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Goals

The goals of the financial policies are:

- To preserve capital through prudent budgeting and financial management.
- To achieve the most productive use of County funds that meets the goals of the Board of County Commissioners.
- To ensure that all finance-related activities meet generally accepted accounting principles.
- To achieve a stable balance between the County's ongoing financial commitments and the continuing revenues available to the County.
- To leverage local dollars with federal and state funding/grants.
- To provide an accountable form of Government to the citizens of Multnomah County.

Financial Forecasts for the General Fund

Governments at all levels should forecast major revenues and expenditures. The forecast should extend at least three to five years beyond the budget period and be regularly monitored and updated. It should be clearly stated and available to participants in the budget process, along with underlying assumptions and methodology. The forecast should also be referenced in the final budget document. To improve future forecasting, variances between previous forecasts and actual amounts should be analyzed. Variance analysis should identify all factors that influence revenues, expenditures and forecast assumptions.

Policy Statement

The Board of County Commissioners recognizes the importance of developing a combined revenue and expenditure forecast. The Budget Office will prepare a five-year financial forecast for the General Fund to assess the long-term financial implications of current and proposed, policies and programs. The forecast will detail assumptions regarding both short-term and long-term financial issues. Those assumptions will guide the development of appropriate financial strategies to achieve the goals outlined above.

The General Fund revenue and expenditure forecast will:

1. Provide an understanding of available funding;
2. Evaluate financial risk;
3. Assess the likelihood that services can be sustained;
4. Assess the level at which capital investment can be made;
5. Identify future commitments and resource demands;
6. Identify the key variables that might change the level of revenue; and
7. Identify one-time-only resources and recommend appropriate uses.

Status

The County is in compliance with this policy.

Tax Revenues

State statutes and the County Code provide Multnomah County with the ability to raise revenue through taxation. All of the County's tax decisions have been made in an atmosphere of intense public and internal debate. Those debates consistently referred to these common factors: the social equity of the tax, its administrative costs, its impact on the regional economy, its effect on other local governments, and the degree to which the tax might be acceptable to the public.

The County currently levies the following taxes:

1. **Property Taxes** which are governed by state statute and the Oregon Constitution are levied for the following:
   - "A permanent rate of $4.34 per $1,000 of assessed value, which is available for general purposes."
   - A five year "Local Option" levy for Library operations that is set at $0.89 per $1,000 of assessed value; and,
   - A levy to pay debt service on General Obligation Bonds that is set annually at a level to provide sufficient revenue to support the payments.
2. **Business Income Tax** is set at 1.45% of net business income generated in Multnomah County. This tax is authorized by County Code, Chapter 12.
3. **Motor Vehicle Rental Tax** is set at 12.5% of the value of rental fees. The first 10% is available for general uses. The remaining 2.5% supports the Oregon Convention Center under an agreement with the Metropolitan Service District. This tax is authorized by County Code, Chapter 11.
4. **Transient Lodging Tax** is set at 11.5% of the room rent charged by hotel operators. Nearly all of the County proceeds from this tax are used to support the Oregon Convention Center and other tourist amenities under an agreement with the Metropolitan Service District. This tax is authorized by County Code, Chapter 11.
5. **Motor Vehicle Fuel Tax** is set at $0.3 cents per gallon of gasoline (or diesel) sold in Multnomah County. The proceeds of this tax are dedicated to transportation programs. This revenue is shared by Multnomah County and the cities of Portland, Gresham, Troutdale, and Fairview. This tax is authorized by County Code, Chapter 11.

Policy Statement

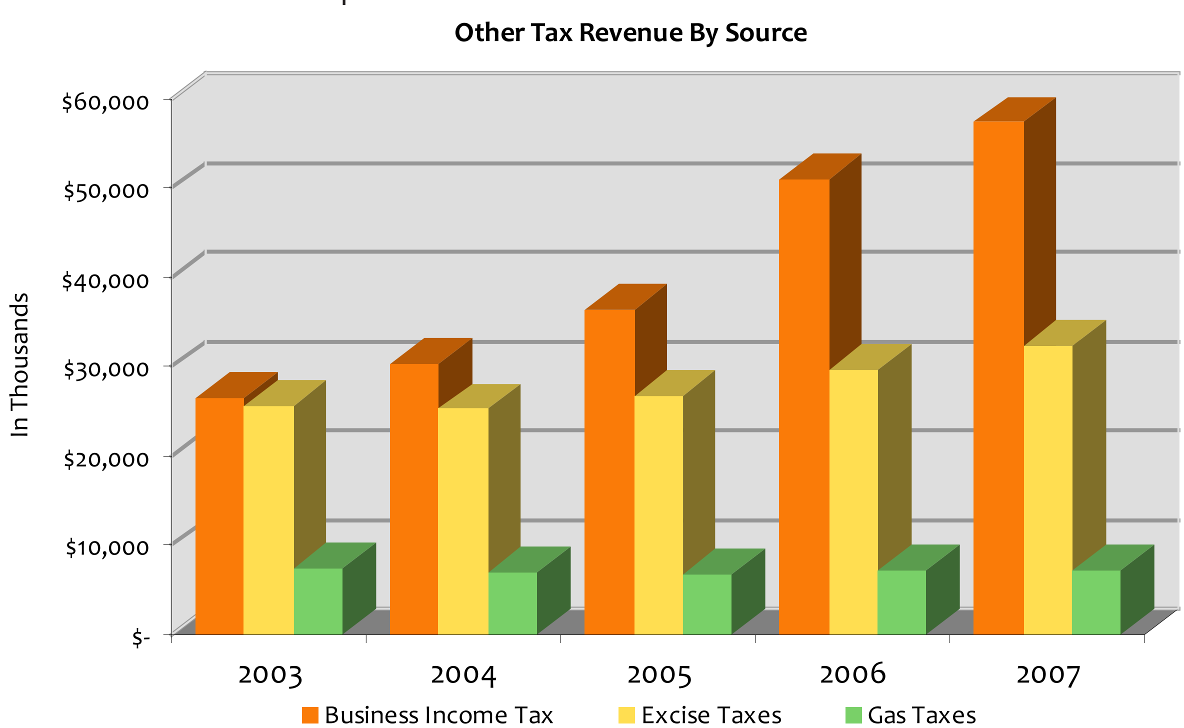
The Board recognizes that taxation is necessary to provide public services to the citizens of the county. When considering changes to the County's tax structure, the Board will consider the following:

- The ability of taxpayers to pay the taxes.
- The impact of taxes imposed by the County on other local governments.
- The effect of taxes on the county economy.
- The administration and collection costs of the taxes.
- The ease with which the taxes can be understood by taxpayers.

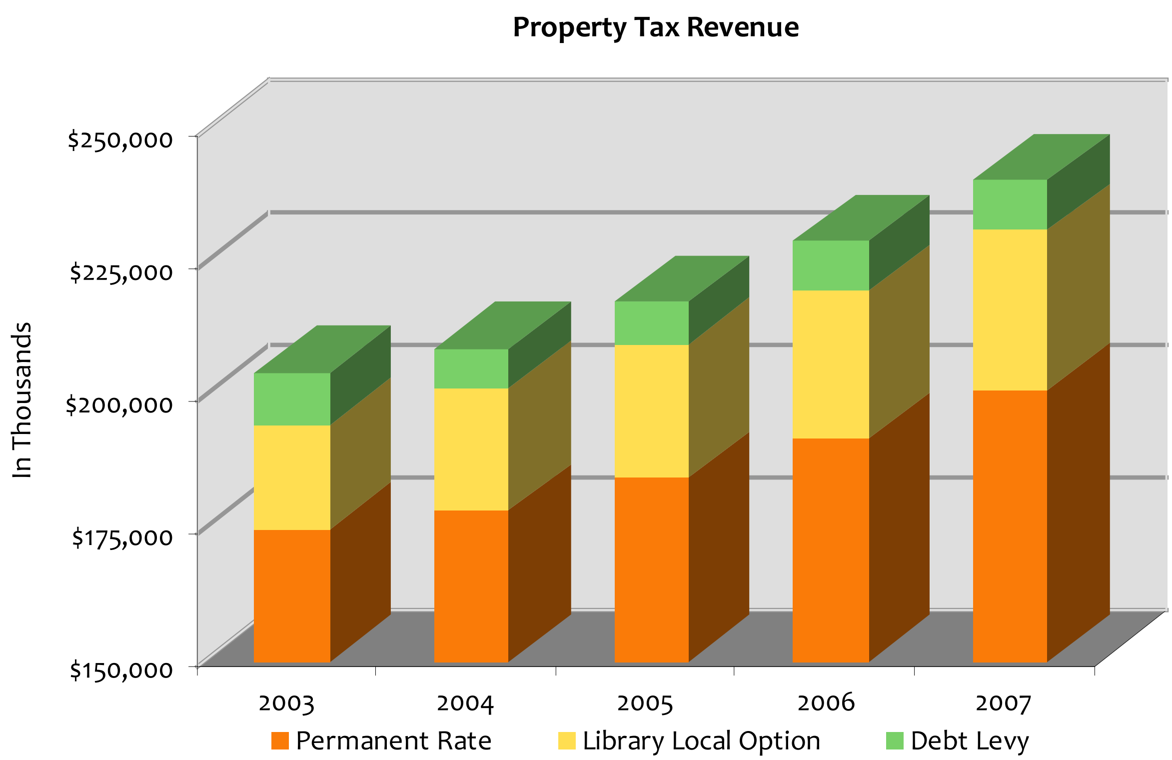
State statutes allow the County to levy "local option" taxes that are not to exceed five years. It is the intent of the Board to use this short-term revenue source to fund priority service programs only after all other sources of revenue have been analyzed and have been determined not to be feasible. The County currently has one local option levy that supports Library services. The tax is set at $0.89 cents per thousand dollars of assessed value. It is in place until June 30, 2010.

Status

All decisions to levy taxes were made in an atmosphere of intense public and internal debate, particularly with regard to the progressivity of the tax, its administrative cost, its impact on the regional economy, its effect on other local governments, and the degree to which the tax might be acceptable to the public. The County's tax revenues represent about 40% of the total Governmental Fund Type revenues (General and Special Revenue Funds). No new taxes are proposed in the FY 2009 budget.



Other Tax Revenue		2003		2004		2005		2006		2007
Business Income Tax	$	26,491	$	30,286	$	36,463	$	50,980	$	57,399
Excise Taxes	$	25,656	$	25,282	$	26,788	$	29,680	$	32,370
Gas Taxes	$	7,432	$	7,011	$	6,744	$	7,234	$	7,212
Total Other Tax Revenues	$	59,579	$	62,579	$	69,995	$	87,894	$	96,981



Property Tax Revenue		2003		2004		2005		2006		2007
Permanent Rate	$	174,985	$	178,580	$	184,729	$	192,007	$	201,160
Library Local Option	$	19,638	$	22,985	$	25,137	$	27,942	$	30,280
Debt Service Levy	$	9,825	$	7,453	$	7,885	$	9,364	$	9,271
Total Property Taxes	$	204,448	$	209,018	$	217,751	$	229,313	$	240,711

Transportation Financing

Multnomah County owns, operates and maintains approximately 300 miles of urban and rural roads and 30 bridge structures. Ongoing maintenance and improvements are necessary for economic growth, to alleviate existing transportation problems, and to maintain the livability of the region. In the County and the surrounding areas, growth has placed additional demands on the transportation system. Growth coupled with funding limitations increases demands far beyond the available resources.

Approximately 75% of County transportation revenue is generated by the State and County gas tax. This tax has remained at a constant 24 cents per gallon since 1993 with no adjustments. The recent increase in the price of gasoline may reduce gallons sold, reducing revenue further. This reduction, the impact of inflation, and reduced sales combine to significantly reduce the County's ability to provide services.

Multnomah County's Capital Improvement Plan and Program (CIPP) is reviewed on an annual schedule and was submitted to the Board of County Commissioners in May 2008 as part of the FY 2009 Budget process. The Board's acceptance of the CIPP is the basis for the selection and funding of road and bridge projects.

Transportation revenue forecasts show the County facing challenges of balancing the demands of maintenance, preservation, capital expansion, safety and environmental regulations. The 20-year Transportation Capital Plan noted a significant shortfall between needs and funds.

The Oregon Transportation Investment Act of 2003 provided the County with $25 million for use on the Sauvie Island bridge construction project, an additional $1.4 million of annual funding for county bridges and $0.5 million annually for county roads. Even with these new funds the gap between needs and resources exists and continues to widen.

Policy Statement

It is the policy of the Board to support statewide and regional funding for transportation-related needs. If state and regional funding is inadequate, the County works with jurisdictions within its boundaries to address the transportation funding needs of local governments.

Status

Transportation forecasts indicate an operating deficit within the next two years. In FY 2009, Commissioners have raised the awareness of the issues due to the revenue shortfall. They are working with the Regional, State and Federal partners to address transportation funding issues.

Federal/State Grant and Foundation Revenues

Federal and State grant funds have increased significantly in the last ten years. Most of these revenues are restricted to a specific purpose, such as social services and public safety. Grants and foundation funds are used for an array of County services and may help the County to leverage other funds.

Policy Statement

The Board understands that grants from other governments and private sources present opportunities and risks. Grants allow the County to provide basic or enhanced levels of service and to cover gaps in County services. Grants may also commit the County to serving larger or different groups of clients and put pressure on County-generated revenues if the grant is withdrawn. When applying for a grant/foundation funding, the Board will consider:

1. Opportunities for leveraging other funds to continue the program.
2. The amount of locally generated revenue required to supplement the revenue source.
3. Whether the funds cover the full cost of the program, or whether the County is expected to provide program support and administrative overhead. It is the intent of the County to recover all costs.
4. The degree of stability of the funding source.
5. Whether decline or withdrawal of the revenue creates an expectation that the County will continue the program.
6. How County programs can maximize revenue support from state or federal sources.
7. Whether the funds are used for pilot or model programs and will result in a more efficient and/or effective way of doing business.
8. Whether the funds are aligned with the County's mission and goals.

After a grant or contribution is awarded, the Board requires such restricted resources to be used in accordance with any restrictions stipulated and prior to using unrestricted revenues.

Status

All notices of intent to apply for grant funding and grant awards are approved by the Board. Information provided by Departments when submitting notices of intent is intended to address the above considerations.

Indirect Cost Allocation

The Federal government recognizes identifiable overhead costs are incurred in providing services to support grants and contracts. Therefore, the Office of Management and Budget (OMB) establishes principles and standards to provide a uniform approach for determining costs and to promote effective program delivery, efficiency and better relationships between governmental units and the Federal government. The County's indirect cost allocation plan is prepared annually in accordance with OMB guidelines. The County's plan categorizes indirect costs in two ways: the first establishes support costs internal to individual departments within the County and the other identifies Countywide support costs (such as Budget, County Auditor, Finance and Equipment Use). The County's indirect cost allocations are charged to dedicated grantor revenues to the fullest extent allowed.

Policy Statement

Generally, it is the policy of the Board to recover from dedicated revenue sources the full cost of programs supported by those sources. Full costs include the appropriate proportionate share of the cost of the program's administrative overhead

The exception to the above policy occurs when the grantor agency does not allow the grantee to charge indirect costs or allows only a fixed amount or a maximum indirect cost rate. The Board will have the final authority to accept a grant that does not allow the recovery of all or part of indirect costs. In that event the General Fund will absorb indirect cost attributable to the program.

The Finance and Risk Management Division is responsible for preparing an Indirect Cost Allocation Plan that meets the requirements of the Office of Management and Budget (Federal Government Agency) Circular A-87. Central service and departmental administrative support provided to non- General Fund programs, activities, and/or functions that are not recovered by internal service charges or billed directly to dedicated revenues will be recovered through an indirect cost based on the approved Indirect Cost Allocation Plan. The plan will be updated annually.

Status

In 1990, the County's cognizant Federal Agency, Department of Health and Human Services (DHHS), approved the indirect cost allocation plan. The approval remains in effect until advised otherwise by DHHS or until the County receives a newly designated cognizant Federal Agency. The County certifies the accuracy of its indirect cost rate proposal and cost allocation plan on an annual basis.

Use of One-Time-Only Resources

Unrestricted one-time-only resources present organizations with temptations that are hard to resist. In the short run it appears beneficial to allocate them to the highest priority public service that would otherwise be unfunded than to restrict them to costs associated with one-time needs (those not recurring in following years). However, the result is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding. This inevitably produces shortfalls and crises. Sustaining an ongoing program level by deferring necessary expenditures or by incurring future obligations also inevitably produces shortfalls and crises.

Policy Statement

It is the policy of the Board that the County will fund ongoing programs with ongoing revenues, and to restrict the allocation of one time revenues to non-recurring expenditures.

Examples of one time revenues include:

- Proceeds on the sale of capital assets
- Business Income Taxes collected in excess of budgeted revenues
- General Fund ending fund balance in excess of budgeted balance

When budgeting unrestricted one-time-only resources, the Board will consider setting funds aside for reserves or using them for projects/programs that do not have future financial commitments. The Board will consider the following when allocating one-time-only resources:

1. The level of reserves set aside as established by these Financial and Budget policies adopted by the Board,
2. The County's capital needs set out in the five-year Capital Improvement Plan or Information Systems Development Plan
3. One-time only spending proposals for projects or pilot programs, particularly investments that may result in innovative ideas or technology, long-term efficiencies or savings that do not require ongoing support.
4. Bridge or gap financing for existing programs for a finite period of time.

Status

During budget deliberations the Budget Director is responsible for providing a list of sources and uses of one-time-only funds and informing the Chair and the Board on the recommended use of the funds received. With this information, the Board is able to appropriate and direct one time only resources to infrequent and unique expenditures in an effort to achieve compliance with this policy.

User Fees, Sales, and Service Charges

User fees are generally intended to cover all the costs or an agreed upon portion of the costs for providing services. Inflation or increased service delivery can erode the established user fees if the cost of service increases faster than revenue from the fee increases.

Policy Statement

It is the general policy of the Board that user fees and service charges be established at a level to recover the costs to provide services. Exceptions to this policy will be made depending on the benefit to the user of the service, the ability of the user to pay for the service, the benefit to County citizens, and the type of service provided.

As part of budget deliberations and during negotiations of Intergovernmental Agreements, departments will be responsible for informing the Chair of a fully-loaded cost analysis presenting the fee structure necessary to recover 100% of the cost of providing services. Departments will also recommend whether fees or charges in each area should be set to recover 100% of the costs or be set at a lower rate, such as a sliding scale fee. The recommendation to the Chair will consider the benefits to an individual or agency, the benefits to County citizens, and the ability of users to pay for the service. The Budget Office is responsible for ensuring that departments include all costs associated with providing the service.

User fees and service charges collected by County agencies will be periodically reviewed. Based on this review, the Chair will make recommendations to the Board regarding proposed changes to fee or service charge schedules.

Revenues generated from sales (and commissions on sales) of goods and services sold in County-owned or leased facilities are to be credited to the County's General Fund unless:

1. They are generated for inmate welfare commissary operations.
2. They are generated in Library facilities used for Library operations.
3. The Board grants an exception.

Status

Departments are generally responsible for reviewing the fees and charges associated with their operations on an annual basis.

Reserves

Using all available ongoing revenue each year to pay for ongoing programs can result in fluctuations in program levels as revenues vary from one year to the next. Adding programs in one year (based on positive short term receipts) can cause the same or other programs to be cut in the next year if costs outpace revenues. This has a detrimental effect on service delivery over time, reducing efficiency and causing budget and political problems that can be avoided if program decisions are made in the context of the County's long-term financial capacity rather than on the basis of revenue available from one year to the next.

Maintaining an appropriate reserve helps the County maintain its favorable bond rating, which is currently Aa1 from Moody's Investors Service for the County's G.O. bonds. Moody's generally established benchmark for the General Fund Balance or reserve is a dollar amount equal to at least 10% of actual General Fund revenues.

Moody's general guidelines for issuing bond ratings presume that an entity has a sufficiently diverse revenue stream to enable it to sustain adversity of any one of the revenue sources. In addition, the guidelines presume that the entity is not facing future liabilities it will be unable to meet or that it has adopted and followed a plan to address significant known liabilities. Because the County does not have a diverse revenue stream, its major sources of revenue are limited by the State constitution and measures passed by voters, and the revenues are susceptible to cycles in the regional economy, the importance of maintaining adequate reserves is underscored further. Establishing and maintaining reserves at a level that allows the entity to sustain during an economic downturn is viewed favorably when rating services are evaluating the financial viability of an organization.

Policy Statement

The Board understands that to avoid financial instability, continuing requirements should be insulated from temporary fluctuations in revenues.

It is the goal of the Board to fund and maintain two General Fund reserves designated as unappropriated fund balance and funded at approximately 5% each of the "corporate" revenues of the General Fund. Corporate revenues are defined as ones which are available for general use and which the Board has complete discretion in allocating.

These include Property Tax, Business Income Tax, Motor Vehicle Rental Tax, State Revenue Sharing (Cigarette, Liquor, Video Lottery, and Amusement Device Taxes), and Interest Earnings. These revenue sources account for approximately 90% of total General Fund resources excluding Beginning Working Capital.

The first 5% is a reserve account in the General Fund, designated as unappropriated fund balance. This account is to be used when overall revenue growth[1] falls below the rate of annual revenue change achieved during the prior ten years. In years when basic revenue growth falls below long-term average growth, the Board will reduce the unappropriated fund balance to continue high priority services that could not otherwise be funded by current revenues. If the reserve account is so used, to maintain fiscal integrity, the Board will seek to restore the account as soon as possible.

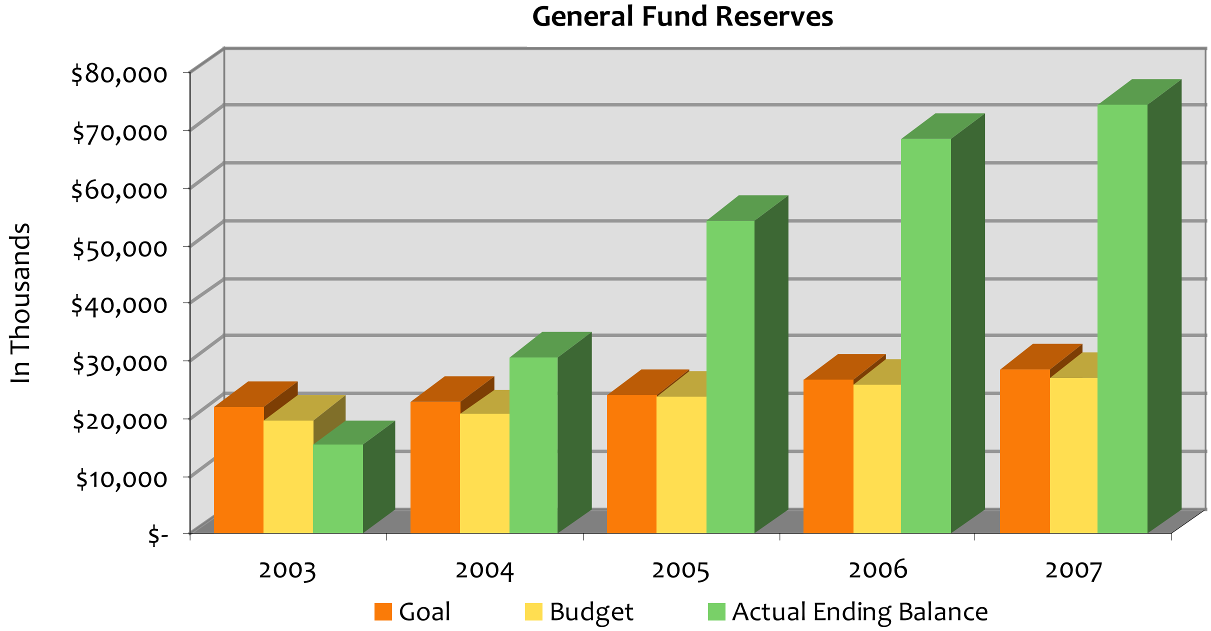
The second 5% is a reserve maintained separately from the General Fund in the General Reserve Fund. This fund is to be used for non-recurring extreme emergencies. Extreme Emergencies is defined as uses for disaster relief, expenditures related to essential services, or expenditures that are related to public life and safety issues. If the reserve account is so used, to maintain fiscal integrity, the Board will seek to restore the account as soon as possible.

Status

In FY 2009, reserves are budgeted at $29 million which funds them at 97% of the policy goal.

The following graph shows the reserve goal, budget and actual reserve ($ in thousands). The budgeted reserves do not include funds budgeted in contingency.

1 “Growth” is defined as total increase in fiscal year compared to the amount in the prior fiscal year, adjusted for changes in collection method, accrual method, or legislation defining the rate or terms under which the revenue is to be collected.



General Fund Reserves	2003	2004	2005	2006	2007
Goal	$ 21,953	$ 22,850	$ 24,131	$ 26,832	$ 28,658
Budget	$ 19,610	$ 20,727	$ 23,758	$ 26,008	$ 27,000
Actual Ending Balance	$ 15,395	$ 30,660	$ 54,377	$ 68,673	$ 74,645

General Fund Emergency Contingency

Policy Statement

The Board understands that in order to avoid financial instability, continuing requirements cannot increase faster than continuing revenues.

It is the policy of the Board to establish an emergency contingency account in the General Fund, as authorized by ORS 294.352, each fiscal year during the budget process. The account will be funded at a level consistent with actual use of transfers from contingency during the prior ten years.

General Fund contingency transfers have a significant effect on the annual budget process by reducing the amount of ending fund balance that is carried over to the subsequent fiscal year as beginning working capital. Contingency transfers should be reviewed in the context of other budget decisions so that high priority programs and projects are not jeopardized.

To maintain financial stability, the following are guidelines to be used by the Board in considering requests for General Fund Contingency:

1. Approve contingency requests only for "one-time-only" allocations
2. Limit contingency funding to the following:
   - Emergency situations which, if left unattended, will jeopardize the health and safety of the community.
   - Unanticipated expenditures necessary to keep a public commitment or fulfill a legislative or contractual mandate, or which have been demonstrated to result in significant administrative or programmatic efficiencies that cannot be covered by existing appropriations.
3. The Board may, when it adopts the budget for a fiscal year, specify programs which it wishes to review during the year and increase the Contingency account to provide financial capacity to support those programs if it chooses. Contingency funding of such programs complies with this policy.

Status

The Budget Director is responsible for informing the Board if contingency requests submitted for Board approval meet the criteria of this policy. In addition, each year the Budget Director will provide an annual report to the Board detailing the prior fiscal year's contingency actions. This report will include the total dollar amount of contingency requests, dollar amount approved, and dollar amount that did not meet the criteria of this policy.

Capital Asset Management Policies

Capital financial management policies demonstrate to the credit rating industry and prospective investors (bond buyers) the County's commitment to sound financial management. Adherence to adopted policies ensures the integrity of the planning process and leads to maintaining or improving bond ratings and lowering the cost of capital.

In general, a facilities and property management plan includes three phases: (1) capital improvement planning and funding; (2) facility operations and long-term maintenance plan and funding; (3) property management, to determine best use or disposition of property.

Multnomah County owns approximately 80 buildings with a historical cost of approximately $420 million and an estimated replacement cost of $910 million. The County currently carries a $125 million property insurance policy per occurrence. Structural and systems maintenance in the County's capital plan is largely a non-discretionary activity. That is, the question is not whether such expenditures are necessary but in what year to schedule the expenditure on particular projects. Deferral of capital improvements and maintenance creates an unacceptable unfunded liability and contributes to further deterioration of properties.

Multnomah County's Capital Improvement Program is updated annually and includes the five-year Capital Improvement Plan. Over the last several years the County has had several opportunities to improve its position by acquiring equipment and/or by redirecting building rental payments to pay for the construction, renovation or acquisition of a facility. It is reasonable to assume that the County will have similar opportunities in the future. Given the current scarcity of capital funding, it may be appropriate to consider a variety of creative funding strategies to respond to these opportunities in the future.

The Board of County Commissioners may authorize the sale, long-term lease, or development of property and/or improvements and may authorize full faith and credit financing obligations. It is financially prudent to plan capital acquisition, improvement and maintenance projects adequately and to address the unfunded need for capital improvements so that decisions about the use of revenues and financing may be made in an orderly and effective manner.

The County shall prepare, adopt and annually update a five-year Capital Improvement Plan (CIP). The Plan will identify and set priorities for all major capital asset acquisition, renovation, maintenance, or construction projects.

During the annual budget development process the Director of the Facilities and Property Management Division is directed to update the Capital Improvement Plan. This plan shall include recommendations to the Chair and Board of County Commissioners on the priority of projects including those that may have been identified by the Chair's Office, suggested by Commissioners or otherwise identified.

A Facilities Management Advisory Committee is established as a sub-committee of the County's Operating Council, and is composed of representatives of County departments, Facilities and Property Management, and others deemed necessary by the Chair.

The Facilities Management Advisory Committee shall review the Capital Improvement Plan and any other equipment acquisitions requested to be financed with long-term obligations, and develop a priority list and a plan to finance the requirements of the Capital Improvement Project plan and any other capital requests. Prior to the adoption of the annual budget, the Facilities Management Advisory Committee shall present a report to the Board. This report shall include a listing of the projects, intended use, alternative methods of financing, current debt commitments, current debt capacity, and recommendations.

Facility Operations and Long-Term Maintenance Plan and Funding Policy

The Board recognizes that adequate operations and maintenance funding is essential to avoid costly reconstruction or replacement of capital assets.

The five-year Capital Improvement Plan (CIP) shall provide for anticipated major improvements and maintenance to County capital assets as well as additional and replacement capital assets. The Plan shall include major construction to be undertaken by the County, no matter what the funding source. The Plan will be reviewed and updated annually.

The CIP shall identify adequate funding to support repair and replacement of deteriorating capital assets and avoid a significant unfunded liability from deferred maintenance. In order to facilitate CIP discussions and to create a clear alignment of policy and funding, the Facilities and Property Management Division shall evaluate all owned County facilities and shall maintain a current list of facilities which are in substantial compliance with all applicable building codes and which have no required capital work. These facilities shall be designated as Tier I (Asset Preservation) facilities.

An Asset Preservation Fee shall be assessed on tenants within all Tier I buildings. This fee is established to be $2.35/rentable square foot in the initial year and shall be adjusted in future years to reflect the facilities' needs and County funding capacity. It is the goal of the Board to fund the County's capital needs at approximately 2% of the cost of County buildings. (2% is equivalent to depreciating the facilities over a 50-year period.) While the County currently does not have the capacity to fund facilities at this rate, the Board will consider this goal when establishing the rate in future years.

An Asset Preservation Fund is maintained to collect the assessed Asset Preservation Fees and to serve as a long-term reserve fund to maintain the Tier I facilities in their current excellent condition. Required capital projects for Tier I facilities shall be budgeted annually in the Asset Preservation Fund. The remaining balance of the Fund shall be maintained as a long-term reserve and shall be budgeted as an unappropriated balance.

Any facility which does not meet the criteria for designation as a Tier I building shall be designated as a Tier II or Tier III building. Tier II buildings are not up to current building standards and may require substantial capital work but are determined appropriate for continued investment and long-term retention in the County facilities inventory.

Tier III buildings appear to be uneconomical or impractical for long-term retention and will be analyzed to determine if they should be offered for disposition. Only "fire-life-safety" and urgent capital projects will be considered for Tier III buildings, to avoid further investment in these facilities.

A Capital Improvement Fee shall be assessed on tenants within all Tier II and III buildings. This fee is established to be $2.35/rentable square foot in the initial year and shall be adjusted in future years to reflect the facilities' needs and County funding capacity. It is the goal of the Board to fund the County's capital needs at approximately 2% of the cost of County buildings (2% is equivalent to depreciating the facilities over a 50-year period). While the County does not have the capacity to fund facilities at this rate currently, the Board will keep this goal in mind when establishing the rate in future years.

A Capital Improvement Fund is maintained to collect the assessed Capital Improvement Fees. This Fund will be used to provide for the continuing repair and maintenance of Tier II and III buildings. Given the current inadequacy of these funds to meet the needs of these buildings, projects will be identified and proposed for funding based on an annual assessment of need and urgency. The Facilities and Property Management Division shall maintain an inventory of the capital needs in all owned County facilities. An evaluation process and rating system shall be implemented and managed by Facilities and Property Management to assist in determining which projects to propose for funding each year. Recommended capital projects for Tier II and III facilities shall be budgeted annually in the Fund. Any remaining balance of the Fund shall be maintained as a long-term reserve and budgeted as unappropriated balance.

It is the goal of the Facilities and Property Management Division to perform all preventive and corrective maintenance on all County facilities to provide facilities that are safe, functional, and reliable for County operations. Facilities and Property Management will prepare and administer tenant agreements, respond to service requests, and manage commercial leases. The service level agreements with each tenant will be prepared to reflect the level of service and various pricing of each service that have been agreed upon by the parties.

Best Use or Disposition of Surplus Property Policy

The CIP presented to the Board, the Facilities Management Advisory Committee shall annually recommend the best use or disposition of surplus property held by the County. The recommendation will detail the financial and service impact of each recommendation. The Board will make the final determination on the best use or disposition of the property identified.

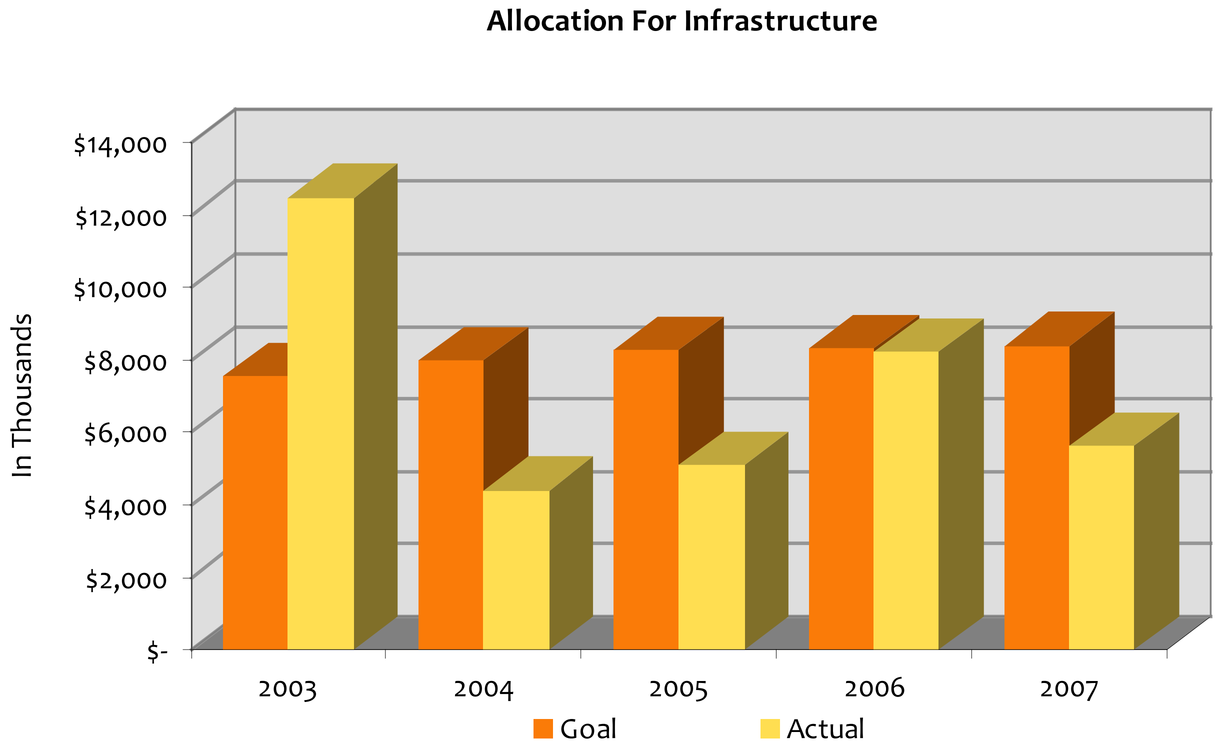
When deciding on the best use or disposition of surplus property, the Board will consider that the proceeds from the sale of unrestricted property may be allocated in the following prioritized manner:

1. Credited to the Asset Preservation Fund to provide reserves to meet future capital needs in Tier I facilities.
2. Credited to the Capital Improvement Fund to provide resources for future capital projects, deferred maintenance, or capital acquisition/construction.
3. Used to retire outstanding debt related to the disposed of or surplus property.
4. Used to increase General Fund reserves to achieve full funding according to these policies.

In addition property may be traded for other properties or may be leased to other agencies in order to provide services or carry out the mission of the County.

Status

The five year CIP is updated and presented to the Board annually. The following graph depicts the goal and actual ($ in thousands).



	2003	2004	2005	2006	2007
Goal	$ 7,540	$ 7,977	$ 8,284	$ 8,339	$ 8,401
Actual	$ 12,479	$ 4,407	$ 5,090	$ 8,224	$ 5,618

Long-Term Liabilities

Governments are required to account for and record in the financial statements long-term and other liabilities per Governmental Accounting Standards Board (GASB) pronouncements. Long-term liabilities are probable future sacrifices of economic resources due in more than one year. Upon recording long-term liabilities the County recognized the need to fund some of the unfunded long-term liabilities and prevent the risk of long-term liabilities recorded without a plan to fund them.

Policy Statement

Long-term liabilities can include: medical and dental incurred but not reported (IBNR) claims, workers compensation IBNR claims, liability IBNR claims, PERS and other post-employment benefits. It is the goal of the Board to fully pre-fund all benefits including retirement benefits, with the exception of other post-employment medical benefits (OPEB). GASB pronouncements require long-term liabilities to be assessed and disclosed and in the County's comprehensive annual financial report. However, GASB does not require vacation liabilities to be reported in the governmental fund types until they are paid and therefore the County has not recorded accrued vacation in governmental fund statements. Vacation liabilities in the proprietary funds will be recognized on the full accrual basis of accounting in accordance with GASB.

Funding for these liabilities will be in the form of reserves in the Risk Management Fund, allocated by the Chief Financial Officer (CFO) to the County's long term liabilities. The reserves in the Fund are considered set asides for the exclusive use of meeting these liabilities.

Status

As of June 30, 2007, actuarial liabilities are fully funded with the exception of the post employment benefits liability (OPEB), which is funded at 11.4% according to County policy. It is the goal of the County to gradually increase the reserve amount allocated to the OPEB and achieve a funding level of 20% by 2013. The CFO is responsible for ensuring that these liabilities are funded according to the actual liability or the actuarially determined liability. The following is the June 30, 2007 funding level of each liability ($ in thousands):

Liability Description	Total Liability	Amount Funded	Percent Funded
Self Insurance (1)	$ 8,668	$ 8,668	100.0%
Post Retirement (2)	122,905	14,020	11.4%

(1) GASB requires self-insurance claims be recorded as a liability in the financial statements.
(2) GASB requires employer paid benefits extended to retirees be disclosed in the financial statements. Liability reflects the most recent unfunded actuarial accrued liability amount per Mercer actuarial report.

Accounting and Audits

Under ORS 294 the County is required to have the County's financial records audited annually by an independent accounting firm.

The Board understands that the County's accounting system and financial reporting are required by State law to adhere to Generally Accepted Accounting Principles (GAAP), standards of the Government Finance Officers Association (GFOA), and the principles established by the Governmental Accounting Standards Board (GASB).

Policy Statement

Multnomah County's Ordinance No. 660 as amended, which established an Audit Committee, audit procedures, and audit rules, will apply to all external financial audits. The basic duties of the Audit Committee are to:

1. Review the scope and extent of the external auditor's planned examination.
2. Review with management and the external auditor the financial results of the audit.
3. Review with the external auditor the performance of the County's financial and accounting personnel.
4. Review written responses to management letter comments and single audit comments.
5. Present the Audit, Single Audit, and Report to Management to the Board.
6. Participate in the selection of the external auditor.

The Comprehensive Annual Financial Report (CAFR) including the audit of the County's schedule of Federal awards shall be sent to grantor agencies and rating agencies annually.

It is the goal of the Board to maintain a fully integrated automated financial system that meets the accounting and reporting needs of the County. This financial system is to include general ledger, accounts payable, accounts receivable, materials management, purchasing, human resources, payroll, and cost accounting for all applicable operations.

Status

The County is in compliance with this policy.

Fund Accounting Structure

Policy Statement

According to local budget law and the Governmental Accounting Standards Boards (GASB), the County is required to establish and maintain various funds. Each year the Chief Financial Officer is responsible for preparing and presenting a resolution to the Board defining the various County funds. The County will adhere to Generally Accepted Accounting Principles and GASB when creating a fund and determining if it is to be a dedicated fund.

The following types of funds should be used by state and local governments:

GOVERNMENTAL FUNDS

General Fund - to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Funds - to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds and trust funds).

Debt Service Funds - to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

PROPRIETARY FUNDS

Enterprise Funds - to account for operations (a) that are financed and operated in a manner similar to private businesses, where the intent of the governing body is that the costs of providing goods or services to the public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, or accountability.

Internal Service Funds - to account for the financing of goods or services provided by one department or agency to other sections of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - to account for assets held in a trustee capacity or as an agent for individuals, private organizations, governmental units, and/or other funds. These include: (a) Expendable

Trust Funds; (b) Nonexpendable Trust Funds; (c) Pension Trust Funds; and (d) Agency Funds.

Governmental units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established, however, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.

Status

The County is in compliance with this policy.

Internal Service Funds

It is often advantageous to centralize the provision of certain goods and services within the County by establishing internal service funds. These funds provide a useful means of accounting for such centralized intra-governmental activities.

The Governmental Accounting Standards Board's (GASB) states that internal service funds may be used "to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis."

GASB directs governments to use either the general fund or an internal service fund if they wish to use a single fund to account for all risk-financing activities of a given type. If a government chooses to use an internal service fund to account for its risk-financing activities, inter-fund premiums are treated as quasi-external transactions (similar to insurance premiums), rather than as reimbursements. Because inter-fund premiums paid to internal funds are treated as quasi-external transactions, their amount is not limited by the amount recognized as expense in the internal service fund, provided that the excess represents a reasonable provision for anticipated catastrophic losses or is the result of a systematic funding method designed to match revenues and expenses over a reasonable period of time.

GASB indicates that internal service funds may be used for services provided on a cost-reimbursement basis to other governments, nonprofits, and quasi-governmental entities. Most transactions take the form of quasi-external transactions; the funds receiving goods or services report an expense, while the internal service fund reports revenue. The practical consequence of this is that expenditures are duplicated within the reporting entity. This duplication is preferable to that which occurs when internal service funds are not used. The internal service fund has the advantage of isolating such duplicate transactions within a separate fund type, where their special character is clearer to users.

Internal service funds are used to account for services provided on a cost- reimbursement basis without profit or loss. Surpluses and deficits in internal service funds may be an indication that other funds were not charged properly for goods or services received. The principle that internal service funds should operate on a cost- reimbursement basis applies to the operations of these funds over time; it is only when internal service funds consistently report significant deficits or surpluses that charges must be reassessed. If charges to other funds are determined to be more or less than necessary to recover cost over a reasonable period, the excess or deficiency should be charged back to the participating individual funds. In particular, it is not appropriate to report a material deficit in an internal service fund without the demonstrable intent and ability to recover that amount through charges to other funds over a reasonable period.

Where internal services are also provided to external agencies, it is recognized that the rates may be slightly different than those charged internally for the same services. This is necessary since the ability to recover deficits from external parties over an extended period may be limited. In addition, charging rates significantly higher than market rates for the same services may result in external agencies not subscribing to these services. It is often advantageous for the County to provide services to external agencies to help the County defray fixed costs.

Often internal service funds charge for asset use in excess of historical cost depreciation, to ensure that adequate funds will be available to purchase replacement assets (the cost of which is likely to be higher due to inflation). The systematic recovery of the replacement cost of fixed assets is not a violation of the cost allocation principle because the surpluses are temporary (i.e., they will disappear when the higher priced assets are acquired). In recent years federal grantors have become increasingly sensitive to the potential for overcharges connected with internal service funds. Accordingly, high levels of retained earnings in internal service funds (as defined by federal cost-allocation principles) may lead to the disallowance of some costs charged out to other funds.

The main purpose of establishing internal service funds is to identify and allocate costs related to the provision of specific goods and services within the County.

Policy Statement

The County will establish the following internal service funds for these services:

1. Risk Management Fund – accounts for the County's risk management activities including insurance coverage
2. Fleet Management Fund – accounts for the County's motor vehicle fleet operations and electronics
3. Information Technology Fund – accounts for the County's data processing operations
4. Mail / Distribution Fund – accounts for the County's mail distribution, records and material management operations
5. Facilities Management Fund – accounts for the management of all County owned and leased property.

The internal service funds will be used to account for business operations and charge for goods or services provided to other departments or agencies on a cost-reimbursement basis. Periodically the rates charged will be compared to other public or private sector operations to ensure that pricing is competitive. The internal service fund charges will include asset replacement charges (depreciation) to ensure that adequate funds will be available to purchase replacement assets.

The charges will include a contingency or reserve requirement not greater than 5% to ensure that service reimbursements charged to other departments are maintained at a relatively constant level. Excess reserves will be used to reduce future rates.

The internal service reserves and amounts billed to other departments or agencies will be reviewed annually and revised if necessary by budget and finance to ensure they are in compliance with this policy.

Liquidity and Accounts Payable

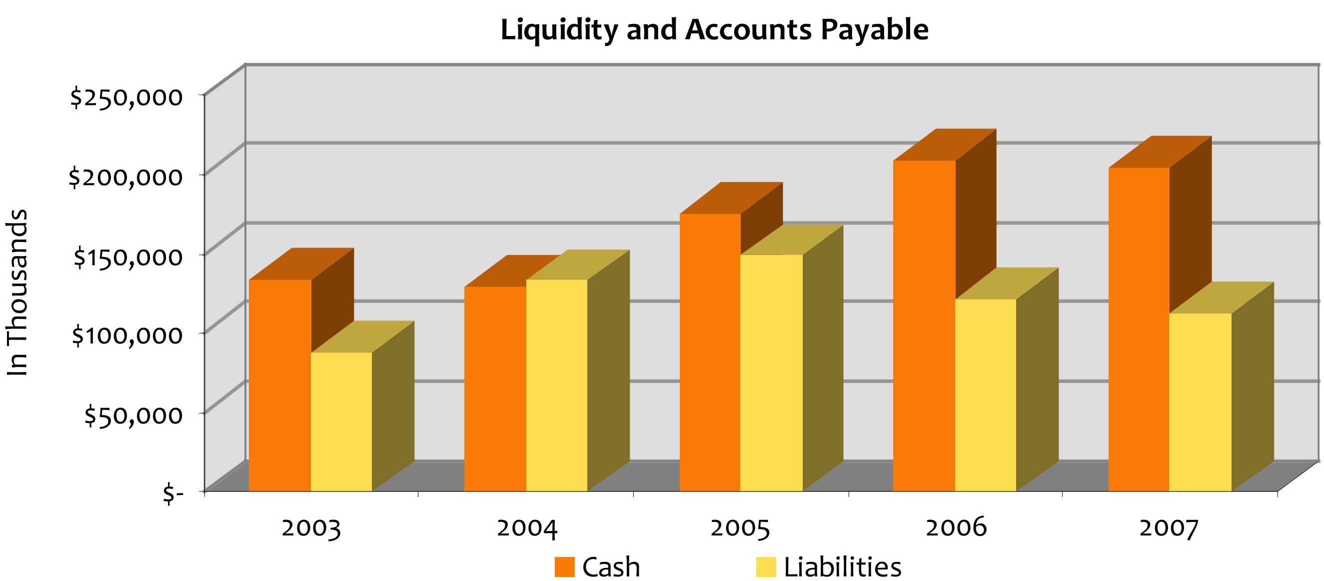
Liquidity is the ratio of cash and short-term investments to current liabilities, including amounts held in trust. The County's liquidity reflects its ability to pay its short-term obligations. Generally a ratio of $1.00 in cash and short-term investments to $1.00 of current liabilities is considered an acceptable liquidity ratio.

Policy Statement

The County will strive to maintain a liquidity ratio of at least $1.50 in cash and short-term investments to each $1.00 of current liabilities. This is higher than the credit rating's acceptable ratio and is necessary given the County's lack of revenue diversity and the volatility of the Business Income Tax revenues.

Status

The following graph depicts the comparison of cash and investments to current liabilities ($ in thousands).



	2003	2004	2005	2006	2007
Cash	$ 134,391	$ 129,137	$ 175,449	$ 209,236	$ 204,712
Liabilities	$ 88,343	$ 133,416	$ 149,008	$ 121,302	$ 112,795
Actual Ratio	1.52	0.97	1.18	1.72	1.81

Banking, Cash Management and Investments

Multnomah County maintains an active investment program. An investment policy was first formalized in 1982 and has been revised several times since. This policy incorporates various Oregon Revised Statute which specify the types of investments and maturity restrictions that local governments may purchase. The County's Investment Policy also contains self-imposed constraints in order to effectively safeguard the public funds involved.

Policy Statement

Banking services shall be solicited at least every seven years on a competitive basis. The Chief Financial Officer (or designee) is authorized to act as "Custodial Officer" of the County and is responsible for performing the treasury functions of the County under ORS 208, 287, 294, and 295 and the County's Home Rule Charter. In carrying out these functions, the Chief Financial Officer is authorized to establish a Financial policy that meets generally accepted auditing standards relating to cash management.

In accordance with ORS 294.135, investment transactions shall be governed by a written investment policy, which will be reviewed and adopted annually by the Board of County Commissioners. The policy will specify investment objectives, diversification goals, limitations, and reporting requirements. The investment policy sets guidelines for diversification that are more stringent than those allowed by State statute, reflecting the County's strategic preference for a conservative investment approach. In accordance with MCC 2.60.305-2.60.315 the County will use an independent Investment Advisory Board to review the County's policy and investment performance. Unrecognized gains or losses will be recorded in the County financial report.

Status

The County is in compliance with this policy.

Short-term and Long-term Debt Financings

Historically, the County maintained a 'pay-as-you-go' philosophy for financing capital projects. Pay-as-you-go can be costly in some ways due to cost acceleration in inflationary periods. Over-used facilities generate higher maintenance costs and citizens are not served well by over-used or nonexistent facilities. An alternative is to issue debt, sometimes referred to as 'pay-as-you-use.' Currently, the County's philosophy is to issue debt for public projects so that citizens benefiting from the project pay for the debt retirement costs.

Policy Statement

The County may use the following financing transactions in accordance with the County's Home Rule Charter and State/Federal Laws:

1. **Short-Term Debt.** If it is determined by the Finance and Risk Management Division that the General Fund cash flow requirements may be in a deficit position prior to receiving property tax revenues, the County may issue short-term debt to meet anticipated cash requirements. Bond Anticipation Notes or a Line of Credit may be issued to finance capital project transactions where it will result in a financial benefit. Before issuing short-term debt the Board must authorize the financing with a resolution.

2. **Bonds and Other Long-Term Obligations.** It is the policy of the Board that the County will attempt to meet its capital maintenance, replacement, or acquisition requirements on a pay-as-you-go basis. If the dollar amount of the capital requirement cannot be met on a pay-as-you-go basis, if it is financially beneficial to issue bonds or other debt instruments, and if the project has been determined to benefit citizens in the future, the County will evaluate the feasibility of issuing a long-term debt financing instrument.

3. **Uses.** All long-term financings must provide the County an economic gain or mandated by the Federal/State Government or court. Under no circumstances will the County fund current operations with the proceeds of long-term borrowing.

4. **Purchase/Leasing Facilities.** It is the policy of the Board to purchase or lease/purchase facilities, instead of renting, when the programs or agencies being housed are performing essential governmental functions.

5. **Debt.** When issuing debt, the County will follow the Government Finance Officers Association recommended practice of selecting

and managing the method of sale of State and Local Government Bonds. In addition to statutory debt limits, the County further limits non voter- approved debt instruments to an annual debt payment amount that will not exceed 5% of the County's General Fund budgeted revenues and with exception of proprietary funds, all annual debt service payments will be limited to 5% of the total revenues of the supporting fund.

6. **Capital Expenditures.** If capital expenditures are anticipated to be incurred prior to the issuance of the debt, the Board authorizes the Chief Financial Officer to execute a declaration of official intent (or DOI) with regard to such expenditure. The DOI must express the County's reasonable expectations it will issue debt to reimburse the described expenditures. It must contain a general description of the project and state the estimated principal amount of obligations expected to be issued to finance the project. A copy of the DOI shall be sent to the Board.

7. **Financing Mechanisms.** The different types of financings the County may use to fund its major capital acquisitions or improvements are:

   a. Revenue Bonds may be used whenever possible to finance public improvements which can be shown to be self-supported by dedicated revenue sources, needed for infrastructure or economic development, or approved by the Board for specific purposes.
   - Revenue bonds are to be used to limit the dependency on property taxes for projects with available revenue sources, whether self-generated or dedicated from other sources.
   - Feasibility studies are to be performed for each project to determine the adequacy of the dedicated revenue.

   b. General Obligation Bonds (GO bonds) will be used to finance *essential* capital projects.
   - Capital improvement projects will be analyzed, prioritized and designated as *essential* or not through a CIP committee process.
   - GO bonds will only be considered after exploring funding sources such as Federal/State grants and project revenues.

   c. Full Faith and Credit or Limited Tax Bonds will be considered if Revenue bonding or GO bonding is not feasible. Where Full Faith and Credit Bonds or Limited Tax Bonds are used to finance capital projects, the term of debt will be limited to the economic life of the financed asset not to exceed 20 years. When bond market conditions warrant, or when a specific capital project would have a longer useful life, or when operational efficiencies can be achieved the Board may consider repayment terms that differ from the general policy.

d. Capital Lease-Purchases will be considered if Revenue bonding, GO bonding, or Full Faith and Credit bonding is not feasible.

e. Leases and limited tax bonds as reported in the County's comprehensive annual financial report will be limited as follows:

- Acquisitions will be limited to the economic life of the acquisition or improvement and shall not exceed 20 years.
- All acquisitions must fit the County's mission or role.
- All annual lease-purchase or bond payments must be included in the originating Departments' adopted budget or in the facilities management's building service reimbursement.

f. Refundings or Advance Refundings will be done if there is a present value savings of 3% or more or if the restructuring of the financing will benefit the County.

g. Intergovernmental Agreements with the State of Oregon for Energy Loans.

h. Local Improvement Districts (LIDs). Except as required by State law, it is the policy of the Board not to form LIDs for purposes of issuing debt to finance LID improvements unless specifically required by Oregon Revised Statutes, due to the added costs of administering the LIDs, the small number of citizens served, and the risk that in the event of default by property owners the General Fund will have to retire any outstanding obligations.

i. Conduit Financings. It is the policy of the Board to act as an "Issuer" of conduit financing for any private college, university, hospital, or for-profit or non-profit organization that is located in Multnomah County and is eligible to use this type of financing. The County will charge a fee of $1.00 per $1,000 of bonds issued or $10,000, whichever is greater, to act as an issuer. This fee offsets administrative costs that may be incurred. The County will retain bond counsel to represent it on legal issues including any risks associated with the conduit financing. The County may also retain the services of a financial advisor if deemed by the Chief Financial Officer to be in the best interests of the County. The organization will be assessed an additional fee to cover any expenses incurred by bond counsel or financial advisor. In addition to the fees established above, the organization must have a Moody's rating of Baa or better or a BBB rating from Standard and Poor's. The organization must not condone discriminatory practices or policies. The Board must approve each conduit financing issue. In the event of conduit financing on behalf of the Hospital Facility Authority of Multnomah County, the Board acting as the governing board of the Hospital Facility Authority will comply with the bylaws of the Authority.

j. External financial advisors, underwriters, bond counsel selected in accordance with County's Administrative Procedures.

A schedule of the County's outstanding debt obligations as of July 1, 2007 is noted at the end of this policy statement.

Interfund and Insubstance Loans

An interfund loan is defined as a transfer between funds or fund types for an approved amount and a definite plan of repayment in a specified period of time. Interfund loans provide financing resources to address cash flow needs in County operations or capital financing plans. Interfund loans are either operating or capital and shall meet the requirements noted below. An Operating Interfund Loan is a loan made for the purpose of paying operating expenses. A Capital Interfund Loan is a loan made for the purpose of financing the design, acquisition, construction, installation, or improvement of real or personal property and not for the purpose of paying operating expenses. Capital or operating interfund loans will be documented and submitted to the Board of County Commissioners for review and approval.

In addition to interfund loans, the County may engage in insubstance loans. An insubstance loan is a temporary balance sheet entry recorded at year-end to prevent a negative cash balance within a fund due to cash flow timing differences. The County's Chief Financial Officer has the authority to record an insubstance loan in order to satisfy fiscal year end reporting requirements and cash flow needs.

Policy Statement

The County may use interfund loans as a short-term financing resource to address cash flow needs in County operations or capital financing plans. Interfund loan requests must be reviewed and approved by the County's Chief Financial Officer and Budget Director prior to taking a request for authorization to the Board of County Commissioners. Interfund loans must be authorized by a resolution of the Board of County Commissioners, which shall state the fund from which the loan is to be made, the fund to which the loan is to be made, the purpose and intent for which the loan is made, the principal amount of the loan, the interest rate at which the loan shall be repaid (if applicable), and shall include a schedule for repayment of principal and interest. In addition, interfund loans:

1. Shall not be made from reserve funds, debt service funds, or any other funds restricted by law, constitutional provisions, bond covenants, grantor requirements, Board resolutions or ordinances, unless the restrictions on these funds allow for the purpose of the interfund loan.
2. Shall be granted only after it has been demonstrated that reasonable consideration was given to other potential resources available to the fund and when the loan is required to meet a pressing need or to take

advantage of a special opportunity.

3. Shall not exceed 60 months in duration for any capital interfund loan; shall not extend beyond the end of the next fiscal year for any operating interfund loan.
4. May be made only if there is a likely expectation that the fund receiving the loan will have the ability to repay it. If not, the use of an interfund transfer should be considered if appropriate.
5. May be repaid in advance without any additional accrual of interest (if applicable) or any other penalties.
6. Must be made in compliance with all other statutory requirements and limitations of ORS 294.460.

Components Units of Multnomah County

A component unit is a legally separate entity associated with the primary government. A "blended" component unit meets the following criteria:

- The component unit's governing body is the same as the governing body of the primary government.
- The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.
- The component unit exclusively, or almost exclusively, benefits the primary government by providing services indirectly.

Multnomah County recognizes three blended component units:

1. Dunthorpe-Riverdale Sanitary Service District
2. Mid County Street Lighting Service District
3. Hospital Facilities Authority

Debt Description	Dated	Maturity Date	Interest Rate	Amount Issued	Principal Outstanding 6/30/2007	Principal Outstanding 6/30/2008	2007-2008 Interest	2007-2008 Principal
General Obligation Bonds								
Tax supported								
Series 1999 Refunding Bonds	02/01/99	10/01/16	4.53%	$ 66,115	$ 61,550	$ 59,445	$ 2,685	$ 2,105
Series 1996B Public Safety Bonds	10/01/96	10/01/16	5.33%	79,700	7,175	3,680	271	3,495
Series 1996A Library Bonds	10/01/96	10/01/16	5.12%	29,000	655	-	16	655
Total General Obligations Bonds				$ 174,815	$ 69,380	$ 63,125	$ 2,972	$ 6,255
Revenue Bonds:								
Regional Children's Campus	10/01/98	10/01/14	4.50%	$ 3,155	$ 1,915	$ 1,710	$ 80	$ 205
Port City	11/01/00	11/01/15	5.58%	2,000	1,440	1,310	68	130
Oregon Food Bank	11/01/00	10/01/14	5.54%	3,500	2,525	2,300	129	225
Total revenue bonds				$ 8,655	$ 5,880	$ 5,320	$ 277	$ 560
PERS Pension Revenue Bonds:								
Limited Tax Pension Obligation revenue Bonds	12/01/99	06/01/30	7.67%	$ 184,548	$ 170,908	$ 165,583	$ 7,450	$ 5,325
Total Pension Revenue Bonds				$ 184,548	$ 170,908	$ 165,583	$ 7,450	$ 5,325
Certificates of Participation								
1998 Advance Refunding	02/01/98	07/01/13	4.53%	$ 48,615	$ 15,240	$ 12,550	$ 658	$ 2,690
Total Certificates of Participation				$ 48,615	$ 15,240	$ 12,550	$ 658	$ 2,690
Full Faith and Credit Obligations								
1999A Full Faith and Credit	04/01/99	08/01/19	4.71%	$ 36,125	$ 4,850	$ 3,300	$ 171	$ 1,550
2000A Full Faith and Credit	04/01/99	08/01/19	5.24%	61,215	9,430	5,495	495	3,935
2003 Full Faith and Credit	06/01/03	07/01/13	2.83%	9,615	6,990	6,075	178	915
2004 Full Faith and Credit	10/01/04	08/01/19	3.71%	54,235	54,235	54,235	2,620	-
Total Full Faith and Credit				$ 161,190	$ 75,505	$ 69,105	$ 3,464	$ 6,400
Leases and Contracts								
Portland Building -- purchase of two floors --								
intergovernmental agreement	01/22/81	01/22/08	7.25%	$ 3,475	$ 306	$ -	$ 26	$ 306
Equipment lease	06/30/07	06/30/09	0.00%	30	21	11	-	10
Sellwood lofts - lease	01/01/02	01/01/32	2.50%	1,093	1,053	1,043	108	10
Total Leases and Contracts				$ 4,598	$ 1,380	$ 1,054	$ 134	$ 326
Loans								
State Energy Loans	07/01/96	10/01/14	5.90% - 7.20%	$ 1,064	$ 338	$ 257	$ 21	$ 81
Sewer Loans	07/05/96	07/05/16	5.65%	42	24	22	1	2
Total Loans				$ 1,106	$ 362	$ 279	$ 22	$ 83