	39,497	36,829	35,110
Capital Outlay	11,968	17,770	31,822	30,517
Debt service:				
Principal	25,179	15,186	18,711	17,863
Interest	19,543	20,082	21,050	22,069
Total expenditures	<u>761,318</u>	<u>679,900</u>	<u>698,053</u>	<u>697,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,851)</u>	<u>(28,840)</u>	<u>(48,228)</u>	<u>(29,726)</u>
Other Financing Sources (Uses)				
Certificates of participation proceeds	-	-	-	-
Proceeds from sale of capital assets	425	-	-	-
Proceeds of refunding certificates of participation	-	-	-	-
Lease / purchase proceeds	-	-	-	-
Bond proceeds	-	-	-	5,499
Proceeds of refunding bonds	-	9,615	-	-
Loan proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	32,641	39,819	128,682	124,819
Transfers out	(29,321)	(36,731)	(130,174)	(124,849)
Total other financing sources (uses)	<u>3,745</u>	<u>12,703</u>	<u>(1,492)</u>	<u>5,469</u>
Net change in fund balances	<u>\$ (7,106)</u>	<u>\$ (16,137)</u>	<u>\$ (49,720)</u>	<u>\$ (24,257)</u>
Debt service as a percentage of noncapital expenditures	6.3%	5.6%	6.3%	6.4%



Source: Current and prior years' financial statements

2000	1999	1998	1997	1996	1995
\$ 254,514	\$ 250,416	\$ 215,100	\$ 217,295	\$ 185,008	\$ 171,068
15,008	15,515	14,471	14,882	12,864	8,880
2,734	3,026	2,934	2,751	2,703	2,683
242,966	232,715	223,962	184,697	172,031	162,133
12,201	11,688	12,080	9,691	5,476	5,676
49,575	42,337	37,190	37,244	29,888	28,549
576,998	555,697	505,737	466,560	407,970	378,989
219,323	35,786	28,474	28,298	35,086	36,108
237,566	209,788	190,941	190,540	181,526	165,239
-	-	-	-	-	-
179,799	165,792	140,510	113,263	96,519	93,059
72,429	75,996	47,764	56,913	35,707	32,765
-	-	-	-	-	-
35,969	37,604	35,197	34,052	32,596	30,200
37,141	59,425	36,773	33,717	33,069	24,539
13,695	11,540	14,071	10,403	3,543	4,872
14,857	9,953	10,206	7,960	5,105	4,977
810,779	605,884	503,936	475,146	423,151	391,759
(233,781)	(50,187)	1,801	(8,586)	(15,181)	(12,770)
60,835	36,125	15,694	-	1,846	1,502
-	-	-	-	-	-
-	-	28,621	-	-	-
-	-	-	-	316	-
184,548	3,155	-	108,700	-	9,000
-	66,115	-	-	-	-
204	154	-	1,672	5,383	-
-	(67,057)	(28,886)	-	-	-
131,026	126,334	77,814	74,133	68,244	64,833
(129,666)	(123,491)	(79,258)	(76,187)	(67,413)	(64,283)
246,947	41,335	13,985	108,318	8,376	11,052
\$ 13,166	\$ (8,852)	\$ 15,786	\$ 99,732	\$ (6,805)	\$ (1,718)
3.8%	4.1%	5.5%	4.3%	2.3%	2.8%

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

Function/Program	2004	2003	2002
Governmental activities:			
General government	\$ 31,429	\$ 23,463	\$ 24,644
Health services	77,315	72,730	63,191
Social services	126,534	136,045	140,391
Public safety and justice	63,534	71,518	57,336
Community services	1,830	2,730	2,530
Library	4,018	4,572	3,502
Roads and bridges	36,260	34,701	29,812
Total governmental activities	<u>340,920</u>	<u>345,759</u>	<u>321,406</u>
Business-type activities:			
Dunthorpe-Riverdale	344	256	251
Mid County	235	484	570
Behavioral Health	26,038	33,124	32,781
Total business-type activities	<u>26,617</u>	<u>33,864</u>	<u>33,602</u>
Total primary government	<u>\$ 367,537</u>	<u>\$ 379,623</u>	<u>\$ 355,008</u>

Source: Current and prior years' financial statements

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

Year	Property Taxes	Business Income Taxes	Transient Lodging Taxes	Motor Vehicle Rental Taxes	County Gasoline Taxes	Personal Income Taxes	Other Taxes	Total
1995	\$122,261	\$ 27,048	\$ 4,538	\$ 7,410	\$ 7,714	\$ -	\$ 2,097	\$171,068
1996	131,622	30,040	5,032	8,694	7,647	-	1,973	185,008
1997	158,878	33,255	6,162	9,589	7,288	-	2,123	217,295
1998	157,886	32,524	5,842	10,205	7,272	-	1,371	215,100
1999	183,157	40,904	6,192	10,782	7,358	-	2,023	250,416
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

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Assessed Valuation and Actual Values of Taxable Property (1)
Last Ten Fiscal Years
(amounts expressed in thousands)

Year	Residential Property	Commercial Property	Public Utility Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value
1995	\$17,177,183	\$10,740,016	\$ 1,576,140	\$ 1,218,157	\$30,711,496	\$ 3.93	\$30,711,496
1996	19,792,331	11,818,004	1,748,028	1,325,133	34,683,496	3.90	34,683,496
1997	22,380,651	12,705,874	1,849,993	1,524,420	38,460,938	4.24	38,460,938
1998 (2)	18,771,490	9,966,389	1,865,805	2,053,477	32,657,161	4.87	42,432,442
1999	20,156,020	11,350,597	2,107,164	2,169,234	35,783,015	5.27	45,532,239
2000 (3)	21,177,768	11,853,881	2,401,538	2,167,686	37,600,873	5.14	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	5.08	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	66,510,264

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

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

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

Source: Multnomah County Division of Assessment and Taxation

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

Year	Multnomah County				Overlapping Rates						Total
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	
1995	\$ 3.10	\$ 0.87	\$ 0.06	\$ 4.03	\$5.92	\$ 0.49	\$ 8.12	\$ 0.01	\$ 0.07	\$ -	\$ 18.64
1996	2.96	0.84	0.10	3.90	5.79	0.68	5.58	-	0.08	0.07	16.10
1997	2.83	1.09	0.32	4.24	5.47	0.55	6.20	-	0.07	0.47	17.00
1998 (2)	3.01	1.31	0.54	4.86	6.03	0.68	7.27	-	0.07	1.08	19.99
1999	4.32	0.50	0.46	5.28	5.98	0.67	6.95	-	0.07	1.00	19.95
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

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

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

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

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

Fiscal Year Ended June 30	Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1995	\$ 123,672	\$ 116,592	94.28 %	\$ 4,918	\$ 121,510	98.25 %
1996	135,104	127,611	94.45	4,745	132,356	97.97
1997	162,985	154,195	94.61	5,473	159,668	97.96
1998	158,856	152,342	95.90	5,554	157,896	99.40
1999	188,837	178,736	94.65	5,160	183,896	97.38
2000	193,076	181,772	94.15	5,772	187,544	97.13
2001	205,468	192,777	93.82	6,698	199,475	97.08
2002	212,329	198,884	93.67	4,889	203,773	95.97
2003	210,411	197,233	93.74	4,263	201,496	95.76
2004	215,031	202,443	94.15	-	202,443	94.15

Source: Current and prior year financial statements

MULTNOMAH COUNTY, OREGON
Principal Taxpayers
December 31, 2003 and December 31, 1994
(amounts expressed in thousands)

December 31, 2003			
Taxpayer	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
QWEST Corporation	\$ 440,770	1	1.02 %
Portland General Electric	341,869	2	0.79
Pacificorp (PP&L)	271,934	3	0.63
Wacker Siltronic Corp	211,842	4	0.49
Northwest Natural Gas	149,728	5	0.34
Boeing Co	143,486	6	0.33
Oregon Steel Mills	135,061	7	0.31
Freightliner Corp	131,603	8	0.30
LC Portland LLC	130,197	9	0.30
Fred Meyer Inc	115,007	10	0.26
	<u>\$ 2,071,497</u>		<u>4.77 %</u>
Total Assessed Valuation	<u>\$ 43,408,763</u>		

December 31, 1994			
Taxpayer	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
QWEST Corporation	\$ 402,573	1	1.16 %
Pacificorp (PP&L)	230,168	2	0.67
Portland General Electric	194,541	3	0.56
Boeing Co	187,086	4	0.54
Northwest Natural Gas	110,984	5	0.32
SI - Lloyd Associates	91,012	6	0.26
United Airlines	88,421	7	0.25
US Bancorp	76,320	8	0.22
Fujitsu Microelectronics	66,278	9	0.19
Wacker Siltronic Corp	59,228	10	0.17
	<u>\$ 1,506,611</u>		<u>4.34 %</u>
Total Assessed Valuation	<u>\$ 34,683,496</u>		

(1) Assessed valuation based on the valuation of property for taxes collected in 2003 and 1994 respectively.

Source: Multnomah County Assessment & Taxation

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capitalized Lease Obligations	Full Faith and Credit Bonds	Revenue Bonds	Loans Payable			
1995	\$ 29,705	\$ 57,480	\$ -	\$ -	\$ -	\$ 87,185	0.20 %	\$ 139
1996	28,710	58,445	-	-	5,379	92,534	0.20	145
1997	136,375	54,920	-	-	715	192,010	0.38	297
1998	128,470	65,058	-	-	4,977	198,505	0.37	305
1999	124,170	100,480	-	3,155	792	228,597	0.40	348
2000	115,555	57,705	281,888	3,155	939	459,242	0.74	693
2001	106,260	51,942	277,713	8,500	870	445,285	0.70	668
2002	96,535	46,613	272,833	8,335	797	425,113	0.66	634
2003	91,610	41,501	276,763	7,890	718	418,482	N/A	617
2004	86,445	28,596	270,203	7,425	634	393,303	N/A	N/A

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

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
(amounts expressed in thousands, except per capita)

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita
1995	\$ 29,705	\$ 30,711,496	0.10 %	\$ 47
1996	28,710	34,683,496	0.08	45
1997	136,375	38,460,938	0.35	211
1998	128,470	32,657,161	0.39	197
1999	124,170	35,783,015	0.35	189
2000	115,555	37,600,873	0.31	174
2001	106,260	39,595,578	0.27	159
2002	96,535	41,739,141	0.23	144
2003	91,610	42,349,119	0.22	135
2004	86,445	43,408,763	0.20	N/A

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

Source: current and prior year financial statements, Multnomah County Division of Assessment and Taxation, Center for Population Research and Census at Portland State University

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

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

	2004	2003	2002	2001
Real market value	\$ 66,510,264	\$ 63,391,339	\$ 61,345,077	\$ 56,377,119
Debt limit rate	2.00%	2.00%	2.00%	2.00%
Debt limit	1,330,205	1,267,827	1,226,902	1,127,542
Less bonded debt at June 30	86,445	91,610	96,535	106,260
Legal debt margin	<u>\$ 1,243,760</u>	<u>\$ 1,176,217</u>	<u>\$ 1,130,367</u>	<u>\$ 1,021,282</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.13%	0.14%	0.16%	0.19%

ORS 287.053 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.

Real market value	\$ 66,510,264	\$ 63,391,339	\$ 61,345,077	\$ 56,377,119
Debt limit rate	1.00%	1.00%	1.00%	1.00%
Debt limit	665,103	633,913	613,451	563,771
Less bonded debt at June 30	270,203	276,763	272,833	277,713
Legal debt margin	<u>\$ 394,900</u>	<u>\$ 357,150</u>	<u>\$ 340,618</u>	<u>\$ 286,058</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.41%	0.44%	0.44%	0.49%

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

2000	1999	1998	1997	1996	1995
\$ 52,268,770	\$ 45,532,239	\$ 42,432,442	\$ 38,460,938	\$ 34,683,496	\$ 30,711,496
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
1,045,375	910,645	848,649	769,219	693,670	614,230
115,555	124,170	128,470	136,375	28,710	29,705
<u>\$ 929,820</u>	<u>\$ 786,475</u>	<u>\$ 720,179</u>	<u>\$ 632,844</u>	<u>\$ 664,960</u>	<u>\$ 584,525</u>

0.22%

0.27%

0.30%

0.35%

0.08%

0.10%

\$ 52,268,770
1.00%
<u>522,688</u>
<u>281,888</u>
<u>\$ 240,800</u>

- - - - -

0.54%

Note: The County did not have any full faith and credit bonds prior to 2000.

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

Year	Population	Personal Income	Per Capita Income	PMSA* Unemployment Rate
1995	629,617	\$ 15,935,846	\$ 25,310	3.7 %
1996	639,587	16,988,935	26,562	4.5
1997	647,083	17,851,213	27,587	4.3
1998	652,416	18,949,705	29,045	4.2
1999	657,740	19,735,801	30,005	4.5
2000	661,392	21,384,426	32,332	4.0
2001	668,969	22,504,958	33,641	5.9
2002	675,438	22,856,546	33,840	7.8
2003	677,850	N/A	N/A	9.1
2004	677,850 (1)	N/A	N/A	6.8 (2)

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

(1) Population data for July 1, 2004 is not available at this time.

(2) As of June 30, 2004

* Portland Metropolitan Statistical Area

Source: US Department of Commerce-Bureau of Economic Analysis, US Department of Labor-Bureau of Labor Statistics

MULTNOMAH COUNTY, OREGON

Principal Employers

Current Year and Nine Years Ago

2003-04			
Taxpayer	Employees	Rank	Percentage of Total PMSA* Employment
U.S. Government	18,400	1	1.83 %
Intel Corporation	14,890	2	1.48
State of Oregon	14,600	3	1.46
Providence Health System	13,496	4	1.35
Oregon Health and Science University	11,400	5	1.14
Fred Meyer Stores	10,500	6	1.05
City of Portland	8,485	7	0.85
Kaiser Foundation Health Plan	8,000	8	0.80
Legacy Health System	7,972	9	0.79
Safeway Inc.	6,000	10	0.60
	<u>113,743</u>		11.34 %
Total PMSA* employment	<u>1,003,133</u>		

1994-95			
Taxpayer	Employees	Rank	Percentage of Total PMSA* Employment
U.S. Government	18,600	1	2.01 %
State of Oregon	12,500	2	1.35
Kaiser Foundation Health Plan	7,229	3	0.78
Providence Health System	7,200	4	0.78
Legacy Health System	6,937	5	0.74
U.S. Bancorp	6,835	6	0.74
Tektronix	6,800	7	0.73
Intel Corporation	6,600	8	0.71
Portland School District	6,600	9	0.71
Fred Meyer Stores	5,800	10	0.63
	<u>85,101</u>		9.18 %
Total PMSA* employment	<u>926,553</u>		

* Portland Metropolitan Statistical Area

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

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

	2004	2003	2002	2001
Function/Program				
Governmental activities:				
General government	758.0	716.5	743.0	642.5
Health services	832.5	892.5	884.5	864.5
Social services	577.0	594.0	754.0	788.5
Public safety and justice	1,584.5	1,596.0	1,740.5	1,803.0
Community services	10.0	13.0	11.5	15.5
Library	487.5	465.5	462.0	491.5
Roads and bridges	164.0	176.0	184.0	182.0
Total governmental activities	4,413.5	4,453.5	4,779.5	4,787.5
Business-type activities:				
Behavioral Health	7.0	6.0	38.0	32.0
Total business-type activities	7.0	6.0	38.0	32.0
Total primary government budgeted FTE	4,420.5	4,459.5	4,817.5	4,819.5
MULTNOMAH COUNTY EMPLOYEES				
Management and exempt	654	668	735	794
Bargaining units:				
General employees (Local 88)	2,785	2,792	3,012	N/A
Electricians (Local 48)	21	22	22	N/A
Operating engineers (Local 701)	13	12	13	N/A
Paint makers (Local 1094)	2	3	3	N/A
Corrections (Teamsters 223)	454	467	497	N/A
Deputy sheriffs association	97	93	89	N/A
Oregon nurses association	256	269	263	N/A
Juvenile group workers (Local 86)	58	65	69	N/A
Prosecuting attorneys association	86	79	85	N/A
Total bargaining units	3,772	3,802	4,053	4,033
Temporary County employees	92	100	481	N/A
Total actual County employees	4,518	4,570	5,269	N/A

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

Source: County payroll records

2000	1999	1998	1997	1996	1995
661.0	593.0	731.0	749.0	685.0	829.0
820.5	853.0	1,268.0	1,145.0	1,316.0	1,212.0
783.0	692.0	700.0	676.0	559.0	509.0
1,863.0	1,740.0	1,819.0	1,585.0	1,645.0	1,562.0
13.0	N/A	N/A	N/A	N/A	N/A
456.0	494.0	551.0	461.0	473.0	460.0
186.0	190.0	185.0	185.0	185.0	185.0
4,782.5	4,562.0	5,254.0	4,801.0	4,863.0	4,757.0
35.0	32.0	30.0	28.0	N/A	N/A
35.0	32.0	30.0	28.0	-	-
4,817.5	4,594.0	5,284.0	4,829.0	4,863.0	4,757.0
742	N/A	N/A	N/A	N/A	N/A
N/A					
N/A					
N/A					
N/A					
N/A					
N/A					
N/A					
N/A					
4,068					
N/A					
N/A					

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

FUNCTION/PROGRAM	2004	2003	2002	2001
General Government				
Number of registered voters	363,589	363,843	383,915	365,596
Number of votes cast in last general election	245,238	245,238	300,065	300,065
% of registered voters who voted in last general election	*67.4%	67.4%	*82.1%	82.1%
Health Services				
Corrections health visits (adult & juvenile)	N/A	N/A	94,099	98,902
Dental clinic visits	N/A	N/A	32,503	32,702
School medical clinic visits	N/A	N/A	35,443	33,834
Home & community health visits	N/A	N/A	38,363	35,667
Medical & Specialty Care clinic visits	N/A	N/A	140,231	141,764
Environmental health inspections	N/A	N/A	10,245	9,847
Women, infants, and children served in the WIC program	N/A	N/A	24,112	23,589
Flu vaccinations at health clinics	N/A	N/A	3,158	3,197
Social Services				
Households that have received assistance with energy bills	N/A	N/A	15,813	15,723
Clients with developmental disabilities served	N/A	N/A	3,336	2,577
Senior and physically disabled clients served	N/A	N/A	36,813	35,552
Alcohol and drug client assessments provided	N/A	N/A	4,785	4,987
Early childhood mental health clients	N/A	N/A	7,226	7,000
Public Safety and justice				
Sheriff				
Responses to calls for services	N/A	36,972	36,063	37,414
Number of arrests (parts 1, 2 and 3 crimes)	3,383	3,714	3,165	3,634
Corrections				
Escapes from jail	N/A	0	0	0
Average length of jail stay in days	N/A	19.3	20.0	20.4
Inmates held for court at Courthouse	N/A	13,545	13,558	14,334
Juvenile				
Youth admitted to detention center	N/A	2,357	2,611	2,816
Average length of stay in days in youth detention center	N/A	10.3	11.1	10.9
Community service hours completed	N/A	7,672	10,117	9,606
Families participating in mediation and custody evaluation	N/A	1,214	1,391	1,507
Youth reporting improved school attendance	N/A	N/A	61%	63%
Adult				
Community service hours completed	N/A	122,391	127,439	117,890
Adults participating in in educational classes	N/A	596	567	531
Clients receiving GED's	N/A	73	95	66
Dist Atty				
Cases of adult criminal activity prosecuted	N/A	22,390	19,895	21,246
Juvenile delinquency cases prosecuted	N/A	1,332	1,486	1,845
Hours of community service completed	N/A	2,601	1,765	777
Library				
New library cards issued annually	N/A	N/A	70,219	68,599
Books circulated	N/A	N/A	16,133,945	14,008,166
Active borrowers	N/A	N/A	509,949	515,184
Reference transactions	N/A	N/A	1,168,488	1,054,769
Web site hits	N/A	N/A	44,568,574	43,346,524

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

Sources: Service Efforts and Accomplishments Social and Health Services, Service Efforts and Accomplishments Public Safety, Current & Prior Year Financial Statements

* General elections are held on even years.

2000	1999	1998	1997	1996	1995
341,210	381,939	389,337	404,098	382,821	363,748
217,894	217,894	273,594	273,594	248,052	248,052
*57.0%	57.0%	*67.7%	67.7%	*65.6%	65.6%
105,931	101,141	91,201	N/A	N/A	N/A
31,927	29,039	28,738	28,748	28,308	24,276
29,788	30,206	28,526	26,064	24,631	20,211
31,196	32,076	29,448	31,206	31,346	32,176
140,636	135,109	124,660	134,478	141,110	143,042
10,503	8,757	N/A	N/A	N/A	N/A
22,337	24,091	25,158	23,599	N/A	N/A
3,017	3,197	3,158	2,805	2,544	N/A
11,754	12,432	N/A	N/A	N/A	N/A
3,050	2,975	2,779	2,763	2,785	N/A
N/A	33,688	32,625	N/A	N/A	N/A
4,462	4,735	4,720	N/A	N/A	N/A
3,038	1,523	1,400	N/A	N/A	N/A
36,346	N/A	N/A	N/A	N/A	N/A
3,311	2,412	1,925	2,523	2,393	2,427
0	0	0	0	0	0
18.3	17.9	N/A	N/A	N/A	N/A
14,133	14,319	11,573	11,609	14,377	11,280
2,913	3,940	4,116	3,668	N/A	N/A
8.9	11.2	11.9	10.8	N/A	N/A
11,754	14,142	N/A	N/A	N/A	N/A
1,619	1,458	N/A	N/A	N/A	N/A
56%	53%	N/A	N/A	N/A	N/A
N/A	105,774	101,382	N/A	N/A	N/A
446	519	545	420	N/A	N/A
49	64	N/A	N/A	N/A	N/A
23,154	22,041	N/A	N/A	N/A	N/A
1,236	1,510	2,011	N/A	N/A	N/A
240	274	N/A	N/A	N/A	N/A
68,752	67,626	65,592	62,163	46,365	N/A
12,152,743	9,450,963	8,486,034	8,032,655	7,364,822	N/A
444,219	393,610	N/A	390,732	N/A	N/A
773,576	748,476	663,039	708,573	701,513	N/A
42,323,312	9,203,676	1,067,797	285,047	18,625	N/A

MULTNOMAH COUNTY, OREGON**Miscellaneous Statistical Data****Last Ten Years**

	2004	2003	2002	2001
GOVERNMENTAL ACTIVITIES:				
SHERIFF PROTECTION				
Vehicular patrol units	44	35	36	34
Number of employees (sworn and civilian)	847	835	896	934
Jails:				
Facilities	4	3	5	5
Population	1,651	1,531	1,775	1,860
Roads & Bridges				
Miles of streets maintained by County:				
Paved	326	326	365	1,082
Unpaved	24	24	11	11
BUSINESS-TYPE ACTIVITIES:				
Dunthorpe-Riverdale				
Sewage disposal - number of accounts	538	528	528	519
Mid County				
Street lighting - number of lights	2,437	2,338	3,837	3,837

Sources: Multnomah County Departments

2000	1999	1998	1997	1996	1995
34	30	26	28	26	21
961	914	831	729	726	707
5	5	5	5	5	5
2,001	1,990	1,677	1,406	1,440	1,357
245	245	245	322	317	450
25	30	30	11	9	11
519	565	553	553	554	550
3,612	3,693	3,225	3,113	2,916	2,834

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

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

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

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

Programs Funded from Outside Sources - Our report related to such programs is presented separately under this cover.

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

Compliance with Legal or Other Requirements

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

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

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

Insurance - Relating to insurance and fidelity bond coverage.

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

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

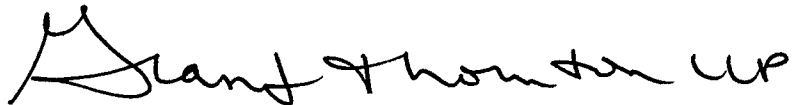
Public Contracts and Purchasing - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

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

The results of our tests indicate that, with respect to the items tested, Multnomah County, Oregon complied, in all material respects, with the provisions referred to above except the County had overexpenditures as listed in Note 2B of Notes to the Basic Financial Statements and one bank account exceeded its collateralization amount for one day. With respect to items not tested, nothing came to our attention that caused us to believe that the County had not complied, in all material respects, with those provisions.

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

Portland, Oregon
December 3, 2004

A handwritten signature in black ink, appearing to read "David Thornton" followed by a stylized flourish or "UP".

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

The Board of County Commissioners
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2004, and have issued our report thereon dated December 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

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

Portland, Oregon
December 3, 2004

Blant Thornton LLP

Report of Independent Certified Public Accountants
on the County's Compliance with Requirements Applicable to Each Major
Program and Internal Control Over Compliance in Accordance with
OMB Circular A-133

The Board of County Commissioners
Multnomah County, Oregon

Compliance

We have audited the compliance of the Multnomah County, Oregon with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2004. Multnomah County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Multnomah County, Oregon's management. Our responsibility is to express an opinion on Multnomah County, Oregon's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Multnomah County, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Multnomah County, Oregon's compliance with those requirements.

In our opinion, Multnomah County, Oregon complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2004.

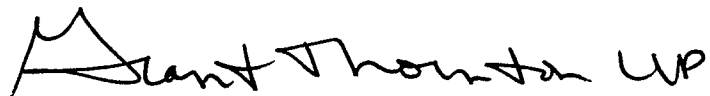
Internal Control Over Compliance

The management of Multnomah County, Oregon is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Multnomah County, Oregon's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Portland, Oregon
December 3, 2004

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes x no
- Reportable condition(s) identified that are not considered to be material weaknesses? ___yes x none reported
- Noncompliance material to financial statements noted? ___yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___yes x no
- Reportable condition(s) identified that are not considered to be material weaknesses? ___yes x none reported

Type of auditor’s report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

___ yes x no

Identification of major programs:

CFDA Number	<u>Name of Federal Program</u>
93.959	Department of Health and Human Services, Block Grants for Prevention and Treatment for Substance Abuse
93.563	Department of Health and Human Services, Child Support Enforcement
93.568	Department of Health and Human Services, Low-Income Home Energy Assistance
93.283	Department of Health and Human Services, Centers for Disease Control and Prevention- Investigations and Technical Assistance
14.235	Department of Housing and Urban Development, Supportive Housing Program
16.595	Department of Justice Executive Office for Weed and Seed
Cluster	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$1,941,744

Auditee qualified as low-risk auditee?

 x yes ___ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current year findings and questioned costs reported.

Prior findings and questioned costs are listed on the following page.

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

FINDING 03-1

Program:	CFDA #93.959, Prevention and Treatment of Substance Abuse
Federal Agency:	Department of Health and Human Services
Award Year:	2002-2003
Requirement:	Grantee must receive and reconcile invoices from agencies receiving funding.
Finding:	The County did not receive invoices or any other form of documentation from the agencies providing the services.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The County should discontinue funding to agencies until invoices are received.
County Response:	Upon further review of this comment, the County noted there are various agreements with agencies where the County and the agency have entered into a signed annual contract. The signed contract has been the sole source of supporting documentation for monthly payments to the agencies. Currently the contracts the County has entered into for fiscal year 2004 do not require agencies to submit invoices, rather rely on information submitted to the State and the signed annual agreement as supporting documentation. We believe the existing support provided in the contracts is sufficient.