

About the Cover

The photo on the cover is of the Broadway Bridge, with the Portland Streetcar crossing the bridge span. The Broadway Bridge was originally constructed in 1911 and 1912, with approach structures built in 1911 and 1927. The City of Portland recently tore down the Lovejoy Street approach ramp on the west side of the bridge and rebuilt it as a shorter approach in order to allow for development of the new River District residential area.

The Broadway Bridge is a double-leaf bascule drawbridge, with the two counterweights located above the bridge deck. The Broadway bascule span is an unusual Rall-type bascule, where each leaf and its counterweight roll back and forth on giant bull wheels to allow maximum river clearance. Only three Rall-bascule highway bridges still exist in the U.S., the other two being much smaller than the Broadway. The bridge's draw span is unusually long. Each leaf measures about 140 feet, weighing more than 2,000 tons, making Broadway the seventh longest bascule bridge in the world.

The City of Portland added tracks for the Portland Streetcar line to the Broadway Bridge during a previous bridge improvement with the goal of adding streetcar service to the east side of Portland. In 2004, Multnomah County's Bridge Division began working with the City's design team to develop plans and specifications that would meet the County's standards and to minimize impact on bridge operations while maintaining the bridge's weight.

Six years later, in 2010, Multnomah County and the City of Portland continued their work together as construction began on the Broadway Bridge. Multnomah County provided inspectors to the project to ensure the completion of the project met the requirements agreed upon by both parties.

The streetcar made its first trip across the Broadway Bridge on September 22, 2012.

For more information about Multnomah County Bridges go to multco.us/bridges.

The cover photo was submitted by Shaun Sjostrom, and is provided to Multnomah County as a courtesy.

Shaun became interested in photography after taking an intro art course in a small woman's college but became a passionate photographer after the birth of her 13th grandchild. She moved quickly from baby pictures to everything pictures and is rarely found without a camera around her neck. She considers Portland/Multnomah County to be one of the prettiest places in the world and is particularly fascinated by our many bridges. Shaun's inspiration for her bridge photos stems from her belief that Multnomah County "gives bridges to people" by providing both the public and employees with "a way to get from here to there." The County has also featured Shaun's work on the cover of the FY 2015 Adopted Budget document, available at multco.us/budget/fy-2015-adopted-budget

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014



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

ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON



DEBORAH KAFOURY
Chair



JULES BAILEY
Commissioner District 1



LORETTA SMITH
Commissioner District 2



JUDY SHIPRACK
Commissioner District 3



DIANE McKEEL
Commissioner District 4



STEVE MARCH
Auditor



DAN STATON
Sheriff



ROD UNDERHILL
District Attorney

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INTRODUCTORY SECTION

Department of County Management

MULTNOMAH COUNTY OREGON

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October 31, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report of Multnomah County, Oregon, for the fiscal year ended June 30, 2014, together with the opinion thereon of our independent certified public accountants, Moss Adams LLP. This report, required by Oregon Revised Statutes 297.425, is prepared by the Department of County Management. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Circular A-133 and the provisions of *Government Auditing Standards* promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Circular A-133 is included with this report beginning on page 182.

This report presents fairly the financial position of the various funds of the County at June 30, 2014, 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). It 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. 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 756,530 residents. The cities of Portland and Gresham are the largest incorporated cities in the County.

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

Multnomah County provides a full range of services, including public safety protection; corrections and probation; construction and maintenance of roads, highways, bridges and other infrastructure; health and social services; library and community enhancement; and internal business support. Certain sanitary and lighting services are provided as legally separate Service District Authorities, which function, in essence, as departments of the County and therefore are included in the County's financial statements as component units. The legally separate Library District of Multnomah County is also included in the County's financial statements, as is the Library Foundation, a tax-exempt foundation whose primary purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries. The County also maintains a Hospital Facilities Authority (Authority) whose primary purpose is to issue conduit debt for health care facilities. The Hospital Facilities Authority is also considered a component unit but it is not included in the County's financial statements as the activity of the Authority is not material to 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. The General fund and Federal State Program special revenue fund budget to actual comparisons are provided on pages 44-45 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 89.

FACTORS AFFECTING FINANCIAL CONDITION

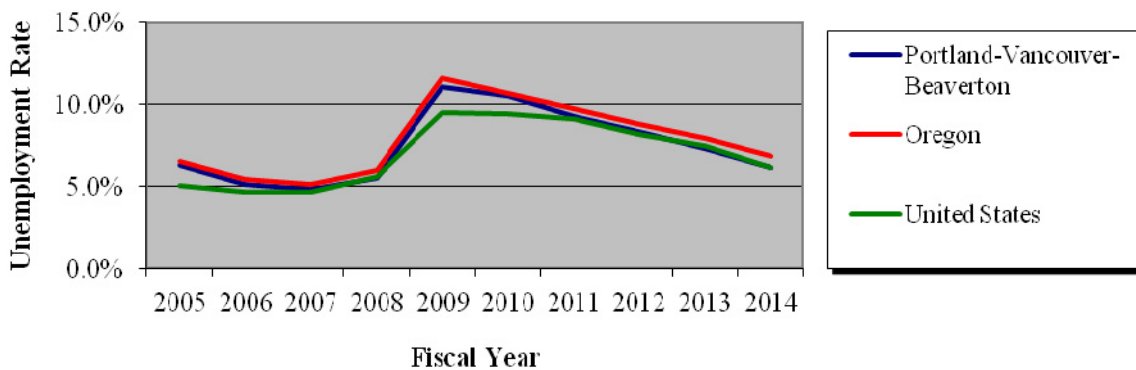
Local Economy: The Portland metropolitan area is the financial, trade, transportation and service center for Oregon, southwest Washington State and the Columbia River basin. Its manufacturing base includes electronics, machinery, transportation equipment, and fabricated metals.

The Portland-Vancouver-Beaverton PMSA's (Primary Metropolitan Statistical Area) economy experienced above long-term trend growth according to the University of Oregon Index of Economic Activity during fiscal year 2014. Like the rest of the nation, the region saw increasing

real estate values with some areas of the County seeing double-digit growth. High levels of unemployment continued to decline. The rest of the State also saw improved economic conditions with Eugene-Springfield, Central Oregon, and Salem growing at average to slightly above average unemployment rates, while the Rogue Valley continued to grow at slightly below average rates. It is likely that the local economy will continue average to above average growth in the upcoming year.

The area's unemployment rate has steadily declined over the past five years after doubling between 2008 and 2009. As of June 30, 2014 the Portland-Vancouver-Beaverton PMSA's unemployment rate was at 6.1%, down 1.2 percentage points from 7.3% a year ago, but still higher than the 5.5% in 2008. The unemployment rate for the area is better than the State of Oregon (at 6.8%) and is the same as the national average of 6.1%. The chart below compares the area's unemployment rate to the rates for the state and nation.

Unemployment Trends



Financial outlook: Multnomah County has been fortunate to have weathered the economic recession better than many local governments. The County has closed significant budget gaps while maintaining a wide array of health, social, and public safety services. Prudent financial planning, careful management of long term liabilities, and a low inflation environment, combined with moderating PERS rates and health care costs allowed the County to modestly increase service levels in fiscal year 2015. One-time-only General Fund resources were used to address a number of facility and information technology needs, reducing future funding needs.

Fiscal year 2014 marked the first full year of the newly created Library District, which was authorized by voters in November 2012. The Library District formation relieved the County of a \$15.3 million commitment for ongoing General Fund support in fiscal year 2014 and beyond. Increased property tax compression results in an offsetting loss to the General Fund of approximately \$7.2 million. For the Library, the County and its patrons, it means it will no longer be dependent on successive 5-year local option tax levies. The permanent tax rate of \$1.24 replaces a lower local option rate of \$0.89 and addresses significant cuts the Library experienced in fiscal year 2013.

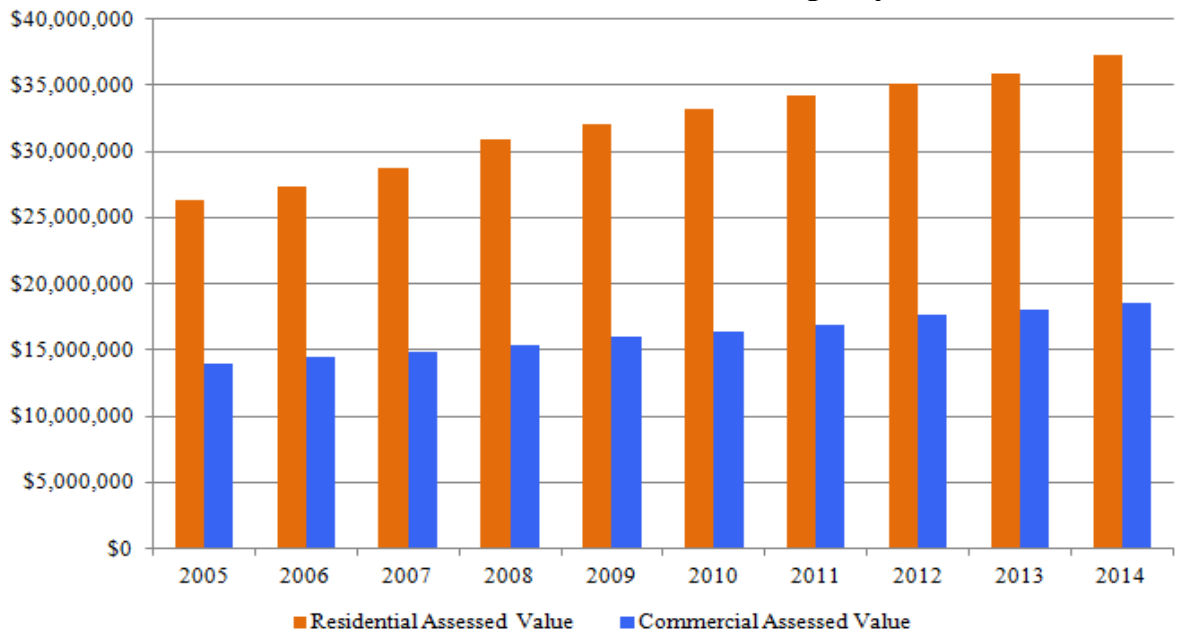
The current forecast assumes steady growth in employment and personal income over the next few years. Barring a recession or unexpected reductions in State or Federal funding, the General Fund should be able to provide funding at current service levels in fiscal year 2016. The current five year forecast projects that expenditures will grow at approximately the same rate as revenues from fiscal year 2015 to 2019.

The economic recession had an impact on the County's revenue stream and illustrated which of the County's General Fund revenue streams are sensitive to economic cycles and which are not. The business income tax, in particular, experienced significant volatility and declines since fiscal year 2008. However, the property tax, which accounts for approximately 75% of General Fund tax

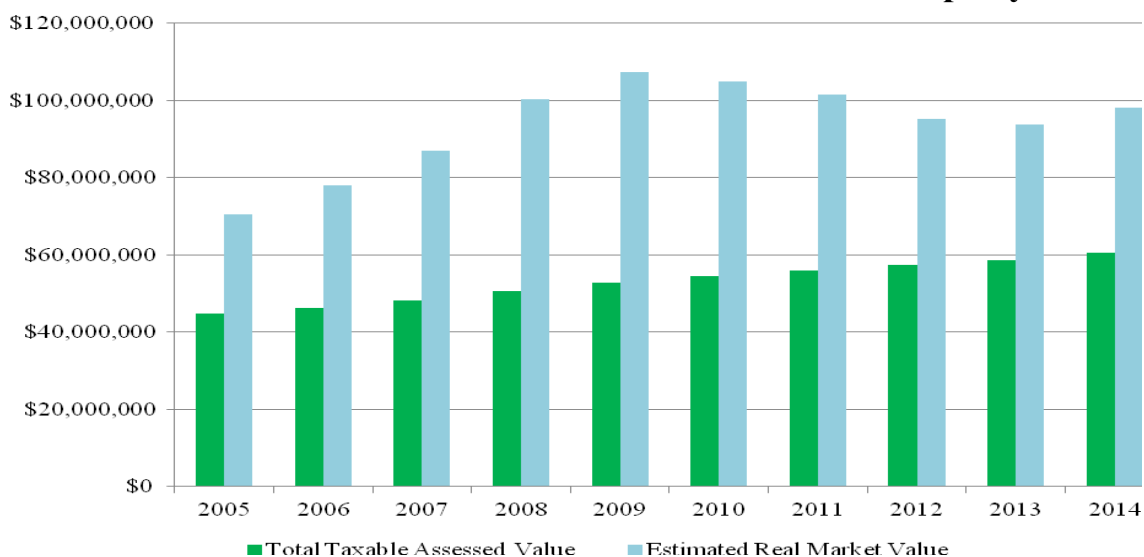
revenues, has remained relatively insulated from declining real estate values. Property taxes are governed by two state constitutional measures, Measure 5 and Measure 50, which set limits on the amount of tax that can be collected. In general, property taxable values cannot grow by more than 3% year over year. For fiscal year 2015, property tax collections are expected to increase by 4.7% driven by new construction and decreased Measure 5 compression.

The following chart highlights the County’s residential and commercial assessed (taxable) values over the past ten years. Residential property has experienced a 41.9% increase in taxable property value over a ten year period compared to a 32.2% increase for commercial property value over the same period. Because assessed values remain below real market values for most properties, property tax collections are *relatively* inelastic to falling real market values. Had real market values continued to decline rather than stabilize and grow once again there would have been an adverse impact on the rate of property tax growth.

Assessed Values of Taxable Property

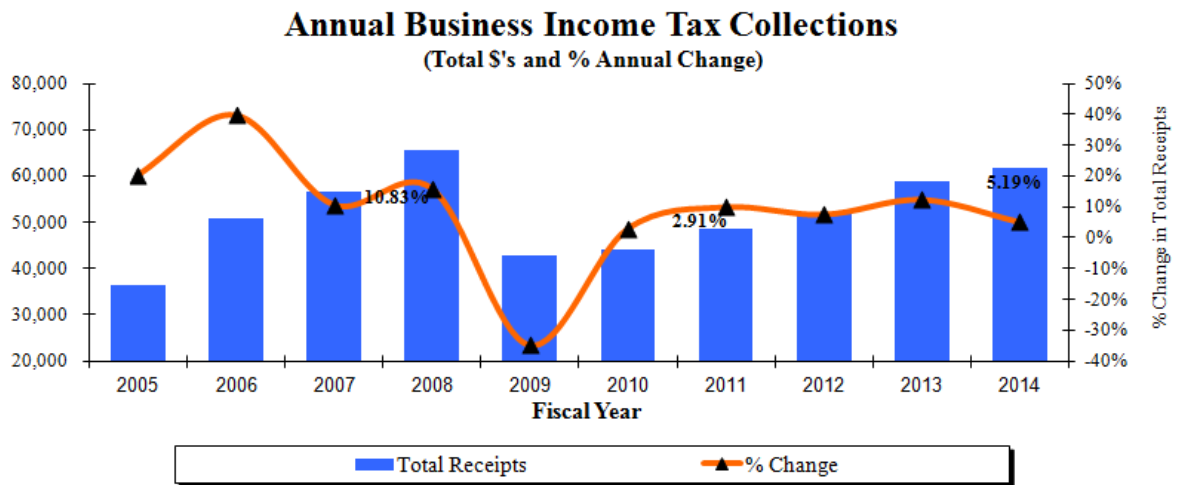


Assessed and Real Market Values of Taxable Property



Business income tax (BIT) is the second largest source of revenue in the General Fund and it is set at a rate of 1.45% of net income. BIT collections generally parallel economic cycles. Prior to the onset of the ‘Great’ recession, fiscal year 2008 BIT collections were nearly \$66 million and had exhibited five years of double-digit growth. The following year they declined by nearly a third, with fiscal year 2009 collections coming in at just under \$43 million. For fiscal year 2014, collections had recovered to nearly \$62 million, a 5% increase over fiscal year 2013.

The following chart highlights the volatility of BIT collections over the past ten years. Current forecasts assume moderate growth in BIT revenue, and collections are expected to reach 2008 levels by fiscal year 2016. The County has taken proactive measures to establish a separate contingency amount in the General fund to guard against downturns in the BIT. For fiscal year 2015, this “BIT Stabilization Reserve” was set at \$6.3 million reflecting an additional 10% buffer.



Motor vehicle rental taxes (MVRT) account for about 6.9% of General Fund tax revenues. In June, 2009 the Board increased the MVRT from 12.5% to 17.0% of the rental cost as part of balancing the fiscal year 2010 budget. MVRT collections are highly influenced by the economy. For example, MVRT collections declined for three consecutive years following the September 11, 2001 terrorist attacks. Similarly, with the travel and tourism industry being hard hit by the recent recession, tax collections declined by about 14.0% from fiscal year 2008 to fiscal year 2010. They rebounded by 3.7% in fiscal year 2011, 4.8% in fiscal year 2012, and a robust 13.3% in fiscal year 2013, and another 10.8% in fiscal year 2014. Since bottoming in fiscal year 2010, MVRT revenues have increased by \$6.3 million, or 36%, over 4 years and now total \$23.4 million. The expectation is for MVRT to continue more modest growth over the five year forecast period.

A number of years ago the County’s Budget Office identified a “structural deficit” in the General Fund. This represents the ongoing gap that exists before any Board actions required to balance revenues and expenditures. It is an estimate that takes into account the rate of inflation, growth in employee benefits and long term fixed costs. This gap is chiefly the result of property tax limitation measures passed by Oregon voters in 1990 and 1997. As noted earlier, property taxes cannot grow (with a few exceptions) by more than 3% a year. Since property taxes make up a large percentage of General Fund revenues, the property tax limits have the effect of constraining overall revenue growth. The volatility of the BIT also factors into this equation. Expenditures, driven by health care costs (which are moderating) and PERS costs (which are also moderating), typically tend to grow faster than revenues.

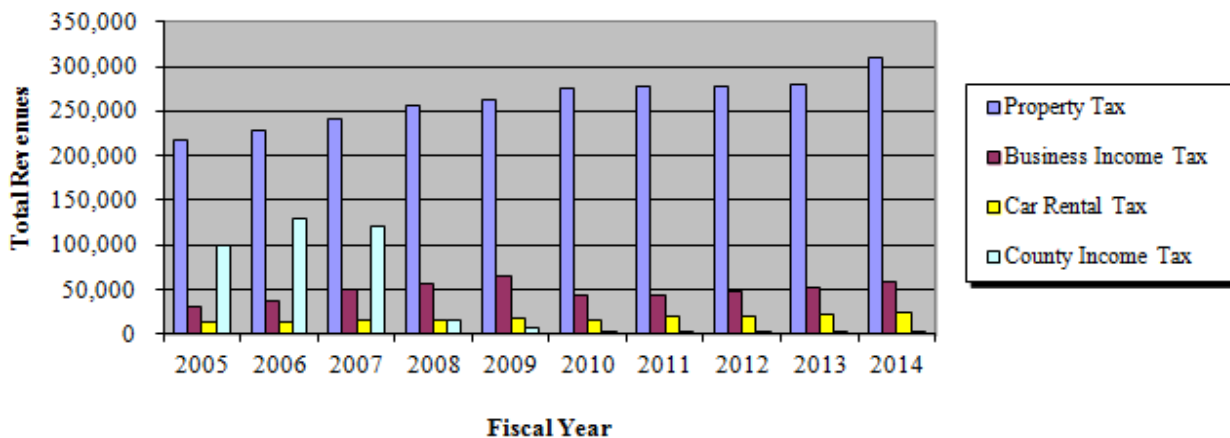
That said, the “structural deficit” of roughly 1% of revenues will be masked for the next several years by low inflation, moderating cost growth, and decreasing property tax compression. The structural deficit will reappear as inflation returns to more normal levels and property tax

compression can no longer fall. Because the budget, by state statute, must be balanced it is likely that the County will need to trim program spending, allocate one-time sources of revenue, or some combination thereof to bring expenditures in line with revenues. The County will only draw down on budgeted reserves under very limited circumstances to meet ongoing operational requirements.

The State of Oregon provides a significant portion of the County’s funding, mostly recorded in the Federal and State Special Revenue fund. The State’s General fund is highly dependent upon economically sensitive personal income taxes, with approximately 85% of State General fund revenue attributable to this tax. For the County’s fiscal year 2014 and the State’s 2013-15 biennium, State funding was generally stable as the State’s financial picture improved with the economy.

In 2003 Multnomah County voters approved a temporary personal income tax of 1.25% on residents for fiscal years 2004, 2005, and 2006. The tax primarily provided support to the schools in the County but also provided support to the County’s health, human services, and public safety programs. Fiscal year 2006 was the final year the tax was imposed, and in fiscal year 2014 the County’s General fund recognized \$34 in collections on delinquent accounts as compared to \$76 in tax revenue in fiscal year 2013. The following graph highlights the County’s major tax sources.

County General Fund Tax Revenues



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

The County’s adopted financial and budget policies generally provide for the County to use one time only resources for costs that will not recur in future years. However, the policies allow the use of one-time only resources when, in the short term, it would be more beneficial to allocate such resources to the highest priority public services than to restrict them to non-recurring costs. The result of this practice is to expand operational levels and public expectations beyond the capacity of the organization, thereby providing continuing funding which can lead to future budget shortfalls.

For fiscal year 2015, the Board updated its Use of One-Time-Only Resources policy, directing that “after fully funding reserves as established by policy, 50% of any remaining one-time-only

resources will be allocated to the capitalization, or recapitalization, of major County facilities projects.” This policy refinement will limit one-time-only funds being used for recurring costs, while addressing long-term facility costs.

The 2015 adopted budget includes approximately \$23.3 million of one-time only General Fund resources after fully funding the General Fund reserve. The majority of these one-time only funds are used for one-time-only expenses, including: \$6.3 million for the business income tax reserve, \$2.3 million for replacement of the County’s Downtown Courthouse, \$1 million towards a new Health department headquarters facility, \$1.5 million for an upgrade to the Assessment & Taxation System, \$1.1 million for IT network convergence (VOIP), and \$1.8 million for capital debt retirement. A complete list of the uses of one-time-only funds can be found on page 18 of the Budget Director’s Message in the County’s fiscal year 2015 adopted budget. The adopted budget document can be found on line at: <https://multco.us/budget/fy-2015-adopted-budget>

By adopting the financial and budget policies, the Board acknowledges that, to avoid financial instability, continuing requirements should be insulated from temporary fluctuations. Therefore one of the goals of the Board is to fund and maintain a General fund reserve designated as unappropriated fund balance and set at 10% of budgeted “corporate” revenues (i.e., property taxes, business income taxes, and motor vehicle rental tax) of the General fund. The reserve is to be used for periods where revenues experience significant declines or used for non-recurring extreme emergencies such as disaster relief. Maintaining an appropriate reserve also helps the County maintain its favorable bond ratings. Moody’s Investor Services currently rates the County as Aaa, the highest possible rating, for general obligation debt and Aa1 (second highest) for full faith and credit debt. In addition, the County issued full faith and credit obligations in fiscal year 2012 and received a rating of AA+ from Standard & Poor’s, which is their highest rating and again indicates that the County’s financial capacity to repay the debt obligations is very strong.

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

Major initiatives. The County has been able to focus on longer-term initiatives, such as the Library District and health care transformation. The County is a founding member of Health Share of Oregon, the regional Coordinated Care Organization, which is a key element in the State of Oregon’s aim to provide better care and reduce costs for people enrolled in the Oregon Health Plan.

The County’s capital project initiatives include funding for improvements and construction on many of the County owned buildings, roads and Willamette River bridges. Included in the County’s capital project plan is the replacement of an 88-year old Willamette River bridge, the Sellwood bridge. A regional funding plan is in place and has secured the estimated \$307.5 million needed to fund the project. Construction is currently underway with the new bridge expected to be completed in the fall of 2015.

Another significant capital project initiative is the construction of a new Health Department headquarters, to relocate operations from the outdated McCoy Building to the east half of Block U in downtown Portland. The new building is expected to accommodate approximately 350 employees, which will include health care personnel, the office of the Health Officer, and administrators and staff who oversee Multnomah County’s health clinics, services for children and families, and public health emergency preparedness. The total cost of the new building and relocation of current operations is expected to cost an estimated \$46 million, with \$26.9 million anticipated from the Portland Development Commission for River District capital projects by the end of fiscal year 2015, \$5.4 million in one-time-only general fund appropriation, and an additional

\$6.3 million to be decided in fiscal year 2015. It is likely the County will borrow the remaining amount in early 2016. The project and the move are expected to be completed in 2016.

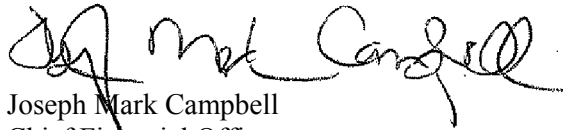
AWARDS AND ACKNOWLEDGEMENTS

Awards. 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, 2013. This was the twenty-ninth 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.

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

Respectfully Submitted,



Joseph Mark Campbell
Chief Financial Officer



Cara Fitzpatrick, CPA, CFE
Accounting Manager



Government Finance Officers Association

**Certificate of
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Presented to

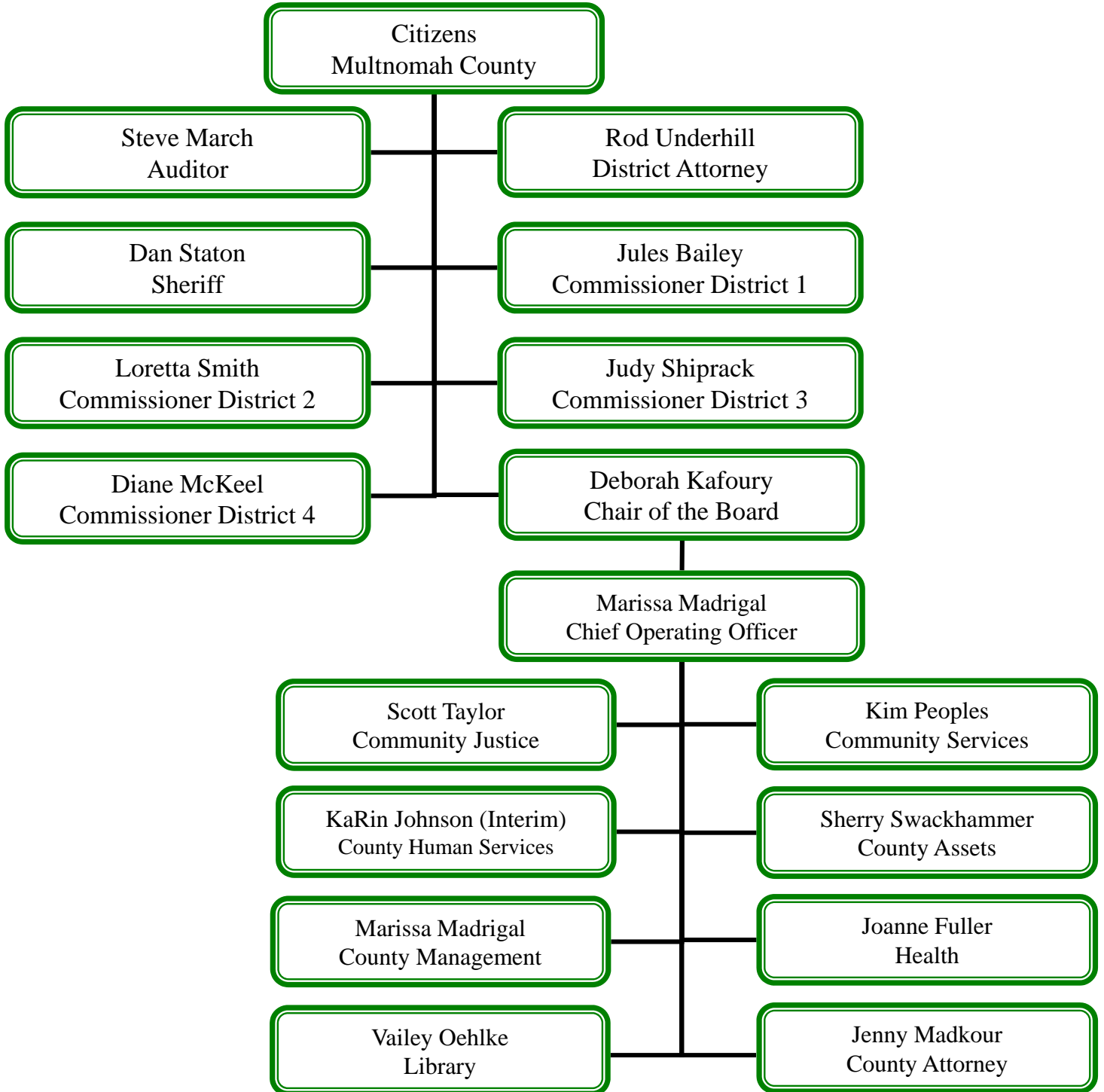
**Multnomah County
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

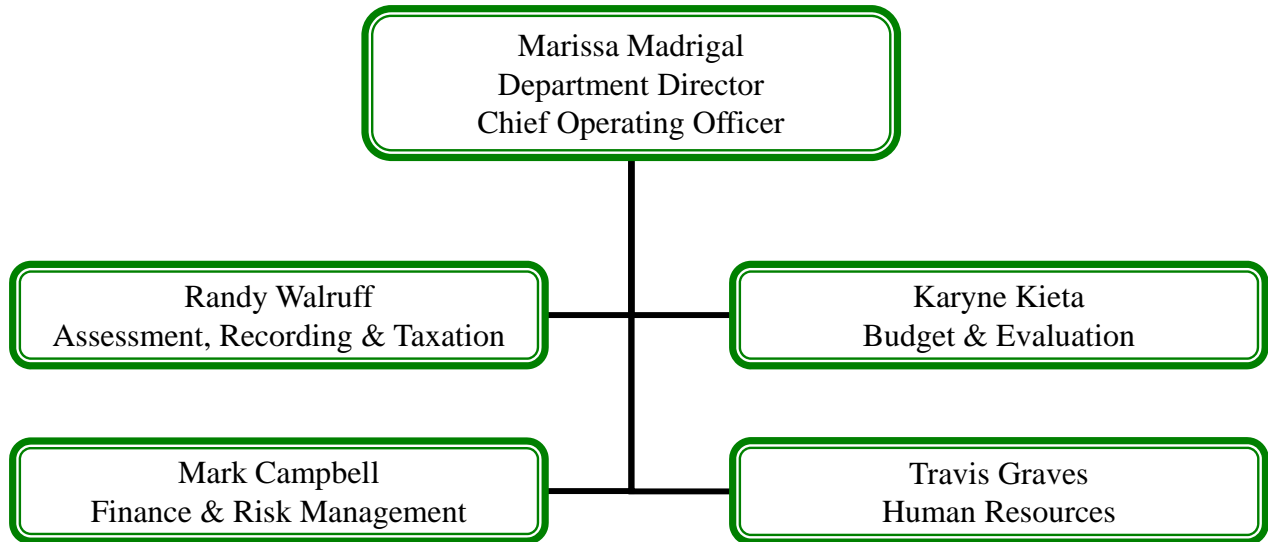
June 30, 2013

Executive Director/CEO

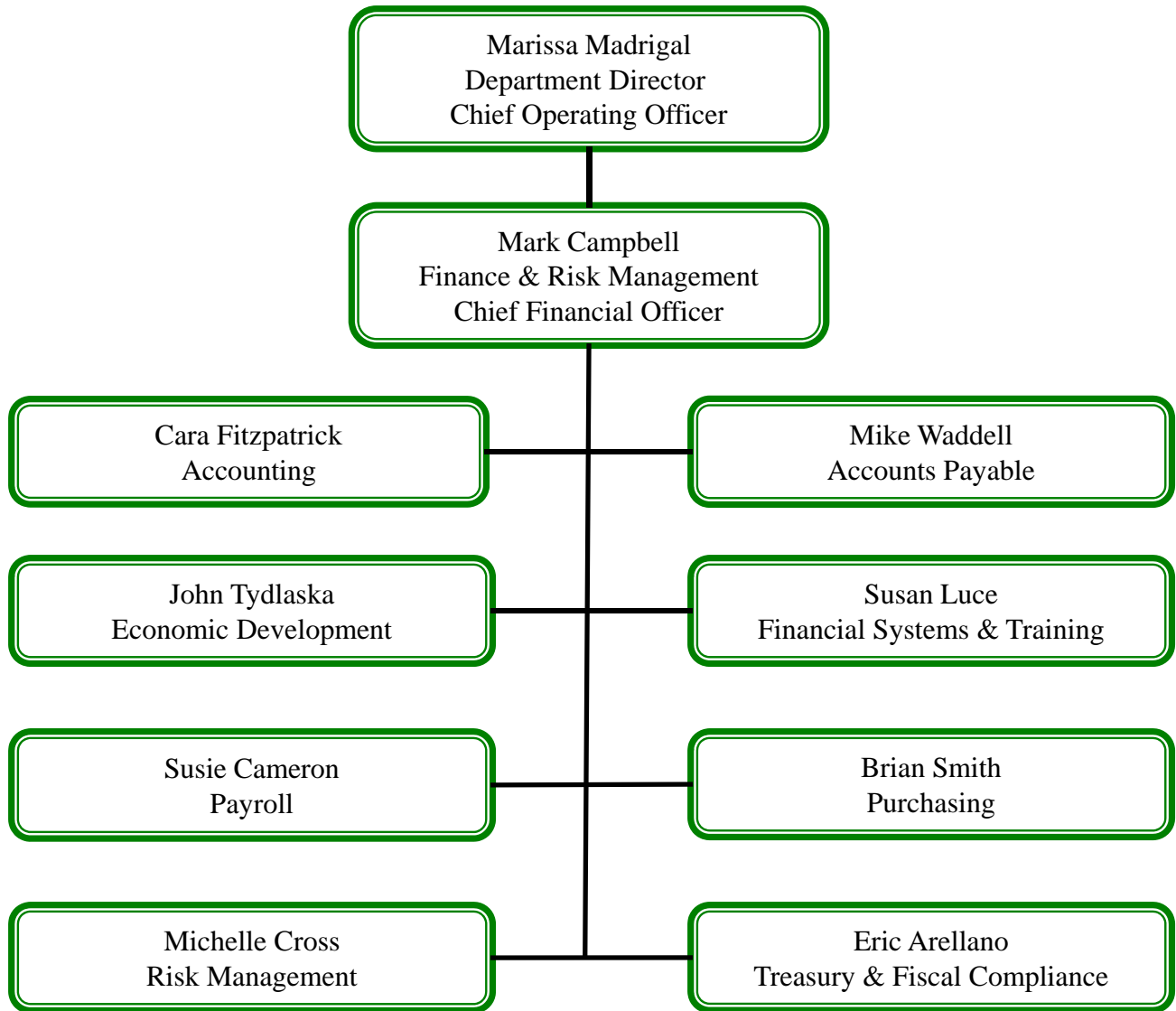
MULTNOMAH COUNTY, OREGON



MULTNOMAH COUNTY, OREGON
Department of County Management



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



MULTNOMAH COUNTY, OREGON
For the Year Ended June 30, 2014
Principal Officers

Title	Name	Term Expires
<u>Board of County Commissioners</u>		
Chair of Board	Deborah Kafoury 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2018
District No. 1	Jules Bailey 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2018
District No. 2	Loretta Smith 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2018
District No. 3	Judy Shiprack 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2016
District No. 4	Diane McKeel 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2016
<u>Other Elected Officers</u>		
County Auditor	Steve March 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2018
County District Attorney	Rod Underhill 1021 SW Fourth Avenue Portland, OR 97204-1976	12/31/2016
County Sheriff	Dan Staton 501 SE Hawthorne Blvd, 3 rd Floor Portland, OR 97214	12/31/2018
<u>Other Appointed Officers</u>		
Chief Financial Officer	Joseph Mark Campbell	Not elected
County Attorney	Jenny Madkour	Not elected

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FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

The Board of Commissioners
Multnomah County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Federal and State Program Fund of Multnomah County (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Library Foundation, which represent 100% of the assets, net assets, and revenues of the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Library Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Library Foundation were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

MOSS ADAMS_{LLP}

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, and the respective budgetary comparisons for the General Fund and the Federal and State Program Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and OPEB information (collectively, the required supplementary information) on pages 17 through 32 and page 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules; other schedules; and schedule of expenditures of federal awards which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; each as listed in the table of contents (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the supplementary information as described above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

MOSS ADAMS_{LLP}

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 31, 2014 on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP
Eugene, Oregon
October 31, 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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, 2014. The information presented here should be read in conjunction with the letter of transmittal, which can be found on pages 1-8 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- Multnomah County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2014, by \$935,134 (*net position*). Of this amount, \$18,242 is restricted for capital projects and buildings, \$71,524 is restricted for improvements to roads, bridges and bike paths, \$7,170 is restricted for various community support programs, \$2,692 is restricted for Library operations and \$254 is restricted for document storage and retrieval. \$126,102 is unrestricted and \$709,150 is for net investment in capital assets.
- During the fiscal year 2014, the County's total net position increased by \$112,126 or 14% over fiscal year 2013 net position of \$823,008. Following are some significant financial highlights accounting for the increase from the prior year. The reasons for the increase are noted in the financial analysis section of the MD&A.
- Total assets for governmental activities increased by \$98,431 or 7% over the prior year. The increase in assets is primarily due to the increase in capital assets related to the construction of the Sellwood Bridge. Land, right-of-way and construction in progress increased by \$91,143 or 25% over 2013. Capitalized construction costs for the Sellwood Bridge were approximately \$80,941 in fiscal year 2014.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$265,244. The net change in governmental fund balances during the year was an increase of \$19,194 or 8% over fiscal year 2013.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$44,477, or approximately 11% of total General Fund expenditures and 14% of total "corporate" revenues of General Fund. Corporate revenues include Property Tax, Business Income Tax, Motor Vehicle Rental Tax, State Revenue Sharing, and Interest Earnings, revenues that are available for general use and over which the Board has complete discretion. This balance is consistent with the County's finance and budget policies requiring a 10% reserve.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 Position* presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 the legally separate library district, legally separate sanitary sewer district and a legally separate street lighting district, for which the County is financially accountable. The statements also include a legally separate, tax exempt foundation whose purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries. Financial information for the three *blended component units* are each presented as separate funds with separately issued financial statements. The *discretely presented component unit* is reported separately from the financial information presented for the County itself.

The government-wide financial statements can be found on pages 33-36 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

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

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

The basic governmental fund financial statements and respective reconciliations can be found on pages 37-43 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 46-48 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 statement can be found on page 49 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 132-133 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 50 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 89 of this report.

Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its other post employment healthcare benefits obligations. Required supplementary information can be found on page 88.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$935,134 at the close of the most recent fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Multnomah County's Net Position

	Governmental Activities		Business- Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 579,172	\$ 554,013	\$24,027	\$23,028	\$ 603,199	\$ 577,041
Capital assets	924,868	851,596	3,631	3,672	928,499	855,268
Total assets	<u>1,504,040</u>	<u>1,405,609</u>	<u>27,658</u>	<u>26,700</u>	<u>1,531,698</u>	<u>1,432,309</u>
Deferred outflows of resources	-	1,684	-	-	-	1,684
Current and other liabilities	156,498	150,676	5,341	4,787	161,839	155,463
Long-term liabilities outstanding	434,385	455,472	-	-	434,385	455,472
Total liabilities	<u>590,883</u>	<u>606,148</u>	<u>5,341</u>	<u>4,787</u>	<u>596,224</u>	<u>610,935</u>
Deferred inflows of resources	340	50	-	-	340	50
Net position:						
Net investment in capital assets	705,519	670,483	3,631	3,672	709,150	674,155
Restricted for, expendable:						
Capital projects	18,242	9,247	-	-	18,242	9,247
Debt service	-	8,181	-	-	-	8,181
Roads, bridge and bike path	71,524	76,838	-	-	71,524	76,838
Other programs	10,116	11,971	-	-	10,116	11,971
Unrestricted	<u>107,416</u>	<u>24,375</u>	<u>18,686</u>	<u>18,241</u>	<u>126,102</u>	<u>42,616</u>
Total net position	<u>\$912,817</u>	<u>\$ 801,095</u>	<u>\$22,317</u>	<u>\$21,913</u>	<u>\$ 935,134</u>	<u>\$ 823,008</u>

The largest portion of the County's net position, approximately 76%, 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 \$709,150 as compared to \$674,155 a year ago. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's restricted net position in the amount of \$99,882 or approximately 11% are restricted for capital projects, debt service, and various community support programs. Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is the County's unrestricted net position of \$126,102 or approximately 13%. At the end of the current year, the County is able to report positive balances in all categories of net position for governmental and business-type activities.

Total net position increased by \$112,126 during the current fiscal year. A significant portion of this overall increase was the increase in capital assets of \$73,231 or approximately 9%. This increase is attributable to the County's Sellwood Bridge project under construction at the end of fiscal year 2014. The County also had a net reduction in long-term debt of \$27,878, attributable to scheduled principal payments. The remainder of this increase is attributable to the factors discussed in the financial highlights section of management's discussion and analysis.

On the following page is a summary of the County's changes in net position for fiscal years 2014 and 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Multnomah County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$179,903	\$131,646	\$54,441	\$44,086	\$234,344	\$175,732
Operating grants and	340,367	318,956	-	-	340,367	318,956
Capital grants and contributions	60,776	68	-	10	60,776	78
General revenues:						
Taxes:						
Property taxes	310,870	279,731	-	-	310,870	279,731
Business income taxes	61,800	58,750	-	-	61,800	58,750
Other taxes	59,293	54,030	-	-	59,293	54,030
State government shared revenues	9,198	9,090	-	-	9,198	9,090
Grants and contributions not restricted to specific programs	24	15	-	-	24	15
Interest and investment earnings	2,119	1,638	102	95	2,221	1,733
Miscellaneous	2,302	2,613	10	97	2,312	2,710
Gain on sale of capital assets	279	119	-	-	279	119
Total revenues	1,026,931	856,656	54,553	44,288	1,081,484	900,944
Expenses:						
General government	97,325	72,049	-	-	97,325	72,049
Health services	152,854	148,528	-	-	152,854	148,528
Social services	245,233	233,990	-	-	245,233	233,990
Public safety and justice	228,463	221,744	-	-	228,463	221,744
Community services	39,182	36,895	-	-	39,182	36,895
Library services	64,708	58,488	-	-	64,708	58,488
Roads and bridges	66,622	55,383	-	-	66,622	55,383
Interest on long-term debt	20,822	18,932	-	-	20,822	18,932
Dunthorpe-Riverdale Service District Number 1	-	-	573	554	573	554
Mid County Service District Number 14	-	-	420	389	420	389
Behavioral Health Managed Care	-	-	53,156	38,586	53,156	38,586
Total expenses	915,209	846,009	54,149	39,529	969,358	885,538
Change in net position	111,722	10,647	404	4,759	112,126	15,406
Beginning net position	801,095	790,448	21,913	17,154	823,008	807,602
Ending net position	\$912,817	\$801,095	\$22,317	\$21,913	\$935,134	\$823,008

Governmental activities. Governmental activities increased the County's net position by \$111,722; noteworthy reasons for the change from the prior year are noted below:

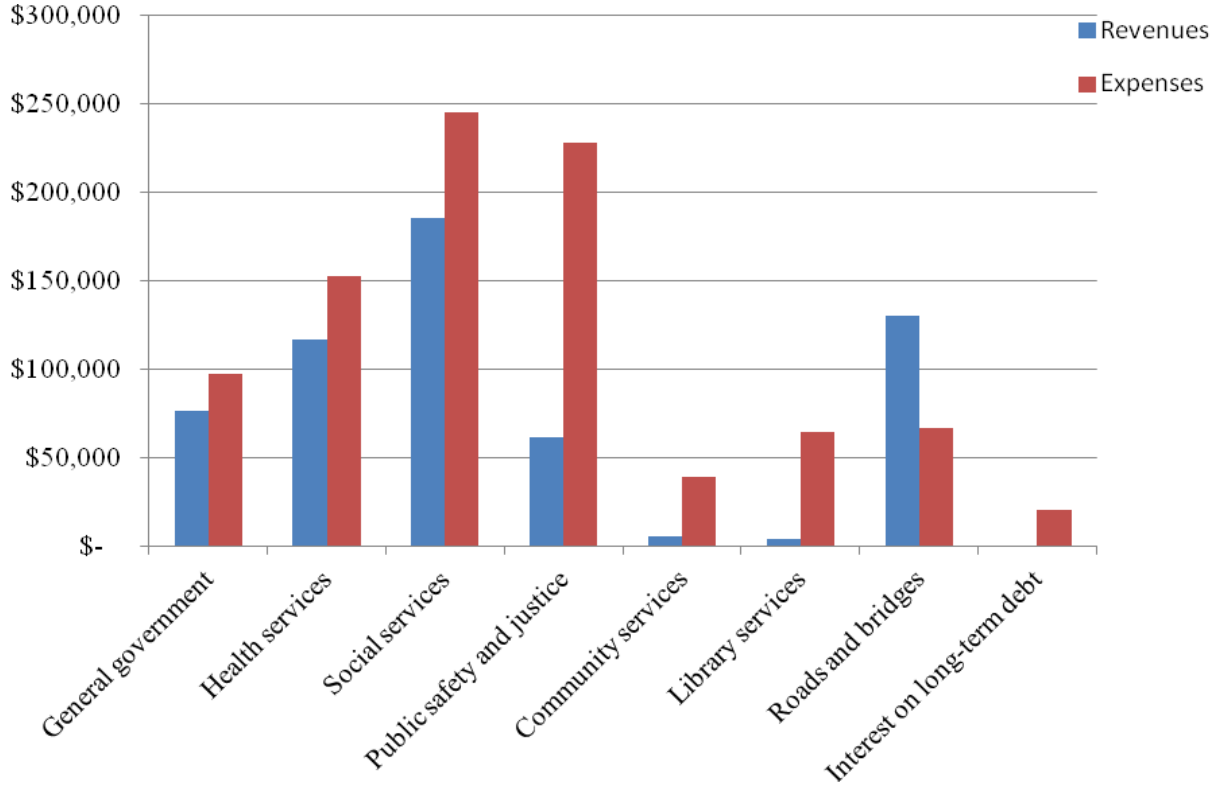
- Property tax revenues are up by \$31,139 or 11% over 2013. The increase is due to the creation of the Library District on July 1, 2013. The formation of the District provided for a separate taxing district for the Library as a mechanism to secure permanent funding for Library operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

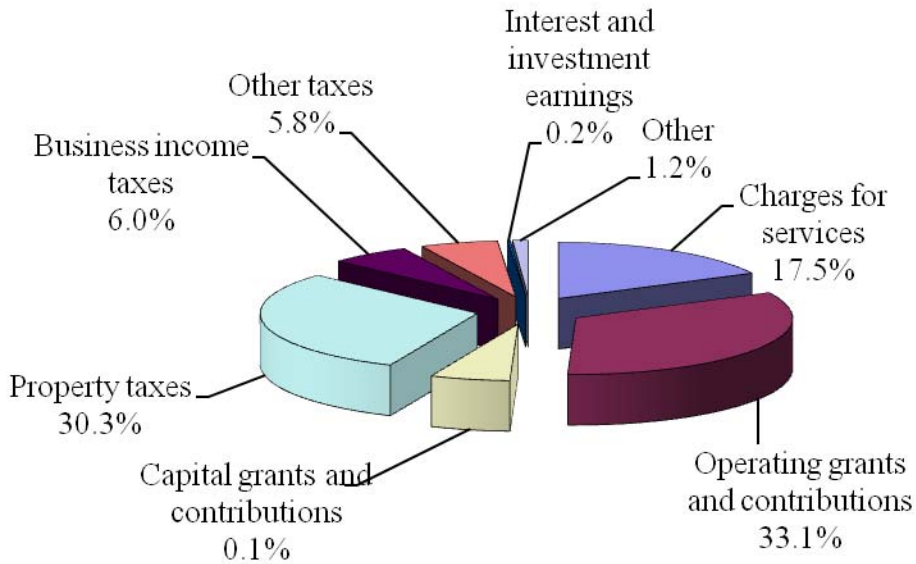
- Other taxes increased by \$5,263 or 10% over the prior year. Other taxes includes selective excise and use taxes such as transient lodging and motor vehicle rental tax which were up in fiscal year 2014 primarily due to an increase in travel and tourism in the Portland area.
- Operating grants and contributions for Public Safety and Justice increased by \$5,444 or 13% from 2013. The increase is attributable to a grant from the State Criminal Justice Commission of approximately \$3.2 million. The District Attorney's Office, the Department of Community Justice and the Sheriff's Office received the justice reinvestment grant program in fiscal year 2014. This was a new grant from the State that the County has not received in prior years.
- Operating grants and contribution revenues for Roads and Bridges increased by \$23,894 over the prior year, or 56%. The increase is due to direct State funding of approximately \$5.2 million and \$19.5 million in Federal awards for the construction of the Sellwood Bridge project. The Federal awards include Highway Planning and Construction and the National Infrastructure Investment award.
- Capital grants and contributions for Health Services increased by \$10,000 or 100% over the prior year. In fiscal year 2014 the Health Department received \$10,000 from the Portland Development Commission as an initial payment per an Intergovernmental Agreement for the construction of a new downtown health department headquarters. Fiscal year 2013 did not report capital grants and contributions for Health Services.
- Capital grants and contributions for Roads and Bridges increased by \$50,524 or 100% over fiscal year 2013 due to payment from the City of Portland in the amount of \$50,000 for the construction of the Sellwood Bridge project.
- Expenses for General Government increased by \$25,276 or 35% over fiscal year 2013. This is due primarily to increases in personnel costs from COLA, merit and step increases in hourly rates as well as an increase in PERS costs.
- Expenses for Roads and Bridges increased by \$11,239 or 20% over the prior fiscal year. This increase is directly related to the construction of the Sellwood Bridge.

The graphs on the following page 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



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

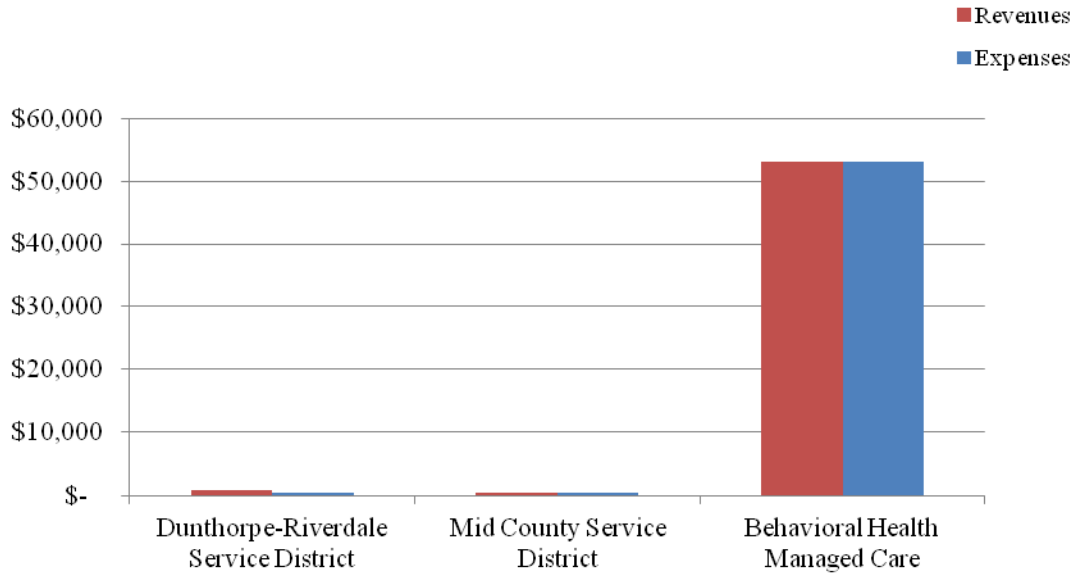
Business-type activities. Business-type activities increased the County's net position by \$404, compared to a increase of \$4,759 in the prior year. The primary reasons for the current year's increase are:

- In the Behavioral Health Managed Care Fund, State and local health care changes impacted the County's Medicaid mental health organization in the Department of County Human Services (DCHS). Throughout fiscal year 2013 Multnomah County's Mental Health transitioned to Health Share Oregon (HSO). Charges for services in the Behavioral Health Managed Care fund increased by \$10,255 or 24% over the prior fiscal year. The primary reason for the increase is due to an increase of approximately 18% in the number of members served by the HSO which resulted in a higher overall capitation payment. Multnomah County HSO continues to collaborate with neighboring counties to standardize administrative functions and reduce the burden and cost on mental health providers in connection with Health Care transformation.
- The Dunthorpe-Riverdale Service District's revenue source is primarily sewer assessments collected through property taxes. During fiscal year 2014 the District collected \$877 in fines, fees and charges for services which is a slight increase from the prior year's collection of \$852. The monthly household customer sewer user assessments fees increased from \$125 (reported in dollars) in fiscal year 2013 to \$130 (reported in dollars) in fiscal year 2014. The increase in the rate provided the District with the necessary operating resources to match needs.
- The Mid County Service District's revenue source is primarily street lighting assessments collected through property taxes. During fiscal year 2013 the District collected \$452 in fines, fees and charges for services which is a slight decrease from the prior year collections of \$377. User fees were increased from \$50 (reported in dollars) per property per year for fiscal year 2013 to \$60 (reported in dollars) per property per year for fiscal year 2014.
- Interest revenue for business-type activities was relatively unchanged from fiscal year 2013. Interest revenue for 2014 was \$102 as compared to \$95 in fiscal year 2013. Interest rates improved slightly over the prior fiscal year, but continue to be low. Interest is allocated based on the average daily cash balance and the average monthly yield of the County's investment portfolio.

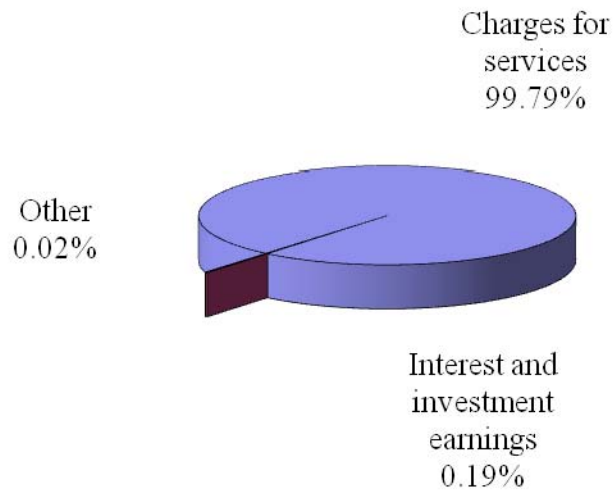
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

Revenues by Source - Business-type Activities



Revenues by Source - Business-type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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, *unassigned 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 \$265,244 an increase of \$19,194 over the prior year. Approximately 22% or \$58,764 of this total amount constitutes *assigned and unassigned fund balances*, which is available for spending at the government's discretion. Unassigned fund balances in the General Fund represent available amounts. A deficit unassigned fund balance in Federal and State Special Revenue Fund represents over spending on assigned amounts. Assigned fund balances in other governmental funds represents available fund balance in those funds. The restricted fund balance is \$105,092 or 40% of the total fund balance. Most of the restricted balance is dedicated to the Sellwood Bridge replacement capital project. Other restricted resources include grant programs, improvements to roads or bike paths, various community support or future debt service. The remainder of fund balance is either *committed* for resources constrained on use by the Board of County Commissioners via a County Ordinance or Board resolution or is *nonspendable* to indicate that it is not available for discretionary spending because it has already been dedicated to prepaid items and inventories. Additional information on the County's fund balances can be found in note 3.G on page 80 of this report.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$44,477 in the General Fund or approximately 98% of the total fund balance of \$45,353. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 11% of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$845 or 2%, reflecting spending levels in alignment with revenues recognized during the fiscal year.

The Federal and State Program Special Revenue Fund has a total fund balance of \$6,177, of which \$437 is nonspendable due to balances reported for prepaid items and inventories. The restricted balance of \$5,947 includes grants and other amounts received in advance that are restricted to specific purposes by external parties. In general, Federal revenues are closely matched with Federal expenditures. The remaining deficit balance of (\$207) is reported as unassigned because the total nonspendable and restricted amounts were greater than the total ending fund balance. Ending fund balance in the Federal and State Program fund decreased from the prior year by (\$2,640) or (30%) resulting from an increase in spending of carry-over funds from fiscal year 2013 in the Department of County Human Services for the 2011-2013 biennium settlement of the State Mental Health Block grant for various mental health and developmental disabilities programs.

The PERS Pension Bond Fund is a debt service fund with a total fund balance of \$69,365 which is an increase of \$11,533 or 20% over the prior year's ending fund balance of \$57,832. The increase is directly related to the County's conservative approach to recover PERS costs through internal service charges. The total fund balance is committed for future debt service.

The Sellwood Bridge Replacement Capital Project Fund reported a total fund balance of \$70,974 of which \$251 is nonspendable for balances reported in prepaid items and inventories, \$2,419 is committed and \$477 is assigned. The largest balance is reported as restricted fund balance of \$67,827. The restricted balance primarily represents unspent grants and capital contributions to finance construction of the new Sellwood Bridge.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 position of the proprietary funds at year end amounted to:

- Dunthorpe-Riverdale Service District Fund, \$1,522
- Mid County Service District Fund, \$453
- Behavioral Health Managed Care Fund, \$16,711

The total change in net position for all proprietary funds was an increase of \$404. Other factors concerning the finances of these three funds have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The adjustments necessary to bring the expenditure budget into agreement with the revised revenue budget account for some of the differences between the original General Fund budget and the final adopted budget. Total final adopted budgeted revenues had a decrease of (\$2,902) and the total final adopted budgeted expenditures increased by \$367 from the original budgeted numbers. During the year the General Fund contingency was reduced by (\$3,269) or (31%). Following are noteworthy changes from the original budget to the final adopted budget in the General Fund.

- Department of County Human Services - \$300 allocated to the division of Mental Health and Addiction Services for the Lines for Life program. Lines for Life provides statewide suicide intervention and other crisis counseling services. The contingency funding allows the Crisis Lines program to continue to operate for the current fiscal year, while the organization develops a strategy for long term viability.
- Sheriff's Office – \$2,244 earmarked for overtime across Sheriff's Office divisions but primarily in the Corrections Health and Law Enforcement divisions to manage acute mentally ill population in County jails. Inmates on constant suicide watch and prevention of suicides are highly costly programs within the Sheriff's Office.
- Department of County Management - \$279 was allocated to the District Attorney's Office for the fiscal year 2014 cost of the Multnomah County Prosecuting Attorney's Association (MCPAA) collective bargaining agreement. The allocation represented a COLA to bargaining unit members.

The contingency transactions account for increases in budgeted expenditures not related to increased revenues, and may be used only when approved by the Board for a specific purpose and department. There was no effect on the ending General Fund budgetary fund balance as a result of these budget amendments. There were not any significant variances between the final budget and actual expenditures.

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, 2014, amounts to \$928,499 (net of accumulated depreciation). This investment in capital assets includes land, right of ways, buildings and improvements, machinery and equipment, internally developed software, roads and bridges, sewer and street lighting systems, and motor vehicles. The total overall change in the County's investment in capital assets for the current fiscal year was an increase of \$73,231 or approximately 9%. This increase is attributable to the County's Sellwood Bridge project under construction at the end of fiscal year 2014, which accounts for the significant increase in construction in process. Buildings not-in-service represents a County jail facility whose construction was completed in fiscal year 2005, but the

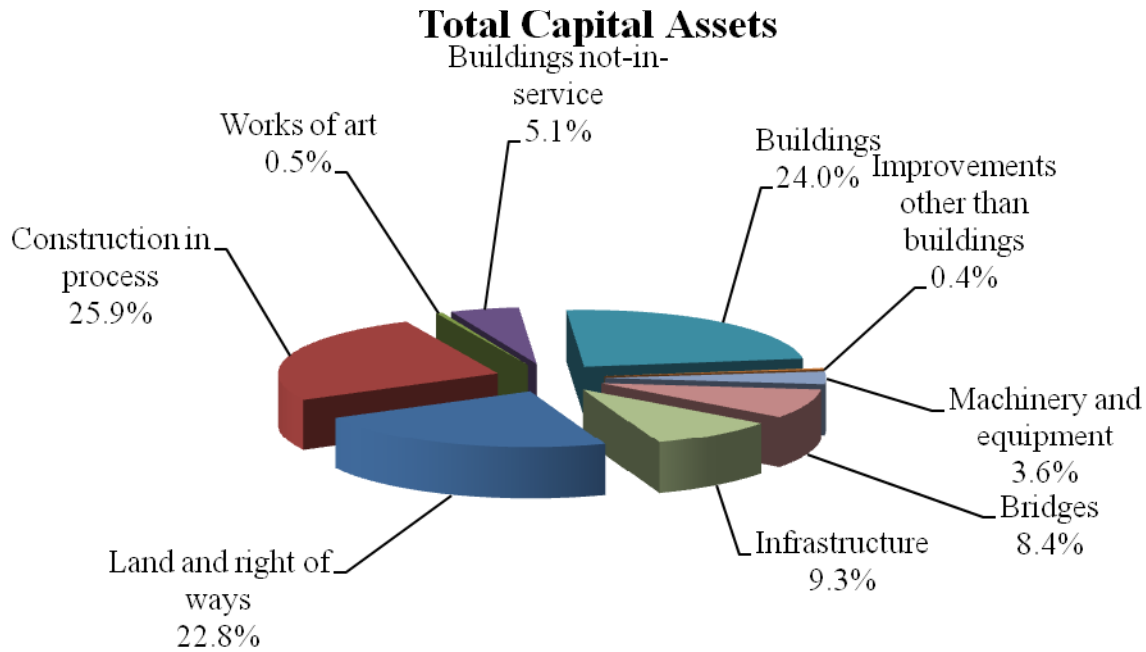
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

County does not have sufficient resources to operate the facility. In fiscal year 2014 management determined the asset had been impaired and wrote the County jail down by \$300 to an adjusted amount of \$47,109.

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

	Governmental Activities		Business- Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and right of ways	\$ 212,016	\$ 211,957	\$ -	\$ -	\$ 212,016	\$ 211,957
Construction in process	239,982	148,898	174	74	240,156	148,972
Works of art	4,430	4,430	-	-	4,430	4,430
Buildings not-in-service	47,109	47,409	-	-	47,109	47,409
Buildings	222,928	231,893	-	-	222,928	231,893
Improvements other than Buildings	714	661	3,457	3,598	4,171	4,259
Machinery and equipment	33,654	31,758	-	-	33,654	31,758
Bridges	77,736	80,166	-	-	77,736	80,166
Infrastructure	86,299	94,424	-	-	86,299	94,424
Total capital assets	\$ 924,868	\$ 851,596	\$ 3,631	\$ 3,672	\$ 928,499	\$ 855,268

The following chart indicates the County’s capital assets as of June, 30, 2014. Additional information on the County’s capital assets can be found in note 3.C on pages 71 – 72 of this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$341,516. Of this amount, \$19,812 is general obligation bonds; \$317,452 represents full faith and credit bonds; \$2,919 comprises long term loan obligations; and the remainder of \$1,333 represents capitalized leases. Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

Multnomah County's Outstanding Debt

	Governmental Activities		Business- Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 19,812	\$ 27,718	\$ -	\$ -	\$ 19,812	\$ 27,718
Full faith and credit bonds	317,452	337,075	-	-	317,452	337,075
Capital leases	1,333	1,468	-	-	1,333	1,468
Loans	2,919	3,133	-	-	2,919	3,133
Total outstanding debt	<u>\$ 341,516</u>	<u>\$ 369,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,516</u>	<u>\$ 369,394</u>

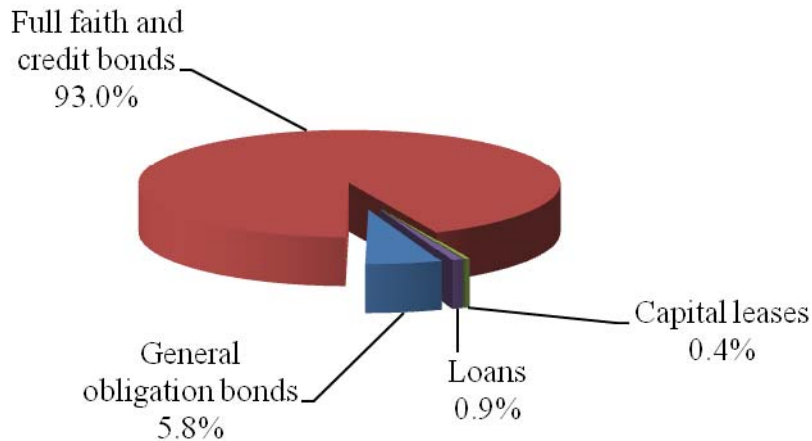
The County's total debt decreased by (\$27,878) or approximately (8%) during the current fiscal year. In fiscal year 2014 the County issued full faith and credit refunding bonds for a current refunding of the 2004 full faith and credit obligation bonds in the amount of \$24,395. Other changes to the County's long-term debt during fiscal year 2014 consisted primarily of principal payments.

The County maintains an Aaa rating with a stable outlook from Moody's, for general obligation debt and Aa1 for full faith and credit bonds. Standard & Poor's rated the County's full faith and credit bonds as AA+.

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 \$1,961,574, 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 \$980,787, which is in excess of the County's outstanding full faith and credit debt. The County is also subject to State statute on revenue bonds used to finance pension liabilities by 5% of the real market value of all taxable property within the County's boundaries. The current debt limitation for pension revenue bonds is \$4,903,936, which is also in excess of the County's outstanding pension revenue bonds.

The following chart indicates the County's long-term liabilities as of June 30, 2014. Additional information on the County's long-term liabilities can be found in note 3.F on pages 73 – 79 of this report.

Total Outstanding Long-Term Debt



Key Economic Factors and Budget Information for Next Year

- The unemployment rate for the Portland-Vancouver-Beaverton PMSA (Primary Metropolitan Statistical Area) at the close of the fiscal year the rate had dropped to approximately 6.1% from 7.3% at the same time last year. The consensus forecast has Oregon employment growing 2.6% in 2014 and 2.5% in 2015. Personal income growth is projected to increase 5.0% in 2014 and 5.3% in 2015.
- Property tax revenues are the single largest source of revenue in the General Fund and it accounts for 62% of ongoing revenues. Therefore, General Fund growth is particularly sensitive to taxable value growth and compression. Property tax revenues are based on projections and estimates. This data notes an increase in the 2015 budget of 4.7% due to an increase in assessed values.
- The forecast for fiscal year 2015 projects business income tax revenues will increase by 8.9% over budgeted fiscal year 2014 levels. Business income tax (BIT) is highly sensitive to economic conditions and has historically been a volatile revenue source. The fiscal year 2015 budget contains an additional 10% BIT Stabilization Reserve to help mitigate the risk of an unexpected downturn in the regional economy.
- Recording fees and the County Assessment Function Funding Assistance (CAFFA) grant are projected to decrease by 8.5% in fiscal year 2015 primarily due to reduced refinancing activity as mortgage rates have increased from historic lows.
- U.S. Marshal Jail bed rental revenues are projected to decrease by 14.5% in fiscal year 2015. The decrease is due in part to the availability of other local facilities, and in particular, the Columbia County jail. In fiscal year 2014, U.S. Marshal usage of County jail beds were below historical averages as prisoners were held in the Columbia County jail rather than Multnomah County facilities. The fiscal year 2015 budget assumes 18% decrease in beds rented per day from the 2014 budget.
- Construction of the Sellwood Bridge replacement project continues in fiscal year 2015. Work during fiscal year 2015 includes the construction of the structures that will support the new bridge main spans and fabrication installation of the steel arches. Work on the interchange and East approach structures continues. The project is expected to be approximately 75% complete by the end of fiscal year 2015. Traffic will be on the new bridge by late calendar year 2015, and the remaining project work will be completed by November 2016. Total cost of the project is estimated to be \$307.5 million and agreements for all sources of funding have been signed. Challenging geotechnical conditions and other unanticipated issues may impact the final cost of the project. To date the project has spent approximately \$201,000. The remaining \$106,500 in expense will be spent in fiscal years 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

through 2017. A summary of total project resources and anticipated fiscal year 2015 sources is as follows:

	Sellwood Bridge Project Resources	
	Project Total	Fiscal Year 2015
County Vehicle Registration Fees	\$ 164,392	\$ 10,830
City of Portland	74,750	20,000
State of Oregon	35,000	15,000
FHQA – TIGER III Federal Grant	33,358	1,218
Totals for Sellwood Bridge Project	\$ 307,500	\$ 47,048

All of these factors were considered in preparing the County’s budget for fiscal year 2014-2015.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$44,477. At this level, the County is able to fully fund the reserve account in the General Fund unappropriated fund balance as described in the Financial and Budget policies. The Finance and Budget policies state it is the goal of the Board to fund and maintain a General Fund budgeted reserve, designated as unappropriated fund balance and funded at approximately 10% of specifically identified revenues, “corporate” revenues, of the General Fund. In fiscal year 2014, reserves are equal to 10% of the “corporate” revenues of the General Fund. The fiscal year 2014-2015 budget fully funds the reserve in the General Fund.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

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MULTNOMAH COUNTY, OREGON

Statement of Net Position

June 30, 2014

(amounts expressed in thousands)

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>The Library Foundation</u>
ASSETS				
Current assets:				
Cash and investments	\$ 259,386	\$ 23,948	\$ 283,334	\$ 17,745
Receivables (net of allowance for uncollectibles):				
Taxes	25,577	-	25,577	-
Accounts	41,023	1	41,024	-
Interest	991	-	991	-
Special assessments	11	78	89	-
Contracts	693	-	693	-
Contributions	-	-	-	138
Inventories	1,842	-	1,842	-
Prepaid items	2,982	-	2,982	17
Split interest and other agreements	-	-	-	579
Restricted assets:				
Cash and investments	110,984	-	110,984	-
Receivables:				
Taxes	2,352	-	2,352	-
Accounts	37,202	-	37,202	-
Loans	665	-	665	-
Inventories	627	-	627	-
Non-current assets:				
Capital assets:				
Land, right-of-way and construction in progress	451,998	174	452,172	-
Works of art, not depreciating	4,430	-	4,430	-
Building - not in service, not depreciating	47,109	-	47,109	-
Other capital assets (net of accumulated depreciation)	421,331	3,457	424,788	24
Net pension asset	94,837	-	94,837	-
Total assets	<u>1,504,040</u>	<u>27,658</u>	<u>1,531,698</u>	<u>18,503</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	40,914	3,527	44,441	221
Claims and judgments payable	10,792	1,814	12,606	-
Accrued salaries and benefits	5,845	-	5,845	-
Accrued interest payable	1,810	-	1,810	-
Gift annuity payable	-	-	-	6
Unearned revenue	920	-	920	-

(continued)

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		<u>The Library Foundation</u>
(continued)				
Due within one year:				
Compensated absences	27,454	-	27,454	-
Bonds payable	18,500	-	18,500	-
Capital leases payable	142	-	142	-
Loans payable	194	-	194	-
Pollution remediation obligation	60	-	60	-
Due in more than one year:				
Compensated absences	115	-	115	-
Bonds payable	311,718	-	311,718	-
Capital leases payable	1,191	-	1,191	-
Loans payable	2,725	-	2,725	-
Incremental lease obligation	1,799	-	1,799	-
Pollution remediation obligation	-	-	-	-
Net other postemployment benefits obligation	115,946	-	115,946	-
Liabilities payable from restricted assets				
Accounts payable	28,292	-	28,292	-
Accrued salaries and benefits	2,711	-	2,711	-
Unearned revenue	12,709	-	12,709	-
Due within one year - Bonds payable	6,155	-	6,155	-
Due in more than one year - Bonds payable	891	-	891	-
Total liabilities	<u>590,883</u>	<u>5,341</u>	<u>596,224</u>	<u>227</u>
DEFERRED INFLOWS OF RESOURCES				
Resources received before time requirements met	<u>340</u>	<u>-</u>	<u>340</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	705,519	3,631	709,150	24
Restricted for:				
Nonexpendable - Library operations	-	-	-	4,092
Expendable:				
Capital projects, buildings	18,242	-	18,242	-
Community support programs	7,170	-	7,170	-
Document storage and retrieval	254	-	254	-
Library operations	2,692	-	2,692	4,056
Road, bridge and bike path improvements	71,524	-	71,524	-
Unrestricted	107,416	18,686	126,102	10,104
Total net position	<u>\$ 912,817</u>	<u>\$ 22,317</u>	<u>\$ 935,134</u>	<u>\$ 18,276</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, 2014

(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 97,325	\$ 71,664	\$ 4,923	\$ 252
Health services	152,854	72,286	34,583	10,000
Social services	245,233	2,038	183,953	-
Public safety and justice	228,463	15,473	46,163	-
Community services	39,182	3,779	1,610	-
Library	64,708	1,652	2,581	-
Roads and bridges	66,622	13,011	66,554	50,524
Interest on long-term debt	20,822	-	-	-
Total governmental activities	<u>915,209</u>	<u>179,903</u>	<u>340,367</u>	<u>60,776</u>
Business-type activities:				
Dunthorpe-Riverdale service				
District Number 1	573	877	-	-
Mid County service				
District Number 14	420	452	-	-
Behavioral health managed care	53,156	53,112	-	-
Total business-type activities	<u>54,149</u>	<u>54,441</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 969,358</u>	<u>\$ 234,344</u>	<u>\$ 340,367</u>	<u>\$ 60,776</u>
Component unit:				
The Library Foundation	<u>\$ 2,349</u>	<u>\$ -</u>	<u>\$ 1,298</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Personal income taxes				
Business income taxes				
Selective excise and use taxes				
Payments in lieu of taxes				
State government shared unrestricted revenues				
Grants and contributions not restricted to specific programs				
Interest and investment earnings				
Miscellaneous				
Gain on sale of capital assets				
Total general revenues				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	The Library Foundation
\$ (20,486)	\$ -	\$ (20,486)	\$ -
(35,985)	-	(35,985)	-
(59,242)	-	(59,242)	-
(166,827)	-	(166,827)	-
(33,793)	-	(33,793)	-
(60,475)	-	(60,475)	-
63,467	-	63,467	-
(20,822)	-	(20,822)	-
<u>(334,163)</u>	<u>-</u>	<u>(334,163)</u>	<u>-</u>
-	304	304	-
-	32	32	-
<u>-</u>	<u>(44)</u>	<u>(44)</u>	<u>-</u>
<u>-</u>	<u>292</u>	<u>292</u>	<u>-</u>
<u>\$ (334,163)</u>	<u>\$ 292</u>	<u>\$ (333,871)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,051)</u>
\$ 303,871	\$ -	\$ 303,871	\$ -
6,999	-	6,999	-
16	-	16	-
61,800	-	61,800	-
58,456	-	58,456	-
821	-	821	-
9,198	-	9,198	-
24	-	24	573
2,119	102	2,221	1,526
2,302	10	2,312	4
279	-	279	-
<u>445,885</u>	<u>112</u>	<u>445,997</u>	<u>2,103</u>
111,722	404	112,126	1,052
801,095	21,913	823,008	17,224
<u>\$ 912,817</u>	<u>\$ 22,317</u>	<u>\$ 935,134</u>	<u>\$ 18,276</u>

MULTNOMAH COUNTY, OREGON

Balance Sheet

Governmental Funds

June 30, 2014

(amounts expressed in thousands)

	<u>General Fund</u>	<u>Federal and State Special Revenue Fund</u>	<u>PERS Pension Bond Debt Service Fund</u>
ASSETS			
Unrestricted:			
Cash and investments	\$ 53,968	\$ -	\$ 69,365
Receivables:			
Taxes	21,585	-	-
Accounts	38,530	421	-
Interest	991	-	-
Special assessments	11	-	-
Contracts	693	-	-
Due from other funds	400	-	-
Inventories	592	-	-
Prepays and deposits	205	437	-
Restricted:			
Cash and investments	1,171	3,670	-
Receivables:			
Taxes	-	-	-
Accounts	26	27,592	-
Loans	-	665	-
Inventories	-	627	-
Total assets	<u>\$ 118,172</u>	<u>\$ 33,412</u>	<u>\$ 69,365</u>
LIABILITIES			
Liabilities payable from unrestricted assets:			
Accounts payable	\$ 25,996	\$ 628	\$ -
Payroll payable	4,172	-	-
Unearned revenue	879	-	-
Liabilities payable from restricted assets:			
Accounts payable	941	10,966	-
Payroll payable	2	2,675	-
Due to other funds	-	-	-
Unearned revenue	-	12,709	-
Total liabilities	<u>31,990</u>	<u>26,978</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Resources not yet available:			
Clinic fees	26,541	-	-
Personal income taxes	310	-	-
Property taxes	13,945	-	-
Resources received before time requirements met	33	257	-
Total deferred inflows of resources	<u>40,829</u>	<u>257</u>	<u>-</u>
FUND BALANCES			
Nonspendable	622	437	-
Restricted	254	5,947	-
Committed	-	-	69,365
Assigned	-	-	-
Unassigned	44,477	(207)	-
Total fund balances	<u>45,353</u>	<u>6,177</u>	<u>69,365</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 118,172</u>	<u>\$ 33,412</u>	<u>\$ 69,365</u>

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

Sellwood Bridge Replacement Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,896	\$ 46,050	\$ 172,279
-	3,992	25,577
-	1,244	40,195
-	-	991
-	-	11
-	-	693
-	245	645
-	268	860
251	159	1,052
69,229	36,914	110,984
-	2,352	2,352
3,699	5,885	37,202
-	-	665
-	-	627
<u>\$ 76,075</u>	<u>\$ 97,109</u>	<u>\$ 394,133</u>
\$ -	\$ 7,448	\$ 34,072
-	973	5,145
-	-	879
5,101	11,284	28,292
-	34	2,711
-	645	645
-	-	12,709
<u>5,101</u>	<u>20,384</u>	<u>84,453</u>
-	-	26,541
-	-	310
-	3,300	17,245
-	50	340
<u>-</u>	<u>3,350</u>	<u>44,436</u>
251	427	1,737
67,827	31,064	105,092
2,419	27,867	99,651
477	14,017	14,494
-	-	44,270
<u>70,974</u>	<u>73,375</u>	<u>265,244</u>
<u>\$ 76,075</u>	<u>\$ 97,109</u>	<u>\$ 394,133</u>

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MULTNOMAH COUNTY, OREGON
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
As of June 30, 2014
(amounts expressed in thousands)

Fund Balances - Governmental Funds		265,244
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	1,511,643	
Less accumulated depreciation	<u>(597,209)</u>	914,434
Negative net pension asset		94,837
Accrued interest payable		(1,810)
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds payable	(337,264)	
Capital leases payable	(1,333)	
Loans payable	<u>(2,919)</u>	(341,516)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(25,117)
Accrued personal income tax distributions are not due and payable in the current period and therefore are not reported in the funds.		(256)
Pollution remediation obligation		(60)
Net other post-employment benefits obligation		(115,946)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
Clinic fees	26,541	
Property taxes	17,245	
Personal income taxes	<u>310</u>	44,096
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of the internal service funds is reported with governmental activities.		<u>78,911</u>
Net Position of Governmental Activities		<u><u>912,817</u></u>

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Federal and State Special Revenue Fund</u>	<u>PERS Pension Bond Debt Service Fund</u>
REVENUES			
Taxes	\$ 322,037	\$ -	\$ -
Payments in lieu of taxes	852	-	-
Intergovernmental	13,084	256,156	-
Licenses and permits	10,178	1,057	-
Charges for services	34,338	43,622	-
Interest	1,047	-	251
Other	25,771	4,247	29,319
Total revenues	<u>407,307</u>	<u>305,082</u>	<u>29,570</u>
EXPENDITURES			
Current:			
General government	68,689	-	-
Health services	87,521	71,574	-
Social services	56,358	190,649	-
Public safety and justice	182,848	41,843	-
Community services	-	1,492	-
Library services	-	-	-
Roads and bridges	-	-	-
Capital outlay	1,868	1,392	-
Debt service:			
Principal	-	-	4,472
Interest	-	-	13,565
Total expenditures	<u>397,284</u>	<u>306,950</u>	<u>18,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,023</u>	<u>(1,868)</u>	<u>11,533</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of refunding debt	-	-	-
Premium on long-term debt	-	-	-
Proceeds from sale of capital assets	-	15	-
Transfers in	2,614	-	-
Transfers out	(11,792)	(787)	-
Total other financing sources (uses)	<u>(9,178)</u>	<u>(772)</u>	<u>-</u>
Net change in fund balances	845	(2,640)	11,533
Fund balances - beginning	44,508	8,817	57,832
Fund balances - ending	<u>\$ 45,353</u>	<u>\$ 6,177</u>	<u>\$ 69,365</u>

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

Sellwood Bridge Replacement Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 107,502	\$ 429,539
-	6	858
74,705	57,367	401,312
11,249	4,760	27,244
-	7,193	85,153
211	287	1,796
-	27,369	86,706
<u>86,165</u>	<u>204,484</u>	<u>1,032,608</u>
-	4,952	73,641
-	-	159,095
-	-	247,007
-	7,003	231,694
-	37,341	38,833
-	58,193	58,193
9,944	45,475	55,419
80,941	16,154	100,355
-	44,459	48,931
-	9,688	23,253
<u>90,885</u>	<u>223,265</u>	<u>1,036,421</u>
<u>(4,720)</u>	<u>(18,781)</u>	<u>(3,813)</u>
-	22,530	22,530
-	2,562	2,562
-	-	15
-	72,573	75,187
-	(64,708)	(77,287)
-	32,957	23,007
<u>(4,720)</u>	<u>14,176</u>	<u>19,194</u>
<u>75,694</u>	<u>59,199</u>	<u>246,050</u>
<u>\$ 70,974</u>	<u>\$ 73,375</u>	<u>\$ 265,244</u>

MULTNOMAH COUNTY, OREGON
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

Net change in fund balances - Governmental Funds	\$	19,194
Amounts reported for governmental activities in the statement of net position 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	100,355	
Current year depreciation expense	<u>(29,308)</u>	71,047
Contributed and donated capital assets	740	
Proceeds on sale of capital assets	(15)	
Loss on disposal of capital assets	<u>(681)</u>	44
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Increase in deferred inflows of resources - clinic fees	1,093	
Increase in deferred inflows of resources - property taxes	1,846	
Decrease in deferred inflows of resources - personal income taxes	<u>(18)</u>	2,921
Proceeds from the issuance of debt provide current financial resources to governmental funds, but are an increase of long-term liabilities in the statement of net position		
		(22,530)
Premium issued on long-term debt is reported as an other financing source in governmental funds, but an increase of long-term liabilities in the statement of net position.		
The premium is amortized to interest expense in the statement of activities.		
Premium issued on long-term debt		(2,562)
Current year premium amortization		4,039
The difference between refunding bond proceeds and amount sent to the escrow agent to defease outstanding debt is a deferred charge in the statement of net position and amortized to interest expense in the statement of activities over the life of the refunded debt.		
Current year interest expense		(1,684)
Activities related to loan provided to community based health organization:		
Payments received from community based health organization		(900)
Repayment of long-term debt (including defeased amounts) is reported as an expenditure in the governmental funds, but a reduction of long-term liabilities in the statement of net position.		
		48,931
Some expenses reported in the statement of activities do not require the use of current resources		
Increase in long-term compensated absences	(647)	
Decrease in accrued interest expense	<u>76</u>	(571)
Amortization expense on the net pension asset.		
		(6,152)

(continued)

(continued)

Activities related to pollution remediation obligations:		
Additions to pollution remediation obligation	(65)	
Pollution remediation activities incurred and paid within the fiscal year	<u>33</u>	(32)
Current year expense for net other post-employment benefits obligation		(5,246)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.		<u>5,223</u>
Change in net position of Governmental Activities		<u>\$ 111,722</u>

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

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MAJOR GOVERNMENTAL FUNDS

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

- **General Fund** – accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes, personal income taxes, and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, and health and social services.
- **Federal and State Program Fund** – accounts for the majority of grant restricted revenues and expenditures related to funding received from federal, state and local programs. This fund also includes some non-restricted operations revenues in the form of fees and licenses.
- **PERS Pension Bond Fund** – accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's PERS unfunded liability. Revenues consist of charges to departments and interest. The schedule of revenues, expenditures, and changes in fund balances – budget and actual for the PERS Pension Bond debt service fund is on page 113.
- **Sellwood Bridge Replacement Fund** – accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from Vehicle Registration Fees, City of Portland, Clackamas County, the State of Oregon and a request for federal funds, debt issuance or other financing proceeds. The schedule of revenues, expenditures, and changes in fund balances – budget and actual for the Sellwood Bridge Replacement capital projects fund is on page 120.

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Property	\$ 237,436	\$ 237,436	\$ 236,802	\$ (634)
Business income	57,821	57,821	61,800	3,979
Personal income	-	-	34	34
Motor vehicle rental	20,437	20,437	23,401	2,964
Payments in lieu of taxes	336	336	852	516
Intergovernmental	12,275	12,275	13,084	809
Licenses and permits	11,187	11,187	10,178	(1,009)
Charges for services	44,118	40,693	35,431	(5,262)
Interest	1,034	1,034	1,047	13
Other:				
Non-governmental grants	1,460	1,460	2,641	1,181
Service reimbursements	22,709	23,232	22,246	(986)
Miscellaneous	1,222	1,222	884	(338)
Total revenues	<u>410,035</u>	<u>407,133</u>	<u>408,400</u>	<u>1,267</u>
EXPENDITURES				
Community justice	57,665	57,708	54,251	3,457
Community services	12,344	12,344	11,436	908
County assets	5,728	5,728	5,463	265
County management	31,441	32,870	30,753	2,117
District attorney	20,662	20,955	20,350	605
Health services	97,520	92,324	87,656	4,668
Human services	58,362	59,718	56,366	3,352
Nondepartmental	22,685	22,785	22,476	309
Sheriff	107,390	109,732	108,533	1,199
Total expenditures	<u>413,797</u>	<u>414,164</u>	<u>397,284</u>	<u>16,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,762)</u>	<u>(7,031)</u>	<u>11,116</u>	<u>18,147</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,931	2,931	2,614	(317)
Transfers out	<u>(11,792)</u>	<u>(11,792)</u>	<u>(11,792)</u>	<u>-</u>
Total other financing sources (uses)	(8,861)	(8,861)	(9,178)	(317)
Contingency	<u>(10,521)</u>	<u>(7,252)</u>	<u>-</u>	<u>7,252</u>
Net change in fund balances	(23,144)	(23,144)	1,938	25,082
Fund balances - beginning	55,782	55,782	69,956	14,174
Fund balances - ending	<u>\$ 32,638</u>	<u>\$ 32,638</u>	<u>71,894</u>	<u>\$ 39,256</u>

Reconciliation to GAAP Basis:

Certain clinic fee revenues are not considered available, and are reported as deferred inflows on the GAAP basis

Difference in beginning fund balance (25,448)

Unavailable in prior year, recognized in current year 25,080

Current year revenues unavailable (26,173)

Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, Page 40

\$ 45,353

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Program Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 183,627	\$ 187,539	\$ 179,126	\$ (8,413)
Licenses and permits	1,084	1,084	1,057	(27)
Charges for services	40,754	46,181	43,622	(2,559)
Other:				
Non-governmental grants	2,198	2,359	3,058	699
Service reimbursements	53	148	79	(69)
Miscellaneous	114	114	1,110	996
Total revenues	<u>227,830</u>	<u>237,425</u>	<u>228,052</u>	<u>(9,373)</u>
EXPENDITURES				
Community justice	26,435	26,219	25,122	1,097
Community services	41	41	35	6
District attorney	6,095	6,242	5,940	302
Health services	67,882	73,490	72,623	867
Human services	116,406	120,565	113,622	6,943
Nondepartmental	2,312	2,508	1,457	1,051
Sheriff	10,169	11,323	11,121	202
Total expenditures	<u>229,340</u>	<u>240,388</u>	<u>229,920</u>	<u>10,468</u>
Deficiency of revenues under expenditures	<u>(1,510)</u>	<u>(2,963)</u>	<u>(1,868)</u>	<u>1,095</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	15	15
Transfers out	(1,103)	(1,103)	(787)	316
Total other financing sources (uses)	<u>(1,103)</u>	<u>(1,103)</u>	<u>(772)</u>	<u>331</u>
Net change in fund balances	(2,613)	(4,066)	(2,640)	1,426
Fund balances - beginning	2,613	4,066	8,817	4,751
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,177</u>	<u>\$ 6,177</u>
Reconciliation to GAAP Basis:				
Intergovernmental revenues for State payments to County service providers			77,030	
State payments to County service providers			<u>(77,030)</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, Page 40			<u>\$ 6,177</u>	

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

PROPRIETARY FUNDS

The County utilizes eight Proprietary Funds made up of three Enterprise Funds and five Internal Service Funds. Internal Service Funds' statements begin on page 124.

Enterprise Funds:

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

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

MULTNOMAH COUNTY, OREGON

Statement of Net Position

Proprietary Funds

June 30, 2014

(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	\$ 1,469	\$ 451	\$ 22,028	\$ 23,948	\$ 87,107
Receivables (net of allowances for uncollectibles):					
Accounts	1	-	-	1	828
Special assessments	52	26	-	78	-
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	982
Prepaid items	-	-	-	-	1,930
Total current assets	1,522	477	22,028	24,027	90,847
Noncurrent assets:					
Capital assets:					
Construction in progress	174	-	-	174	2,408
Other capital assets (net of accumulated depreciation)	2,125	1,332	-	3,457	8,026
Total noncurrent assets	2,299	1,332	-	3,631	10,434
Total assets	3,821	1,809	22,028	27,658	101,281
LIABILITIES					
Current liabilities:					
Accounts payable	-	24	3,503	3,527	6,586
Claims and judgments payable	-	-	1,814	1,814	10,792
Payroll payable	-	-	-	-	700
Unearned revenue	-	-	-	-	41
Compensated absences	-	-	-	-	2,337
Total current liabilities	-	24	5,317	5,341	20,456
Noncurrent liabilities:					
Compensated absences	-	-	-	-	115
Incremental leases payable	-	-	-	-	1,799
Total noncurrent liabilities	-	-	-	-	1,914
Total liabilities	-	24	5,317	5,341	22,370
NET POSITION					
Invested in capital assets	2,299	1,332	-	3,631	10,434
Unrestricted	1,522	453	16,711	18,686	68,477
Total net position	\$ 3,821	\$ 1,785	\$ 16,711	\$ 22,317	\$ 78,911

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 Position
Proprietary Funds
For the Year Ended June 30, 2014
(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	\$ 877	\$ 452	\$ 53,112	\$ 54,441	\$ 164,564
Insurance premiums	-	-	-	-	8,521
Experience ratings and other	-	-	10	10	961
Total operating revenues	<u>877</u>	<u>452</u>	<u>53,122</u>	<u>54,451</u>	<u>174,046</u>
OPERATING EXPENSES					
Cost of sales and services	463	317	49,570	50,350	164,858
Administration	34	37	3,586	3,657	4,755
Depreciation	76	66	-	142	1,877
Total operating expenses	<u>573</u>	<u>420</u>	<u>53,156</u>	<u>54,149</u>	<u>171,490</u>
Operating income (loss)	<u>304</u>	<u>32</u>	<u>(34)</u>	<u>302</u>	<u>2,556</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	6	2	94	102	322
Gain on disposal of capital assets	-	-	-	-	279
Loss on disposal of capital assets	-	-	-	-	(51)
Total nonoperating revenues	<u>6</u>	<u>2</u>	<u>94</u>	<u>102</u>	<u>550</u>
Income (loss) before contributions and transfers	310	34	60	404	3,106
Capital contributions in	-	-	-	-	17
Transfers in	-	-	-	-	2,704
Transfers out	-	-	-	-	(604)
Change in net position	<u>310</u>	<u>34</u>	<u>60</u>	<u>404</u>	<u>5,223</u>
Total net position - beginning	<u>3,511</u>	<u>1,751</u>	<u>16,651</u>	<u>21,913</u>	<u>73,688</u>
Total net position - ending	<u><u>\$ 3,821</u></u>	<u><u>\$ 1,785</u></u>	<u><u>\$ 16,711</u></u>	<u><u>\$ 22,317</u></u>	<u><u>\$ 78,911</u></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, 2014
(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	\$ 887	\$ 450	\$ 53,122	\$ 54,459	\$ 13,635
Receipts connected with interfund activities	-	-	-	-	160,621
Payments to suppliers	(590)	(339)	(46,567)	(47,496)	(117,431)
Payments to employees	(20)	(24)	(4,916)	(4,960)	(39,250)
Payments connected with interfund activities	-	-	(999)	(999)	(13,083)
Net cash provided by operating activities	<u>277</u>	<u>87</u>	<u>640</u>	<u>1,004</u>	<u>4,492</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	500
Transfers out	-	-	-	-	(604)
Net cash provided by noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(100)	-	-	(100)	(4,193)
Transfers in	-	-	-	-	2,204
Proceeds on sales of capital assets	-	-	-	-	380
Net cash provided by (used in) capital and related financing activities	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>(100)</u>	<u>(1,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	6	2	94	102	322
Net cash provided by investing activities	<u>6</u>	<u>2</u>	<u>94</u>	<u>102</u>	<u>322</u>
Net increase (decrease) in cash and cash equivalents	183	89	734	1,006	3,101
Balances at beginning of the year	1,286	362	21,294	22,942	84,006
Balances at end of the year	<u>\$ 1,469</u>	<u>\$ 451</u>	<u>\$ 22,028</u>	<u>\$ 23,948</u>	<u>\$ 87,107</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 304	\$ 32	\$ (34)	\$ 302	\$ 2,556
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	76	66	-	142	1,877
Changes in assets and liabilities:					
Receivables, net	10	(3)	-	7	167
Inventories	-	-	-	-	(277)
Prepaid items	-	-	-	-	147
Contracts receivable	-	-	-	-	67
Accounts payable	(113)	(8)	(1,140)	(1,261)	517
Claims and judgments payable	-	-	1,814	1,814	(438)
Payroll payable	-	-	-	-	81
Unearned revenue	-	-	-	-	(3)
Compensated absences	-	-	-	-	33
Incremental leases payable	-	-	-	-	(235)
Total adjustments	<u>(27)</u>	<u>55</u>	<u>674</u>	<u>702</u>	<u>1,936</u>
Net cash provided by operating activities	<u>\$ 277</u>	<u>\$ 87</u>	<u>\$ 640</u>	<u>\$ 1,004</u>	<u>\$ 4,492</u>
Noncash financing activities:					
Contributions of capital assets from government	\$ -	\$ -	\$ -	\$ -	\$ 17

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

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FIDUCIARY FUNDS

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

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

MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Funds
June 30, 2014
(amounts expressed in thousands)

	<u>Agency Funds</u>
ASSETS	
Restricted assets:	
Cash and investments	\$ 24,012
Receivables - Taxes	67,581
Total assets	<u>91,593</u>
LIABILITIES	
Liabilities payable from restricted assets:	
Accounts payable	14,949
Due to other governmental units	63,655
Amounts held in trust	12,989
Total liabilities	<u>91,593</u>
NET POSITION	
Total net position	<u>\$ -</u>

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(dollar amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

Multnomah County, Oregon (County) was established in 1854 and is organized under the Oregon Revised Statutes (ORS), chapter 201.260, as a municipal corporation. The County is governed by an elected Board of Commissioners, comprised of a Board Chair and four commissioners. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Financial accountability is defined as the appointment of a voting majority of the organization's governing board and where (1) the County is able to significantly influence the programs or services performed or provided by the organization or (2) the County is legally entitled to or can otherwise access the organization's resources. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Component units may also include organizations which are fiscally dependent on the County in that the County approves the budget, the issuance of debt or levying of taxes. Multnomah County has three blended component units which are included in this report.

Blended component units. The Dunthorpe-Riverdale Sanitary Service District No. 1 and the Mid County Lighting Service District No. 14 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 management of the Districts is handled by County management. Separate financial statements for the individual component units may be obtained at the Finance Division of the County's administrative offices.

The Library District of Multnomah County was created on July 1, 2013. In November 2012, the voters of Multnomah County approved a measure to form and fund a library district with a permanent rate dedicated to library services, operations, books, materials, programs, activities and oversight of the district. The District's permanent rate means library operations will have stable and dedicated funding. The Library District is reported as a special revenue fund and is governed by a board comprised of the County's elected Board. The County and the District have executed an intergovernmental agreement which states that the County will be reimbursed by the District for the cost of library operations, provided using County-owned assets. Separate financial statements for the Library District may be obtained at the Finance Division of the County's administrative offices.

The County also maintains a Hospital Facilities Authority (Authority) that issues conduit debt for health care facilities. The Authority is considered to be a blended component unit of the County because the board for the Authority consists of board members from the County. The balances and activity of the Authority are insignificant and therefore the financial statements of the County do not include the Authority. The County is not

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fiscally accountable for the Authority, nor does there exist any financial benefit or burden relationship between the County and the Authority.

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

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

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the *Statement of Net position* 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 and State Program Fund* is a special revenue fund that accounts for primarily grant resources (federal, state and local) and the related expenditures for those programs.

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

The *Sellwood Bridge Replacement Fund* is a capital project fund that accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from Vehicle Registration Fee, City of Portland, State of Oregon and a request for federal funds, debt issuance or other financing proceeds.

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 of Oregon required behavioral health capitated services.

Additionally, the County reports the following fund types:

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

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

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

Internal Service funds account for activities and services performed primarily for other organizational units within the County. The County reports five internal

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service funds: Risk Management Fund, Fleet Management Fund, Information Technology Fund, Mail/Distribution Fund and the Facilities Management Fund.

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

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

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

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

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

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D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position or equity

1. Cash and investments

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

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

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

2. Accounts receivables

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

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

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

Multnomah County residents approved a personal income tax effective from calendar year 2003 through calendar year 2005. The tax was a 1.25% levy on the Oregon taxable income of Multnomah County residents reduced by an exemption amount. The revenues generated from the tax provided funding for public school districts within Multnomah County in

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addition to funding for elderly, disabled and mentally ill persons, and programs for public safety and health. As of fiscal year 2013, the County continues to collect delinquent accounts.

3. *Inventories and prepaid items*

Inventories of materials and supplies in the governmental funds are valued at average cost and is included in non-spendable classification of fund balances. 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. *Fund balances and net position*

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

On the *Balance Sheet – Governmental Funds*, assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources are reported as fund balances and are segregated into separate classifications indicating the extent to which the County is bound to honor constraints on the specific purposes for which those funds can be spent. The Finance and Budget Policies state the County will spend restricted resources first, followed by committed then assigned, with unassigned resources spent last.

Fund balance is reported as *Nonspendable* when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

Fund balance is reported as *Restricted* when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as *Committed* for resources constrained on use authorized by the Board of County Commissioners (BOCC) via their highest level of decision making authority. This is accomplished through either a County Ordinance or Board Resolution. Constraints over how resources are spent are considered an administrative action, which will generally be decided via Board Resolution, while Ordinances are used for legislative actions. Resolutions and Ordinances are considered equally binding in that either can be repealed with a single vote from the

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Board. Resources will be committed prior to June 30th and the amount may be determined at a subsequent date.

Resources that are constrained by the County's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as *Assigned* fund balance. The Board of County Commissioners expresses their intent to use a resource for a specific purpose by including that resource in the adopted annual budget for funds outside of the General Fund. Assigned fund balances are not reported in the General Fund as the County has not established a formal policy regarding the assignment of funds.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is not otherwise reported as nonspendable, restricted or committed within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

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

The *Net investment in capital assets* component of net position represents total capital assets less accumulated depreciation less debt directly related to capital assets. This amount is reported on the *Statement of Net Position* and in the financial statements for Proprietary Fund types.

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted assets. Such revenues include dedicated property taxes, 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. Net position in these resources is reported as restricted on the *Statement of Net Position* and is recorded in separate funds supporting the specific function or operation.

5. *Capital assets*

Capital assets, which includes land, right of ways, property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5 for equipment and \$100 for

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infrastructure and internally developed software with an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Capital assets are depreciated unless they are inexhaustible in nature, such as land and right of ways. Property, plant, and equipment of the County, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

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

6. *Net pension asset*

The net pension asset in the *Statement of Net Position* has been recognized in connection with the debt issued by the County in 1999 to fund the County's Public Employees Retirement System (PERS) unfunded accrued actuarial liability (UAAL). The pension asset is amortized over the life of the debt or thirty years. Amortization expense on the pension asset is included in the general government line item on the *Statement of Activities*.

7. *Unearned revenues*

Unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Revenue is considered earned when all eligibility criteria are met, and the amount is measurable.

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

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liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements at June 30. Liabilities for compensated absences are liquidated as employees separate from service and receive payment for accumulated leave benefits. Expenditures for liquidating the liabilities are recorded in the General, Special Revenue, Capital Projects, Enterprise, and Internal Service Funds.

9. *Long-term obligations*

In the government-wide financial statements and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type *Statement of Net Position*. When incurred, bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. 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.

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

10. *Net other postemployment benefits obligation (net OPEB obligation)*

The County used a five year look-back approach to compute its net OPEB obligation. The net OPEB obligation is recognized as a long-term liability in the government-wide financial statements. The liability reflects both the lump sum payments to employees and the present value of expected future payments. The net other post employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year. This liability is funded via internal service charges from the Risk Management internal service fund to all governmental funds that support personnel costs, via a rate charged to subject salary costs.

11. *Pollution remediation obligations*

When the County determines a pollution remediation obligation exists and management is able to make a reasonable and supportable estimation of expected outlays, a long-term liability is recorded.

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

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

12. *Deferred inflows of resources*

Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period. In the *Statement of Net Position* this includes resources that are received before the County has met eligibility requirements related to time. In the governmental fund financial statements, deferred inflows of resources also include revenues that are measurable but not available.

13. *Contributions*

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

14. *Estimates*

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

15. *Reclassifications*

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

E. *New accounting pronouncements and accounting standards*

The following pronouncements have been issued by the Governmental Accounting Standards Board (GASB) and the County has implemented:

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1. ***GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.*** This statement evaluates and reclassifies various financial statement items that have been previously reported as either assets or liabilities, and evaluates them against the definitions provided for deferred outflows and deferred inflows of resources. This statement is effective for fiscal year ending June 30, 2014; however management has elected to early implement this standard for fiscal year ending June 30, 2013.
2. ***GASB Statement No. 66, Technical Corrections.*** This statement clarified conflicting guidance that was created by GASB statements No. 54 and No. 62, with existing guidance in statements No. 10, No. 13 and No. 48. More specifically, statement No. 66 addressed certain transactions related to risk financing activities, operating leases, purchased loans and gains or losses recognized when service fees related to a transferred loan is significantly difference than “normal” service fee rates. This statement is effective for fiscal year ending June 30, 2014; however the County early implemented this standard in fiscal year ending June 30, 2012.

Management reviewed the financial items identified in the statement and determined there is no impact to County’s current financial accounting and reporting for these types of transactions.

3. ***GASB Statement No. 67, Financial Reporting for Pension Plans.*** The objective of this statement is to improve financial reporting by state and local governmental pension plans. This statement replaces the requirements of statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*. This statement is effective for fiscal year ending June 30, 2014.

The County along with other local governments participate in a cost-sharing multiple employer defined benefit public employee pension plan, PERS. This statement will not directly affect the County’s reporting for PERS, however changes implemented by PERS under No. 67 will affect the County’s reporting and disclosures for No. 68.

4. ***GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees.*** This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement is effective for fiscal year ending June 30, 2014.

Management has evaluated our debt agreements and determined there are no financial guarantees extended to other governments, non-profit organizations or private entities.

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The following pronouncements have been issued by the Governmental Accounting Standards Board (GASB) but not yet implemented by the County:

5. ***GASB Statement No. 68, Accounting and Financial Reporting for Pensions.*** This statement was issued to improve accounting and financial reporting by state and local governments for pensions. This statement replaces requirements of statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as well as requirements of statement No. 50, *Pension Disclosures*. This statement and statement No. 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions and paying benefits to plan members as they come due. This statement will be effective for fiscal year ending June 30, 2015.

The County along, with other local governments, participates in a cost-sharing multiple employer defined benefit public employee pension plan, noted as PERS. The requirements of this standard appear to have a significant impact over financial accounting and reporting for the County's participation in the PERS plan. At this point management is researching all of the requirements outlined in this standard and will be working with other local governments and PERS to ensure proper financial reporting and disclosures are met.

6. ***GASB Statement No. 69, Government Combinations and Disposals of Government Operations.*** This statement establishes accounting and financial reporting standards related to government combinations, including mergers, acquisitions and transfers of operations and disposals of government operations. This statement is effective for fiscal year ending June 30, 2015.

Management will evaluate the elements of this accounting standard to determine the impact, if any, of implementing this standard.

7. ***GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68.*** The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This statement will be effective for fiscal year ending June 30, 2015.

Management is evaluating the impact of implementing this statement in connection with our review of the impact to implement No. 68.

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Note 2. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the trust funds. Any differences from the budgetary basis to the GAAP basis are reconciled on the budget to actual statement. All annual appropriations lapse at fiscal year end.

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

The adopted budget is prepared by fund and department. County department managers may make transfers of appropriations within a department and fund. Transfers and changes (increases) of appropriations between departments or funds require 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.

Note 3. Detailed notes on all funds

A. Cash and Investments

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

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental Activities	\$ 259,386	\$ 110,984	\$ 370,370
Business Type Activities	23,948	-	23,948
Fiduciary Funds	-	24,012	24,012
	<u>\$ 283,334</u>	<u>\$ 134,996</u>	<u>\$ 418,330</u>

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DEPOSIT RISK

Policies

Oregon Revised Statutes, Chapter 295 governs that the Office of the State Treasurer be given responsibility for overseeing collateralization of public funds held by depositories, banks and credit unions, in Oregon. The Public Funds Collateralization Program (PFCP) requires well capitalized depositories to pledge securities with a market value of at least 10% of their uninsured public deposits. The OST may require up to 110% be pledged for those banks that are poorly capitalized. A list of depositories that may accept public deposits over the insurance limits can be found at:

<http://www.oregon.gov/treasury/Divisions/Finance/LocalGov/Pages/default.aspx>.

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.

Custodial Risk

At year-end, the carrying amount of the County's deposits was \$95,997 and the bank balance was \$95,975. Of this bank balance \$8,647 was covered by depository insurance, FDIC or NCUA, and \$87,328 was collateralized by the PFCP. The remaining carrying amount of \$22 represents petty cash accounts that were uninsured and uncollateralized. The County does not have a policy related to custodial risk over cash.

<u>Uninsured Deposits by Depository</u>	<u>Cash Balance</u>	<u>Credit Risk</u>
Bank of America	33,364	Collateralized by PFCP, held by FHLB
Umpqua Bank	21,770	Collateralized by PFCP, held by FHLB
Sterling Bank	20,413	Collateralized by PFCP, held by FHLB
Northwest Community CU	4,750	Collateralized by PFCP, held by FHLB
Willamette Community Bank	3,004	Collateralized by PFCP, held by FHLB
Oregon community CU	1,750	Collateralized by PFCP, held by FHLB
US Bank	1,276	Collateralized by PFCP, held by FHLB
OnPoint CU	1,001	Collateralized by PFCP, held by FHLB
Petty Cash / Imprest Accounts	22	Uncollateralized
	<u>\$87,350</u>	

INVESTMENT RISK

Policies

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

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guaranteed by a qualified financial institution, commercial paper, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool (LGIP), and various interest-bearing bonds of Oregon and other municipalities.

The County's investments are governed by a written investment policy that is reviewed annually by 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. A copy of the policy is located at www.multco.us/finance.

The County is authorized to invest in the Local Government Investment Pool (LGIP), an open-ended, no-load diversified portfolio. The LGIP is comingled with other state funds in the Oregon Short-Term Fund (OSTF). These investments are governed by a written investment policy that is reviewed annually by the, Governor appointed, Oregon Short-Term Fund Board. The OSTF is not managed as a stable net asset value fund; therefore, preservation of principal is not assured. The Oregon Short-Term Fund financial statements and its portfolio rules can be obtained at www.ost.state.or.us. LGIP is not rated by any national rating service.

Custodial Risk

The County's investment policy requires that a third party be used for safekeeping of investment instruments. Investment securities purchased or sold pursuant to the County's investment policy are delivered via payment by book entry or physical delivery to a third party custodian. The investments are held in the county's name and therefore do not have custodial risk.

Concentration of Credit Risk

Policies

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. Purchase of commercial paper and other corporate debt not insured by an agency of the U.S. Government up to 25% of the total investment portfolio is allowed, but may exceed that limit up to 30% for a period not to exceed ten consecutive business days.
4. U.S. Government Agencies are limited to 75% of the investment portfolio.
5. Investments guaranteed by an agency of the U.S. Government (.e.g., the U.S. Treasury or the Federal Depository Insurance Corporation) may be owned without limit.
6. Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term debt rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (2)]. Also, lawfully issued debt obligations of the States of California, Idaho and Washington and their political subdivisions if such obligations have a long-term rating of AA or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (3)]. For these latter obligations, they are allowable subject to ORS 294.040.

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.

	Issuer Holding Greater than Five Percent		
Investment Type / Issuer	Fair Value	Percent of Total Portfolio	Policy Limit
Banker's Acceptance - US Bank	\$ 40,316	9.8%	15%

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As of June 30, 2014, the County had the following unrestricted cash and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity (in months)</u>
US Agencies	\$ 87,626	30.93%	4.2
Corporate Debt	88,002	31.06%	2.4
US Treasuries	20,084	7.09%	1.1
L.G.I.P	2,768	0.98%	<1
Bankers' Acceptances	40,316	14.23%	<1
Municipal Debt	29,390	10.37%	0.9
Cash and Equivalents	15,148	5.34%	0.2
Total unrestricted cash and investments	<u>\$ 283,334</u>	<u>100.00%</u>	
	Portfolio weighted average maturity		9.0

As of June 30, 2014, the County had the following restricted cash and investments. All types reported as restricted had weighted average maturities of less than one month. The County maintains cash with fiscal agent accounts to set aside for debt service requirements per the trustees and bond indentures.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Risk Concentration</u>
L.G.I.P	\$ 54,147	40.11%
Cash with Fiscal Agent	149	0.11%
Cash and Equivalents	80,700	59.78%
	<u>\$ 134,996</u>	<u>100.00%</u>

Interest Rate Risk

Policies

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%

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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.

At June 30, 2014, the County had the following interest rate and concentration risk. Credit ratings are noted by Moody's and Standard & Poor's respectively:

<u>Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Days to Maturity</u>		
			<u>0-90</u>	<u>91-365</u>	<u>366-1,095</u>
US Agency	77,577	Aaa/AA+	6,995	16,755	53,827
	10,049	Not Rated	10,049		
Banker's Acceptance	40,316	A-1+/P-1	33,075	7,241	
Corporate MTN	4,066	Aaa/AAA			4,066
	22,183	Aa1/AA+	2,492	5,103	14,588
	31,778	Aa2	1,703	10,212	19,863
Corporate CP	14,976	A-1+		14,976	
Corporate CP	14,999	A-1	14,999		
Municipal	3,216	Aaa/AAA	1,596		1,620
	15,745	Aa1/AA+		13,243	2,502
	7,202	Aa2/AA		2,323	4,879
	2,227	Aa3/AA-		2,227	
	1,000	A2/A		1,000	
LGIP	56,915	AA*	56,915		
Total:	<u>302,249</u>		<u>127,824</u>	<u>73,080</u>	<u>101,345</u>
Percentage			42%	24%	34%

* This represents the average rating of the investments held by the Local Government Investment Pool or LGIP.

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B. Receivables

Receivables as of year-end for the County's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are noted below.

	Governmental Activities							Total
	General Fund	Federal and State Program Fund	Sellwood Bridge Fund	Internal Service Funds	Non-major Funds	Total Governmental Activities	Business-type Activities	
Receivables:								
Taxes:								
Income	\$ 12,595	\$ -	\$ -	\$ -	\$ -	\$ 12,595	\$ -	\$ 12,595
Property	15,610	-	-	-	3,712	19,322	-	19,322
Other	5,661	-	-	-	2,632	8,293	-	8,293
Accounts	40,488	29,653	3,699	828	7,129	81,797	1	81,798
Loans	-	665	-	-	-	665	-	665
Interest	991	-	-	-	-	991	-	991
Special assessments	11	-	-	-	-	11	81	92
Contracts	693	-	-	-	-	693	-	693
Gross receivables	76,049	30,318	3,699	828	13,473	124,367	82	124,449
Less: allowance for discounts and uncollectible amounts	(14,213)	(1,640)	-	-	-	(15,853)	(3)	(15,856)
Net total receivables	<u>\$ 61,836</u>	<u>\$ 28,678</u>	<u>\$3,699</u>	<u>\$ 828</u>	<u>\$13,473</u>	<u>\$108,514</u>	<u>\$ 79</u>	<u>\$ 108,593</u>

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 inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report a liability 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 inflows of resources and unearned revenue reported in the governmental funds were as follows:

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	<u>Deferred Inflows of Resources</u>	<u>Unearned Revenue</u>
Personal income tax receivable	\$ 12,591	\$ -
Allowance for doubtful accounts – personal income tax	(12,281)	-
Property taxes receivable (General Fund)	13,945	-
Property taxes receivable (other governmental funds)	3,300	-
Clinic fee revenues	26,541	-
Grant draws prior to meeting time requirements	340	-
Grant draws prior to meeting all eligibility requirements	-	11,417
Loans receivable	-	665
Special assessments receivable	-	11
Contracts receivable	-	693
Tax title land sales inventory	-	175
State vaccine inventory	-	627
Totals for governmental funds	\$ 44,436	\$ 13,588

Amounts reported above as unearned are reported as unearned revenue in governmental activities on the *Statement of Net Position*. Governmental activities also include Internal Service Funds, which report \$41 in unearned revenue, resulting in total unearned revenue on the *Statement of Net Position* of \$13,629.

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C. Capital assets

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 14,998	\$ 175	\$ -	\$ -	\$ 15,173
Right-of-way	196,959	38	-	(154)	196,843
Construction in progress	148,898	92,619	(1,535)	-	239,982
Works of art	4,430	-	-	-	4,430
Buildings-not in service	47,409	-	-	(300)	47,109
Total capital assets, not being depreciated	<u>412,694</u>	<u>92,832</u>	<u>(1,535)</u>	<u>(454)</u>	<u>503,537</u>
Capital assets, being depreciated:					
Buildings	398,721	861	224	(1,040)	398,766
Improvements other than buildings	918	12	80	-	1,010
Machinery and equipment	108,016	10,303	1,231	(9,129)	110,421
Bridges	156,395	-	-	-	156,395
Infrastructure	369,973	1,298	-	(795)	370,476
Total capital assets being depreciated	<u>1,034,023</u>	<u>12,474</u>	<u>1,535</u>	<u>(10,964)</u>	<u>1,037,068</u>
Less accumulated depreciation for:					
Buildings	(166,828)	(9,988)	-	978	(175,838)
Improvements other than buildings	(257)	(38)	-	-	(295)
Machinery and equipment	(76,258)	(9,455)	-	8,946	(76,767)
Bridges	(76,229)	(2,430)	-	-	(78,659)
Infrastructure	(275,549)	(9,274)	-	645	(284,178)
Total accumulated depreciation	<u>(595,121)</u>	<u>(31,185)</u>	<u>-</u>	<u>10,569</u>	<u>(615,737)</u>
Total capital assets being depreciated, net	<u>438,902</u>	<u>(18,711)</u>	<u>1,535</u>	<u>(395)</u>	<u>421,331</u>
Governmental activities capital assets, net	<u>\$ 851,596</u>	<u>\$ 74,121</u>	<u>-</u>	<u>\$ (849)</u>	<u>\$ 924,868</u>
Business-type activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 74	\$ 100	\$ -	\$ -	\$ 174
Total capital assets, not being depreciated	<u>74</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>174</u>
Capital assets, being depreciated:					
Improvements other than buildings	6,605	-	-	-	6,605
Total capital assets being depreciated	<u>6,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,605</u>
Less accumulated depreciation for:					
Improvements other than buildings	(3,006)	(142)	-	-	(3,148)
Total accumulated depreciation	<u>(3,006)</u>	<u>(142)</u>	<u>-</u>	<u>-</u>	<u>(3,148)</u>
Total capital assets being depreciated, net	<u>3,599</u>	<u>(142)</u>	<u>-</u>	<u>-</u>	<u>3,457</u>
Business-type activities capital assets, net	<u>\$ 3,673</u>	<u>(42)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,631</u>

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During fiscal year 2005 the County finalized the construction of the Wapato Jail. Since the completion of the jail in 2005, the County has not funded an operating budget for the jail; therefore the jail has not been placed into service and is not being depreciated. The capitalized cost of the jail in fiscal year 2005 was \$51,164. As the jail has not been put into operation, management has estimated a total asset impairment of \$4,055. The adjusted balance of the Wapato Jail is \$47,109. This amount is included in the above capital asset schedule. Management continues to look for options to operate the jail. When the jail becomes operational it will be depreciated over forty years.

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

Governmental activities:	
General government	\$ 11,044
Health services	275
Social services	13
Public safety & justice	382
Community services	2,043
Library	6,523
Roads and bridges	10,905
Total depreciation expense – governmental activities	<u>\$ 31,185</u>
Business-type activities:	
Sewer	\$ 76
Lighting	66
Total depreciation expense – business-type activities	<u>\$ 142</u>

D. Net pension asset

The balance of the net pension asset, net of accumulated amortization at June 30, 2014 was \$94,837. Amortization expense in the statement of activities on the net pension asset was \$6,152, respectively for the year ended June 30, 2014.

E. Interfund receivables, payables, and transfers

Due from / to other funds:

The County records “due from” and “due to” transactions in order that individual funds will be able to meet cash flow needs at year end and prevent a fund from reporting a negative cash balance. The amount payable to the General Fund and Library Fund are related to providing interim working capital financing for video lottery and Library District. This balance is collected in the subsequent year. The composition of the interfund balance as of June 30, 2014 is as follows:

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Receivable Funds	Payable Funds	Amount
General Fund	Video Lottery Fund	\$ 400
Library Fund	Library District Fund	\$ 245

Interfund Transfers:

Following are the County's interfund transfers for the year ended June 30, 2014. Significant transfers include \$8,587 from the General Fund to the Capital Improvement Fund for Facilities capital projects, including the Health Headquarters, and a transfer of \$62,881 from the Library District Fund to the Library Fund to support library operations. The Library District fund and Library fund transfer is necessary for financial reporting purposes, however this transfer is reported as intergovernmental revenue and expenditures on the budgetary basis.

	General Fund	Other Governmental Funds	Internal Service Funds	Total transfers out
Transfers out:				
General Fund	\$ -	\$ 9,088	\$ 2,704	\$11,792
Federal State Fund	787	-	-	787
Other Governmental Funds	1,827	62,881	-	64,708
Internal Service Funds	-	604	-	604
Total transfers in:	\$2,614	\$ 72,573	\$2,704	\$ 77,891

F. Long-term debt

General Obligation Bonds

In March 2010, the County issued \$45,175 in General Obligation Refunding bonds, Series 2010 at a premium of \$4,870, with interest rates from 3.00% - 5.00%. These bonds were issued to refund previously issued General Obligation debt. At June 30, 2014 the outstanding balance on the Series 2010 bonds was \$17,725 and the balance on the unamortized premium was \$2,087.

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:

Purpose	Interest Rates	Amount
Governmental activities	3.00-5.00%	\$ 17,725

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

Year Ending June 30	Principal	Interest
2015	\$ 6,155	\$ 617
2016	5,665	349
2017	5,905	118
Total	\$ 17,725	\$ 1,084
Premium on long-term debt	2,087	
Total	\$ 19,812	

Full Faith and Credit Bonds

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds with interest rates from 6.49% to 7.74% to fund the County's unfunded accrued actuarial liability (UAAL). The County estimates that by funding the actuarial liability, the County will receive a present value savings of about \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Payment of principal and interest, except for a term bond, will be guaranteed by National Public Finance Guarantee. At June 30, 2014, \$122,562 of these bonds were outstanding.

On October 1, 2004, the County issued \$54,235 in Full Faith and Credit Refunding Obligations, Series 2004 at a premium of \$5,089, with interest rates from 3.00% to 5.00%. The 2004 issue refunded \$27,985 of outstanding Full Faith and Credit Bonds, Series 2000 with interest rates from 5.00% to 5.50% and \$22,015 of outstanding Certificates of Participation, Series 1999 with interest rates from 4.00% to 4.75%, and \$4,960 of outstanding Certificates of Participation, Series 1998 with interest rates from 3.75% to 4.90%. The difference between the present value of the old debt service requirements and the present value of the new debt service requirements is recorded as a deferred charge of \$3,887, which is amortized as a component of interest expense over the life of the new debt and reported as a deferred outflow of resources on the *Statement of Net Position*. The Series 1999 and Series 2000 have since been paid off in full. On June 18, 2014, the County issued \$22,530 as a current refunding to refund future maturities on the 2004 Series. At June 30, 2014 the balance of the deferred outflow was zero. At June 30, 2014, \$6,185 of these bonds were outstanding.

On March 31, 2010, the County issued \$9,800 in Full Faith and Credit Obligations, Series 2010 at a premium of \$573, with interest rates from 2.00% - 3.00%. The obligations were issued to finance the replacement cost of the County's data center, provide for telephone enhancements, deferred facilities maintenance and assist with a project to automate the movement of library materials. At June 30, 2014, the balance on the unamortized premium was \$246 and \$4,355 on the debt was outstanding.

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On December 14, 2010, the County issued \$15,000 in Full Faith and Credit Obligations, Series 2010B with interest rates from 4.00% to 4.70%. The proceeds from the sale of the obligations were used to finance the construction costs for the East County Courthouse (ECC). At June 30, 2014 the entire debt issue was outstanding.

On December 4, 2012, the County issued \$128,000 in Full Faith and Credit Obligations, Series 2012 at a premium of \$21,113, with interest rates from 3.00% - 5.00%. The obligations were issued to finance and refinance constructions of the Sellwood Bridge. The obligations will support construction of a new Sellwood Bridge along with upgrades to the east and west end approaches. At June 30, 2014, \$123,955 of the bonds were outstanding and the balance of the unamortized premium was \$20,057.

On June 18, 2014, the County issued \$22,530 in Full Faith and Credit Refunding Obligations Series 2014 at a premium of \$2,562 with interest rates from 3.00% - 5.00%. This debt issue was a current refunding of which the proceeds of the obligations were used to refund future debt service (fiscal years 2016 through 2020 or \$24,395 in principal) on the Series 2004 debt issue. At June 30, 2014 the entire balance of the bonds and the unamortized premium were outstanding.

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

Purpose	Interest Rates	Amount
Governmental activities	1.50-7.74%	\$ 294,587

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

Year Ending June 30	Principal	Interest
2015	\$ 16,239	\$ 21,564
2016	16,410	20,221
2017	27,590	10,770
2018	29,065	9,001
2019	31,790	7,126
2020 – 2024	64,950	137,028
2025 – 2029	67,486	173,705
2030 – 2033	41,057	41,730
Sub-total	294,587	\$ 421,145
Premium on long-term debt, net	22,865	
Total	\$ 317,452	

The full faith and credit bonds are included in the bonds payable line item on the *Statement of Net Position*.

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<u>Full faith and credit bonds</u>	<u>Long-term</u>	<u>Current</u>	<u>Total</u>
Maturities	\$ 278,348	\$ 16,239	\$ 294,587
Premium on long-term debt	21,300	1,565	22,865
Total	<u>\$ 299,648</u>	<u>\$ 17,804</u>	<u>\$ 317,452</u>

Capital Leases

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

<u>Asset</u>	<u>Governmental Activities</u>
Buildings	\$ 80,434
Less: Accumulated depreciation	(37,613)
Total	<u>\$ 42,821</u>

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.50-4.90%	<u>\$ 1,333</u>

Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Governmental</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 142	\$ 111
2016	149	103
2017	156	96
2018	28	90
2019	31	87
2020 – 2024	213	377
2025 – 2029	355	236
2030 – 2032	259	36
Total	<u>\$ 1,333</u>	<u>\$ 1,136</u>

Loans Payable

In fiscal year 2009, the County entered into a loan agreement with the Oregon Department of Transportation – Financial Services for the purpose of making capital improvements to the County’s road system. The total outstanding under this agreement was \$2,919 at June 30, 2014.

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The loan obligation outstanding at year-end are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.98%	\$ 2,919

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

Year Ending June 30	Principal	Interest
2015	\$ 194	\$ 116
2016	202	108
2017	210	100
2018	218	92
2019	227	83
2020 – 2023	1,281	272
2024 – 2026	587	35
Total	\$ 2,919	\$ 806

Pollution Remediation Obligations

Pollution remediation obligations address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, including pre-cleanup activities, cleanup activities, government oversight and enforcement-related activities, and postremediation monitoring. Included in the current year's additions and reductions are pollution remediation activities related to various properties where the County is responsible for cleanup costs. The year-end liability for pollution remediation includes estimates environmental monitoring activities at a former landfill, where methane gas has been detected. The County has installed probes that are checked monthly for levels of methane and other gases associated with a closed landfill. The year-end liability estimate for this site includes continued monitoring of existing conditions and costs for installation of additional gas probes. The County legally obligated itself to commence cleanup or monitoring. The site is subject to DEQ regulation and oversight at this time. Pollution remediation activities were paid by an internal service fund.

The County is also addressing pollution remediation concerns in connection with the construction of a new County bridge, the Sellwood Bridge project. Any pollution remediation costs incurred with the construction of the Sellwood Bridge project are capitalized with the bridge. Management estimates any pollution remediation costs for the Sellwood Bridge project to be immaterial to the total construction cost for the bridge. The costs for pollution remediation are paid for by the capital project fund for the Sellwood Bridge.

The calculation for the June 30, 2014 pollution remediation obligation is an estimate determined by management using the expected cash flow techniques and applying

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probabilities to the pollution remediation activities. The County's pollution remediation obligation is an estimate that is subject to changes resulting from price increases and decreases, changes in technology as well as changes in applicable laws and regulations. The current pollution remediation obligation does not provide for any recoveries that could reduce the liability. Changes in the County's pollution remediation obligation are noted in the schedule below and the liability is recorded on the *Statement of Net Position*.

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments & Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 27,718	\$ -	\$ 7,906	\$ 19,812	\$ 6,851
Full Faith and Credit Bonds	337,075	22,530	42,153	317,452	17,804
Capital Leases	1,468	-	135	1,333	142
Loans Payable	3,133	-	214	2,919	194
Long-term debt before Other long-term liabilities	369,394	22,530	50,408	341,516	24,991
Pollution Remediation Obligations	28	65	33	60	60
Compensated Absences	26,890	29,723	29,044	27,569	25,117
Governmental activity long-term liabilities	<u>\$ 396,312</u>	<u>\$ 52,318</u>	<u>\$ 79,485</u>	<u>\$ 369,145</u>	<u>\$ 50,168</u>

Conduit Financing

Multnomah County Conduit Financing

On December 1, 1999, the County issued \$9,830 in Higher Education Variable Rate Demand Revenue Bonds. The proceeds of these bonds were used to provide funds to reimburse Concordia University for the costs of acquiring, constructing and improving the educational facilities of the University (the Project), fund a debt service reserve fund and pay the costs of issuing the bonds. The Higher Education Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by Concordia University. The County is not responsible for the repayment of conduit debt. 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, 2014, \$6,885 of the Higher Education Variable Rate Demand Revenue Bonds were outstanding.

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

Hospital Facilities Authority of Multnomah County Conduit Financing

On December 3, 1998, the County created a component unit, the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). The Authority issues hospital revenue bonds for construction and improvements to health facilities in Multnomah County. The proceeds of these bonds issues were used by health care facilities to finance various capital projects and refund outstanding bonds. The debt has not been recognized as a liability of the County or the Authority because the bonds are secured solely by the provisions of the bond indenture and payments are made by the health care facilities. The obligors have pledged the gross revenues of the health care facilities to secure payment of the bonds. The bonds shall not be payable from a charge upon any fund or asset, nor shall the County or the Authority be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County. Upon completion of the project, the assets constructed or purchased are owned by respective health care facility. Since neither the County nor the Authority own any assets or assume any liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County's financial statements. A summary of the Authority's conduit debt is as follows:

<u>Obligor (Health Care Facility), debt issue, terms</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Providence Health System, Revenue Bonds, Series 2004, due serially through October 1, 2024	100,000	79,090
Terwilliger Plaza, Revenue Bonds, Series 2006, due serially through December 1, 2036	39,765	16,395
Pacific Mirabella (at South Waterfront Project), Variable Rate Demand Revenue Bonds, Series 2008A and 2008B, due serially through September 30, 2048	221,645	89,835
Adventist Health System/West, Revenue Bonds, Series 2009A, due September 1, 2021 and September 1, 2040	66,535	66,535
Holladay Park Plaza, Revenue and Refunding Bonds, Variable Rate Demand Revenue Refunding Bonds, Series 2010A, due serially through December 1, 2040	14,460	13,555
Terwilliger Plaza, Revenue and Refunding Bonds, Series 2012, due serially through December 1, 2029	18,245	17,475
Odd Fellows Home-Friendship Health Center, Variable Rate Demand Revenue Refunding Bonds, Series 2013, due serially through September 15, 2020	7,280	7,245
Holladay Park Plaza, Revenue Bonds, Series 2013, due serially through December 1, 2043	3,041	3,041
	<u>\$ 470,971</u>	<u>\$ 293,171</u>

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G. Fund balances, Governmental funds

On the *Balance Sheet – Governmental Funds*, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances by classification for the year ended June 30, 2014 were as follows:

	General Fund	Federal and State Program Fund	PERS Bond Fund	Sellwood Bridge Replace- ment Fund	Other Govern- mental Funds	Total Govern- mental Funds
Fund balances						
Nonspendable:						
Inventories	\$ 417	\$ -	\$ -	\$ -	\$ 268	\$ 685
Prepaid items	205	437	-	251	159	1,052
Restricted:						
Capital projects, buildings	-	-	-	-	18,242	18,242
Community support programs	-	5,947	-	-	1,223	7,170
Debt service	-	-	-	-	6,727	6,727
Document storage and retrieval	254	-	-	-	-	254
Library operations	-	-	-	-	1,175	1,175
Road, bridge and bike path improvements	-	-	-	67,827	3,697	71,524
Committed:						
Capital projects, buildings	-	-	-	-	23,679	23,679
Capital projects, information technology	-	-	-	-	2,915	2,915
Community support programs	-	-	-	-	359	359
Debt service	-	-	69,365	-	914	70,279
Road, bridge and bike path improvements	-	-	-	2,419	-	2,419
Assigned:						
Capital equipment acquisition	-	-	-	-	226	226
Capital projects, information technology	-	-	-	-	949	949
Community support programs	-	-	-	-	441	441
Library operations	-	-	-	-	8,077	8,077
Road, bridge and bike path improvements	-	-	-	477	4,324	4,801
Unassigned	44,477	(207)	-	-	-	44,270
Total fund balances	<u>\$45,353</u>	<u>\$ 6,177</u>	<u>\$69,365</u>	<u>\$70,974</u>	<u>\$ 73,375</u>	<u>\$ 265,244</u>

Note 4. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County established risk management programs for liability, workers' compensation and medical/dental, whereby premiums are calculated

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on payroll expenses in all funds and are paid into the risk management fund, an internal service 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, 2014, 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. A discount factor of .929 and .947 were used to estimate the year-end workers' compensation component and the liability component, respectively. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The County's excess insurance coverage policies cover claims in excess of \$1,000 for workers' compensation and \$1,000 for all liability claims. Settlements have not exceeded coverages for each of the past three fiscal years. The County anticipates the balance in the claims liability account at year-end will be paid within the next fiscal year.

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

	Fiscal Year Ended 6/30/14	Fiscal Year Ended 6/30/13
Unpaid claims, beginning of fiscal year	\$ 11,230	\$ 11,384
Incurred claims (including IBNRs)	26,948	24,722
Actuarial adjustment	(3,079)	(2,758)
Claim payments	(24,307)	(22,118)
Unpaid claims, end of fiscal year	<u>\$ 10,792</u>	<u>\$ 11,230</u>

B. 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

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these matters will not have a material adverse effect on the financial condition of the County.

The following is a schedule by years of future minimum rental payments required under operating leases for certain land, buildings and equipment used in governmental operations that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2014.

<u>Year ended June 30</u>	
2015	\$ 4,743
2016	4,349
2017	4,216
2018	3,268
2019	462
2020 – 2024	298
2025	4
Total minimum payments	<u>\$ 17,340</u>

The County recorded \$4,551 in base rent expense for the year ended June 30, 2014. Total rent expense was \$5,966, which includes operating and maintenance costs.

The County has entered into various construction and non-construction contracts at fiscal year-end. The commitments noted below are evidenced by signed purchase orders or contracts which were entered into prior to June 30, 2014.

<u>Construction Commitment Description</u>	<u>Fiscal Year Ended 6/30/14</u>
Buildings	\$ 5,604
Bridges	91,273
Roads	1,286
Sewer	135
Total outstanding contracts	<u>\$ 98,298</u>

C. Postemployment benefits other than pensions

Plan description. The County administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. In general, the plan states the County shall pay 50% of the monthly medical insurance premium on behalf of a County retiree and his/her eligible dependents from the retiree's fifty-eighth birthday or date of retirement, whichever is later, until the retiree's sixty-fifth birthday, death or eligibility for Medicare, whichever is earlier, if the retiree has: five years of continuous County service immediately preceding retirement at

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or after age fifty-eight years; or ten years of continuous County service immediately preceding retirement prior to age fifty-eight years. The County's postemployment medical plan does not issue a publicly available financial report.

Funding policy. The County has not established a trust fund to hold resources for the payment of benefits for the net OPEB obligation. Contribution requirements also are negotiated between the County and union representatives. In general, the County offers retirees a health benefit equal to half of their monthly premium and retirees are required to pay the other half. The benefit is generally offered from age 58 to age 65. The County's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The County is contractually obligated by collective bargaining agreements to cover 50% of the annual premium costs which is 2.00% of annual covered payroll to fund the retiree benefit. At June 30, 2014, there were 690 retirees that were enrolled in the postemployment medical benefit and 737 enrolled in dental. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2014, the County contributed \$7,218 to the plan. Of this amount, \$2,578 was explicitly contributed as part of the contractual obligation described above. The remaining \$4,640 represents the implicit subsidy derived from active employee contributions.

Annual OPEB cost and net OPEB obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the guidance of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the fiscal year ending June 30, 2014, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 12,279
Interest on net OPEB obligation	3,875
Adjustment to annual required contribution	<u>(3,690)</u>
Annual OPEB cost (expense)	12,464
Contributions made	<u>(7,218)</u>
Increase in net OPEB obligation	5,246
Net OPEB obligation - beginning of year	<u>110,700</u>
Net OPEB obligation - end of year	<u><u>\$ 115,946</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and three preceding years were as follows:

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<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/11	14,689	50%	97,403
6/30/12	15,261	49%	105,187
6/30/13	11,980	54%	110,700
6/30/14	12,464	58%	115,946

Funded status and funding progress. As of the most recent actuarial report, January 1, 2013, the actuarial accrued liability for benefits was \$134,712 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$134,712. The covered payroll (annual payroll of active employees covered by the plan) was \$289,938 for fiscal year 2014 and the ratio of the UAAL to the covered payroll was 46%.

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

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

In the most recently conducted, actuarial valuation (as of January 1, 2013), the projected unit credit method actuarial cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on historical and expected returns on the County's short-term investment portfolio. A discount rate of 3.5% was used in the most recent actuarial valuation for the closed period. The actuarial report incorporates the projected effect of the healthcare reform law, The Patient Protection and Affordable Care Act (PPACA), passed into law in March 2010. A significant item in the law begins in 2018 when the County's plan may be subject to a 40% excise tax on the value of benefits provided above a certain dollar level. Because of some uncertainties in the excise tax component, the

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calculation of a precise obligation for this tax is impossible at this time. The report also states health care costs rates are grading down from 8.0% in 2013 to 7.2% in 2017. The report includes assumptions for medical inflation at 4.0% and annual payroll growth rate of 3.5%. The County's unfunded actuarial accrued liability is re-determined each valuation and amortized over a 30 year open period as a level percentage of payroll. The remaining amortization period at June 30, 2014 is 30 years.

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

Pension plan descriptions. The County is a participating employer in the Oregon Public Employee Retirement System (PERS), a multiple-employer defined benefit public employee pension plan, and maintains a defined contribution plan for the purpose of individual retirement savings through PERS. PERS is administered under Oregon Revised Statutes Chapter 238 and Internal Revenue Service 401(a) by the Public Employees Retirement Board (PERB). County employees are eligible to participate in PERS after six months of employment and benefits vest after completing at least 600 hours in each of five years (the years do not need to be consecutive) or at normal retirement age provided the employee is an active member at the time.

PERS, a component of the State of Oregon, issues a comprehensive annual financial report that can be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281.

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.

There are three different tiers of membership based on the individual's original hire date with an Oregon PERS employer. County employees participate in one or more PERS retirement plans that provide pension, death, disability and post-employment healthcare to members or their beneficiaries.

PERS Tier 1 and Tier 2 (Public Employee Retirement System) is a cost-sharing multiple-employer defined benefit pension plan provided to members who were hired prior to August 29, 2003. The County is a member of PERS and is rated with the State and Local Government Rate Pool (SLGRP). Employees are in either Tier 1 or Tier 2 depending upon their date of hire. Different benefit structures apply to the tiers – for example, Tier 2 employees do not receive a guaranteed rate of return on their accounts. Effective January 1, 2004 Tier 1 and Tier 2 program participant contributions fund individual retirement

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accounts under the separate defined contribution program, made part of the Oregon Public Service Retirement Plan, that is described below.

Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the PERB. The County's Tier 1/Tier 2 PERS rate for fiscal year 2014 was 11.85% in accordance with the December 31, 2011 actuarial valuation. This rate included a combined factor for the Tier One / Tier Two, OPSRP and Retiree Healthcare unfunded actuarial liability (UAL) totaling 4.98%. Separate actuarial reports have been provided to individual employer members, and separate contribution requirements determined as a result of those valuations, but the plan is a cost-sharing plan under GASB and the County reports its participation accordingly.

OPSRP (Oregon Public Service Retirement Plan) is a cost-sharing multiple-employer defined benefit and defined contribution pension plan created by the Oregon Legislative Assembly in 2003 as a successor plan for PERS.

The defined benefit pension plan is provided to members who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the PERB. The annual required contribution rates for the OPSRP defined benefit pension plan during fiscal year 2014 were 8.26% for general service employees and 10.97% for police and fire employees. Similar to the PERS rate, these rates included a 4.98% factor for the combined UAL.

The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. Multnomah County has elected to pay all of the employees' required IAP contributions. Although PERS members retain their existing PERS account, all current member contributions are deposited into the member's IAP.

Funding policy. The contribution requirements of the County are established and may be amended by the State. The County is contractually obligated by collective bargaining agreements to pay the required employee contribution of 6.0% of annual covered payroll and represents a blended rate for all three different tiers of membership. The County is also required to contribute at an actuarially determined rate. The general service net employer contribution rate is 11.85% of annual covered payroll for PERS (Tier 1/Tier 2) and 8.26% of annual covered payroll for OPSRP. In addition to the funding requirements, the County also charges an internal rate of 6.25% of payroll to departments to fund the repayment of the pension obligation bonds issued in 1999.

Annual pension cost. For 2014, the County's annual pension cost of \$47,178 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. This actuarial valuation is the most recent available at

MULTNOMAH COUNTY, OREGON
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(dollar amounts expressed in thousands)

the time of printing this report. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 2.75% per year, (c) projected wage growth, excluding seniority / merit raises, of 3.75% per year and (d) trending healthcare costs from 6.9% in 2012 to 4.5% in 2029. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 2011, was 20 years.

Three Year Trend Information for PERS:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$ 46,536	100%	\$ -
6/30/13	48,259	100%	-
6/30/14	47,178	100%	-

Deferred Compensation Plan

Plan description. The County offers employees a deferred compensation plan (the Plan) administered by the County. The Plan is a defined contribution plan created in accordance with Internal Revenue Code Section 457. The County's deferred compensation committee has the authority to establish or amend the plan provisions. 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. Participation in the plan is voluntary. Contributions are made through salary withholdings from participating employees up to the amounts specified in the Code. No contributions are required from the County. As of June 30, 2014, 3,932 individuals were participating in the 457 plan. 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, 2014, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$288,879. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

E. Subsequent events

On September 23rd, 2014, the Hospital Facility Authority of Multnomah County issued conduit debt in the amount of \$93,380 at 5.56% to refund the 2008 variable rate demand revenue bonds on behalf of Portland Mirabella. The balance of the refunded 2008 bonds was \$89,835.

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REQUIRED SUPPLEMENTARY INFORMATION

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2014
(dollar amounts expressed in thousands)

Other Postemployment Healthcare Benefits
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Projected Unit Credit (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/09	\$ -	\$ 122,605	\$ 122,605	0%	\$263,090	47%
01/01/11	\$ -	\$ 154,198	\$ 154,198	0%	\$273,983	56%
01/01/13	\$ -	\$ 134,712	\$ 134,712	0%	\$289,938	46%

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

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Road Fund
- Bicycle Path Construction Fund
- Recreation Fund
- County School Fund
- Animal Control Fund
- Willamette River Bridges Fund
- Library Fund
- Special Excise Tax Fund
- Land Corner Preservation Fund
- Inmate Welfare Fund
- Justice Services Special Operations Fund
- Oregon Historical Society Special Levy Fund
- Video Lottery Fund
- Library District Fund

Debt Service Funds

- Capital Debt Retirement Fund
- General Obligation Bond Fund

Capital Projects Funds

- Equipment Acquisition Fund
- Financed Projects Fund
- Capital Improvement Fund
- Asset Preservation Fund

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014
(amounts expressed in thousands)

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Unrestricted:				
Cash and investments	\$ 15,370	\$ 914	\$ 29,766	\$ 46,050
Receivables:				
Taxes	3,992	-	-	3,992
Accounts	1,211	-	33	1,244
Due from other funds	245	-	-	245
Inventories	232	-	36	268
Prepaid items	159	-	-	159
Restricted:				
Cash and investments	11,660	6,686	18,568	36,914
Receivables:				
Taxes	1,824	528	-	2,352
Accounts	5,885	-	-	5,885
Total assets	<u>\$ 40,578</u>	<u>\$ 8,128</u>	<u>\$ 48,403</u>	<u>\$ 97,109</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 5,418	\$ -	\$ 2,030	\$ 7,448
Payroll payable	973	-	-	973
Liabilities payable from restricted assets:				
Accounts payable	10,939	19	326	11,284
Payroll payable	34	-	-	34
Due to other funds	645	-	-	645
Total liabilities	<u>18,009</u>	<u>19</u>	<u>2,356</u>	<u>20,384</u>
DEFERRED INFLOWS OF RESOURCES				
Resources not yet available:				
Property taxes	2,832	468	-	3,300
Resources received before time requirements met	50	-	-	50
Total deferred inflows of resources	<u>2,882</u>	<u>468</u>	<u>-</u>	<u>3,350</u>
FUND BALANCES				
Nonspendable	391	-	36	427
Restricted	6,095	6,727	18,242	31,064
Committed	359	914	26,594	27,867
Assigned	12,842	-	1,175	14,017
Total fund balances	<u>19,687</u>	<u>7,641</u>	<u>46,047</u>	<u>73,375</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,578</u>	<u>\$ 8,128</u>	<u>\$ 48,403</u>	<u>\$ 97,109</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes	\$ 100,504	\$ 6,998	\$ -	\$ 107,502
Payments in lieu of taxes	1	5	-	6
Intergovernmental	47,069	298	10,000	57,367
Licenses and permits	4,760	-	-	4,760
Charges for services	7,136	-	57	7,193
Interest	124	22	141	287
Other	2,820	17,296	7,253	27,369
Total revenues	<u>162,414</u>	<u>24,619</u>	<u>17,451</u>	<u>204,484</u>
EXPENDITURES				
Current:				
General government	331	119	4,502	4,952
Public safety and justice	7,003	-	-	7,003
Community services	35,424	-	1,917	37,341
Library services	58,193	-	-	58,193
Roads and bridges	45,475	-	-	45,475
Capital outlay	10,186	-	5,968	16,154
Debt service:				
Principal	-	44,459	-	44,459
Interest	25	9,663	-	9,688
Total expenditures	<u>156,637</u>	<u>54,241</u>	<u>12,387</u>	<u>223,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,777</u>	<u>(29,622)</u>	<u>5,064</u>	<u>(18,781)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of refunding debt	-	22,530	-	22,530
Premium on long-term debt	-	2,562	-	2,562
Transfers in	62,881	-	9,692	72,573
Transfers out	(64,708)	-	-	(64,708)
Total other financing sources (uses)	<u>(1,827)</u>	<u>25,092</u>	<u>9,692</u>	<u>32,957</u>
Net change in fund balances	3,950	(4,530)	14,756	14,176
Fund balances - beginning	15,737	12,171	31,291	59,199
Fund balances - ending	<u>\$ 19,687</u>	<u>\$ 7,641</u>	<u>\$ 46,047</u>	<u>\$ 73,375</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:

- **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.
- **Bicycle Path Construction Fund** - accounts for revenue and expenditures for bicycle paths. Revenue is one percent of State motor vehicle fees.
- **Recreation Fund** - accounts for State revenues and the pass through disbursements to Metro for the operation of parks.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **Animal Control Fund** - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- **Willamette River Bridges Fund** - accounts for capital grants and contributions for County bridges, motor vehicle fees, and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- **Library Fund** – accounts for the public library operations, including the serial property tax levy dedicated to library operations.
- **Special Excise Tax Fund** - accounts for a transient lodging tax and motor vehicle tax collection to be used for convention center expenditures.
- **Land Corner Preservation Fund** - accounts for the collection of fees on all recordings of real property transactions and surveying activity. The fund makes expenditures to maintain public land corners.
- **Inmate Welfare Fund** - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- **Justice Services Special Operations Fund** - accounts for revenues and expenditures dedicated to justice services in the community justice department, district attorney's office, and sheriff's office.
- **Oregon Historical Society Levy Fund** - accounts for the five year local option levy revenues collected on behalf of the Oregon Historical Society and four east county Historical Societies. The funding is passed through to support the history library, museum and educational programs.
- **Video Lottery Fund** - accounts for revenues received from the Oregon State Lottery. Expenditures are restricted to furthering economic development per House Bill 3188 passed during the Regular Session of the 76th Oregon Legislative Assembly.
- **Library District Fund** – accounts for the revenues and expenditures of the Multnomah Library District. The primary source of revenue is property tax collections related to the permanent rate passed by the voters of Multnomah County for the creation of the Multnomah County Library District on July 1, 2013. Additional sources of revenue include fine and grants. The expenditures are made pursuant to an intergovernmental agreement for library services provided by Multnomah County Library. Library operations will continue out of the Library Fund, with periodic reimbursements from the Library District Fund to the Library operations fund per the intergovernmental agreement.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014
(amounts expressed in thousands)

	<u>Road</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>	<u>Animal Control</u>	<u>Willamette River Bridges</u>
ASSETS						
Unrestricted:						
Cash and investments	\$ 3,052	\$ -	\$ -	\$ -	\$ 5	\$ 1,206
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	727	-	-	-	4	13
Due from other funds	-	-	-	-	-	-
Inventories	232	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted:						
Cash and investments	2,897	434	55	-	519	5,000
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	4,388	-	-	-	1	41
Total assets	<u>\$ 11,296</u>	<u>\$ 434</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 529</u>	<u>\$ 6,260</u>
LIABILITIES						
Liabilities payable from unrestricted assets:						
Accounts payable	\$ 254	\$ -	\$ -	\$ -	\$ -	\$ 216
Payroll Payable	113	-	-	-	-	91
Liabilities payable from restricted assets:						
Accounts payable	7,285	-	55	-	51	3,373
Payroll Payable	-	-	-	-	7	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>7,652</u>	<u>-</u>	<u>55</u>	<u>-</u>	<u>58</u>	<u>3,680</u>
DEFERRED INFLOWS OF RESOURCES						
Resources not yet available:						
Property taxes	-	-	-	-	-	-
Resources received before time requirements met	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	232	-	-	-	-	-
Restricted	-	434	-	-	462	1,668
Committed	-	-	-	-	-	-
Assigned	3,412	-	-	-	9	912
Total fund balances	<u>3,644</u>	<u>434</u>	<u>-</u>	<u>-</u>	<u>471</u>	<u>2,580</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,296</u>	<u>\$ 434</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 529</u>	<u>\$ 6,260</u>

<u>Library</u>	<u>Special Excise Tax</u>	<u>Land Corner Preservation</u>	<u>Inmate Welfare</u>	<u>Justice Services Special Operations</u>	<u>Oregon Historical Society Special Levy</u>	<u>Video Lottery</u>	<u>Library District</u>	<u>Total</u>
\$ 8,302	\$ 952	\$ -	\$ 46	\$ 264	\$ -	\$ -	\$ 1,543	\$ 15,370
1,368	2,624	-	-	-	-	-	-	3,992
1	-	-	24	336	-	-	106	1,211
245	-	-	-	-	-	-	-	245
-	-	-	-	-	-	-	-	232
159	-	-	-	-	-	-	-	159
-	-	1,629	-	38	-	65	1,023	11,660
-	-	8	-	-	97	-	1,719	1,824
-	-	-	-	36	1	1,173	245	5,885
<u>\$ 10,075</u>	<u>\$ 3,576</u>	<u>\$ 1,637</u>	<u>\$ 70</u>	<u>\$ 674</u>	<u>\$ 98</u>	<u>\$ 1,238</u>	<u>\$ 4,636</u>	<u>\$ 40,578</u>
\$ 1,539	\$ 3,261	\$ -	\$ 61	\$ 87	\$ -	\$ -	\$ -	\$ 5,418
723	-	-	8	38	-	-	-	973
-	-	23	-	18	-	134	-	10,939
-	-	19	-	8	-	-	-	34
-	-	-	-	-	-	400	245	645
<u>2,262</u>	<u>3,261</u>	<u>42</u>	<u>69</u>	<u>151</u>	<u>-</u>	<u>534</u>	<u>245</u>	<u>18,009</u>
1,226	-	-	-	-	89	-	1,517	2,832
-	-	-	-	-	-	-	50	50
<u>1,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>-</u>	<u>1,567</u>	<u>2,882</u>
159	-	-	-	-	-	-	-	391
-	-	1,595	-	48	9	704	1,175	6,095
-	315	-	1	43	-	-	-	359
<u>6,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>432</u>	<u>-</u>	<u>-</u>	<u>1,649</u>	<u>12,842</u>
<u>6,587</u>	<u>315</u>	<u>1,595</u>	<u>1</u>	<u>523</u>	<u>9</u>	<u>704</u>	<u>2,824</u>	<u>19,687</u>
<u>\$ 10,075</u>	<u>\$ 3,576</u>	<u>\$ 1,637</u>	<u>\$ 70</u>	<u>\$ 674</u>	<u>\$ 98</u>	<u>\$ 1,238</u>	<u>\$ 4,636</u>	<u>\$ 40,578</u>

MULTNOMAH COUNTY, OREGON
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Roads</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>	<u>Animal Control</u>	<u>Willamette River Bridges</u>
REVENUES						
Taxes	\$ 6,865	\$ -	\$ 57	\$ 56	\$ -	\$ -
Payments in lieu of taxes	-	-	-	-	-	-
Intergovernmental	35,630	77	-	15	-	6,220
Licenses and permits	74	-	-	-	1,775	2
Charges for services	218	-	-	-	66	12
Interest	35	2	-	-	3	-
Other:						
Non-governmental grants	-	-	-	-	191	-
Service reimbursements	-	-	-	-	-	-
Miscellaneous	47	-	-	-	-	183
Total revenues	<u>42,869</u>	<u>79</u>	<u>57</u>	<u>71</u>	<u>2,035</u>	<u>6,417</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	331	-
Public safety and justice	-	-	-	-	-	-
Community services	-	53	57	71	-	-
Library services	-	-	-	-	-	-
Roads and bridges	39,425	-	-	-	-	4,927
Capital outlay	1,366	-	-	-	-	2,011
Debt service, interest	-	-	-	-	-	-
Total expenditures	<u>40,791</u>	<u>53</u>	<u>57</u>	<u>71</u>	<u>331</u>	<u>6,938</u>
Excess of revenues over (under) expenditures	<u>2,078</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>1,704</u>	<u>(521)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,827)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,827)</u>	<u>-</u>
Net change in fund balances	2,078	26	-	-	(123)	(521)
Fund balance - beginning	1,566	408	-	-	594	3,101
Fund balance - ending	<u>\$ 3,644</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471</u>	<u>\$ 2,580</u>

<u>Library</u>	<u>Special Excise Tax</u>	<u>Land Corner Preservation</u>	<u>Inmate Welfare</u>	<u>Justice Services Special Operations</u>	<u>Oregon Historical Society Special Levy</u>	<u>Video Lottery</u>	<u>Library District</u>	<u>Total</u>
\$ 791	\$ 28,302	\$ -	\$ -	\$ -	\$ 1,685	\$ -	\$ 62,748	\$ 100,504
-	-	-	-	-	1	-	-	1
-	-	-	-	6	-	4,620	501	47,069
-	-	-	-	2,793	-	-	116	4,760
-	-	1,456	1,173	2,710	-	-	1,501	7,136
39	4	6	-	1	-	2	32	124
1,274	-	-	-	-	-	1	750	2,216
35	-	-	-	257	-	-	-	292
2	-	-	-	23	-	-	57	312
<u>2,141</u>	<u>28,306</u>	<u>1,462</u>	<u>1,173</u>	<u>5,790</u>	<u>1,686</u>	<u>4,623</u>	<u>65,705</u>	<u>162,414</u>
-	-	-	-	-	-	-	-	331
-	-	-	1,251	5,752	-	-	-	7,003
-	28,306	-	-	-	1,690	5,247	-	35,424
58,193	-	-	-	-	-	-	-	58,193
-	-	1,123	-	-	-	-	-	45,475
6,715	-	29	-	65	-	-	-	10,186
25	-	-	-	-	-	-	-	25
<u>64,933</u>	<u>28,306</u>	<u>1,152</u>	<u>1,251</u>	<u>5,817</u>	<u>1,690</u>	<u>5,247</u>	<u>-</u>	<u>156,637</u>
<u>(62,792)</u>	<u>-</u>	<u>310</u>	<u>(78)</u>	<u>(27)</u>	<u>(4)</u>	<u>(624)</u>	<u>65,705</u>	<u>5,777</u>
62,881	-	-	-	-	-	-	-	62,881
-	-	-	-	-	-	-	(62,881)	(64,708)
<u>62,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,881)</u>	<u>(1,827)</u>
89	-	310	(78)	(27)	(4)	(624)	2,824	3,950
6,498	315	1,285	79	550	13	1,328	-	15,737
<u>\$ 6,587</u>	<u>\$ 315</u>	<u>\$ 1,595</u>	<u>\$ 1</u>	<u>\$ 523</u>	<u>\$ 9</u>	<u>\$ 704</u>	<u>\$ 2,824</u>	<u>\$ 19,687</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Gasoline	\$ 7,100	\$ 7,100	\$ 6,696	\$ (404)
Forest reserve yield	50	50	169	119
Intergovernmental	39,412	39,412	35,630	(3,782)
Licenses and permits	55	55	74	19
Charges for services	78	78	218	140
Interest	25	25	35	10
Other:				
Service reimbursements	343	343	-	(343)
Miscellaneous	47	47	47	-
Total revenues	<u>47,110</u>	<u>47,110</u>	<u>42,869</u>	<u>(4,241)</u>
EXPENDITURES				
Community services	<u>48,108</u>	<u>48,108</u>	<u>40,791</u>	<u>7,317</u>
Net change in fund balances	(998)	(998)	2,078	3,076
Fund balances - beginning	<u>998</u>	<u>998</u>	<u>1,566</u>	<u>568</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,644</u>	<u>\$ 3,644</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bicycle Path Construction Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 74	\$ 74	\$ 77	\$ 3
Interest	2	2	2	-
Total revenues	<u>76</u>	<u>76</u>	<u>79</u>	<u>3</u>
EXPENDITURES				
Community services	<u>75</u>	<u>75</u>	<u>53</u>	<u>22</u>
Excess of revenues over expenditures	1	1	26	25
Contingency	<u>(410)</u>	<u>(410)</u>	<u>-</u>	<u>410</u>
Net change in fund balances	(409)	(409)	26	435
Fund balances - beginning	<u>409</u>	<u>409</u>	<u>408</u>	<u>(1)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434</u>	<u>\$ 434</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Recreation Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - Gasoline	\$ 102	\$ 102	\$ 57	\$ (45)
EXPENDITURES				
County management	102	102	57	45
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
County School Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - Forest reserve yield	\$ -	\$ -	\$ 56	\$ 56
Intergovernmental	20	80	15	(65)
Total revenues	<u>20</u>	<u>80</u>	<u>71</u>	<u>(9)</u>
EXPENDITURES				
Nondepartmental	<u>20</u>	<u>80</u>	<u>71</u>	<u>9</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Animal Control Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 1,742	\$ 1,742	\$ 1,775	\$ 33
Charges for services	60	60	66	6
Interest	-	-	3	3
Other - miscellaneous	120	182	191	9
Total revenues	<u>1,922</u>	<u>1,984</u>	<u>2,035</u>	<u>51</u>
EXPENDITURES				
Community services	<u>573</u>	<u>635</u>	<u>331</u>	<u>304</u>
Excess of revenues over expenditures	<u>1,349</u>	<u>1,349</u>	<u>1,704</u>	<u>355</u>
OTHER FINANCING USES				
Transfers out	<u>(1,827)</u>	<u>(1,827)</u>	<u>(1,827)</u>	<u>-</u>
Total other financing uses	<u>(1,827)</u>	<u>(1,827)</u>	<u>(1,827)</u>	<u>-</u>
Contingency	<u>(27)</u>	<u>(27)</u>	<u>-</u>	<u>27</u>
Net change in fund balances	<u>(505)</u>	<u>(505)</u>	<u>(123)</u>	<u>382</u>
Fund balances - beginning	<u>505</u>	<u>505</u>	<u>594</u>	<u>89</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471</u>	<u>\$ 471</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Willamette River Bridges Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 13,061	\$ 13,061	\$ 6,220	\$ (6,841)
Licenses and permits	-	-	2	2
Charges for services	-	-	12	12
Other:				
Service reimbursements	3,194	3,194	-	(3,194)
Miscellaneous	5	5	183	178
Total revenues	<u>16,260</u>	<u>16,260</u>	<u>6,417</u>	<u>(9,843)</u>
EXPENDITURES				
Community services	<u>17,262</u>	<u>17,262</u>	<u>6,938</u>	<u>10,324</u>
Net change in fund balances	(1,002)	(1,002)	(521)	481
Fund balances - beginning	<u>1,002</u>	<u>1,002</u>	<u>3,101</u>	<u>2,099</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,580</u>	<u>\$ 2,580</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Library Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - property	\$ 838	\$ 838	\$ 791	\$ (47)
Intergovernmental	66,282	66,282	62,881	(3,401)
Interest	34	34	39	5
Other:				
Service reimbursements	35	35	35	-
Miscellaneous	-	-	2	2
Total revenues	<u>67,189</u>	<u>67,189</u>	<u>63,748</u>	<u>(3,441)</u>
EXPENDITURES				
Library	<u>67,189</u>	<u>67,189</u>	<u>63,659</u>	<u>3,530</u>
Excess of revenues over expenditures	-	-	89	89
Contingency	<u>(5,598)</u>	<u>(5,598)</u>	-	<u>5,598</u>
Net change in fund balances	<u>(5,598)</u>	<u>(5,598)</u>	89	<u>5,687</u>
Fund balances - beginning	<u>5,598</u>	<u>5,598</u>	<u>6,498</u>	<u>900</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,587</u>	<u>\$ 6,587</u>
Reconciliation to GAAP Basis:				
In kind contributions			1,274	
Consumption of in kind contributions			(1,274)	
Reimbursements from the Library District are reported as Transfers In on the GAAP Basis, rather than as Intergovernmental Revenues				
Intergovernmental Revenues			(62,881)	
Transfers In			<u>62,881</u>	
Fund balance as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Nonmajor Special Revenue Funds, page 94.			<u>\$ 6,587</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Excise Tax Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 27,000	\$ 28,000	\$ 28,302	\$ 302
Interest	5	5	4	(1)
Total revenues	<u>27,005</u>	<u>28,005</u>	<u>28,306</u>	<u>301</u>
EXPENDITURES				
Nondepartmental	<u>27,330</u>	<u>28,330</u>	<u>28,306</u>	<u>24</u>
Net change in fund balances	(325)	(325)	-	325
Fund balances - beginning	325	325	315	(10)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315</u>	<u>\$ 315</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Land Corner Preservation Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,555	\$ 1,555	\$ 1,456	\$ (99)
Interest	4	4	6	2
Other - service reimbursements	100	100	-	(100)
Total revenues	<u>1,659</u>	<u>1,659</u>	<u>1,462</u>	<u>(197)</u>
EXPENDITURES				
Community services	1,429	1,429	1,152	277
Excess of revenues over expenditures	230	230	310	80
Contingency	(1,255)	(1,255)	-	1,255
Net change in fund balances	(1,025)	(1,025)	310	1,335
Fund balances - beginning	1,025	1,025	1,285	260
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,595</u>	<u>\$ 1,595</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Inmate Welfare Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,268	\$ 1,268	\$ 1,173	\$ (95)
Interest	10	10	-	(10)
Other - miscellaneous	1	1	-	(1)
Total revenues	<u>1,279</u>	<u>1,279</u>	<u>1,173</u>	<u>(106)</u>
EXPENDITURES				
Community justice	1	1	-	1
Sheriff	1,328	1,357	1,251	106
Total expenditures	<u>1,329</u>	<u>1,358</u>	<u>1,251</u>	<u>107</u>
Net change in fund balances	(50)	(79)	(78)	1
Fund balances - beginning	50	79	79	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Justice Services Special Operations Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 17	\$ 17	\$ 6	\$ (11)
Licenses and permits	3,149	3,149	2,793	(356)
Charges for services	2,724	2,994	2,710	(284)
Interest	12	12	1	(11)
Other:				
Service reimbursements	288	288	257	(31)
Miscellaneous	7	7	23	16
Total revenues	<u>6,197</u>	<u>6,467</u>	<u>5,790</u>	<u>(677)</u>
EXPENDITURES				
Community justice	2,874	2,874	2,313	561
District attorney	40	40	19	21
Sheriff	3,402	4,070	3,485	585
Total expenditures	<u>6,316</u>	<u>6,984</u>	<u>5,817</u>	<u>1,167</u>
Net change in fund balances	(119)	(517)	(27)	490
Fund balances - beginning	119	517	550	33
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523</u>	<u>\$ 523</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Oregon Historical Society Special Levy Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - property	\$ 1,728	\$ 1,728	\$ 1,685	\$ (43)
Payments in lieu of taxes	-	-	1	1
Interest	7	7	-	(7)
Total revenues	<u>1,735</u>	<u>1,735</u>	<u>1,686</u>	<u>(49)</u>
EXPENDITURES				
Nondepartmental	<u>1,744</u>	<u>1,744</u>	<u>1,690</u>	<u>54</u>
Net change in fund balances	(9)	(9)	(4)	5
Fund balances - beginning	9	9	13	4
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Video Lottery Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 5,230	\$ 5,230	\$ 4,620	\$ (610)
Interest	6	6	2	(4)
Other - miscellaneous	-	-	1	1
Total revenues	<u>5,236</u>	<u>5,236</u>	<u>4,623</u>	<u>(613)</u>
EXPENDITURES				
Human services	1,925	1,925	1,925	-
Community justice services	2,312	2,312	2,312	-
Community services	60	60	59	1
Nondepartmental	969	969	951	18
Total expenditures	<u>5,266</u>	<u>5,266</u>	<u>5,247</u>	<u>19</u>
Deficiency of revenues under expenditures	(30)	(30)	(624)	(594)
Contingency	<u>(785)</u>	<u>(785)</u>	-	<u>785</u>
Net change in fund balances	(815)	(815)	(624)	191
Fund balances - beginning	815	815	1,328	513
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 704</u>	<u>\$ 704</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Library District Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - property	\$ 62,577	\$ 62,577	\$ 62,748	\$ 171
Intergovernmental	1,208	1,208	501	(707)
Licenses and permits	125	125	116	(9)
Charges for services	1,569	1,569	1,501	(68)
Interest	49	49	32	(17)
Other:				
Non-governmental grants	703	703	750	47
Miscellaneous	51	51	57	6
Total revenues	<u>66,282</u>	<u>66,282</u>	<u>65,705</u>	<u>(577)</u>
EXPENDITURES				
Library district	<u>66,282</u>	<u>66,282</u>	<u>62,881</u>	<u>3,401</u>
Net change in fund balances	-	-	2,824	2,824
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,824</u>	<u>\$ 2,824</u>
Reconciliation to GAAP Basis:				
Reimbursements to the Library Fund are reported as Transfers Out on the GAAP Basis, rather than as Library District Expenditures				
Library District Expenditures			(62,881)	
Transfers Out			<u>62,881</u>	
Fund balance as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Nonmajor Special Revenue Funds, page 94.			<u>\$ 2,824</u>	

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DEBT SERVICE FUNDS

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

Major Fund

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

Nonmajor Funds

- **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 Sinking Fund** – accounts for payment of principal and interest on general obligation bonds. Revenue is derived from property taxes and interest.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2014
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	Total
ASSETS			
Unrestricted:			
Cash and investments	\$ 914	\$ -	\$ 914
Restricted:			
Cash and investments	168	6,518	6,686
Receivables - taxes	-	528	528
Total assets	<u>\$ 1,082</u>	<u>\$ 7,046</u>	<u>\$ 8,128</u>
LIABILITIES			
Liabilities payable from restricted assets:			
Accounts payable	\$ 19	\$ -	\$ 19
Total liabilities	<u>19</u>	<u>-</u>	<u>19</u>
DEFERRED INFLOWS OF RESOURCES			
Resources not yet available:			
Property taxes	-	468	468
Total deferred inflows of resources	<u>-</u>	<u>468</u>	<u>468</u>
FUND BALANCES			
Restricted	149	6,578	6,727
Committed	914	-	914
Total fund balances	<u>1,063</u>	<u>6,578</u>	<u>7,641</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,082</u>	<u>\$ 7,046</u>	<u>\$ 8,128</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond	Total
REVENUES			
Taxes	\$ -	\$ 6,998	\$ 6,998
Payments in lieu of taxes	-	5	5
Intergovernmental	298	-	298
Interest	-	22	22
Other - service reimbursements	17,296	-	17,296
Total revenues	<u>17,594</u>	<u>7,025</u>	<u>24,619</u>
EXPENDITURES			
Current:			
General government	119	-	119
Debt service:			
Principal	37,249	7,210	44,459
Interest	8,712	951	9,663
Total expenditures	<u>46,080</u>	<u>8,161</u>	<u>54,241</u>
Deficiency of revenues under expenditures	<u>(28,486)</u>	<u>(1,136)</u>	<u>(29,622)</u>
OTHER FINANCING SOURCES			
Proceeds from issuance of refunding debt	22,530	-	22,530
Premium on long-term debt	2,562	-	2,562
Total other financing sources	<u>25,092</u>	<u>-</u>	<u>25,092</u>
Net change in fund balances	(3,394)	(1,136)	(4,530)
Fund balances - beginning	4,457	7,714	12,171
Fund balances - ending	<u>\$ 1,063</u>	<u>\$ 6,578</u>	<u>\$ 7,641</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Debt Retirement Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 321	\$ 321	\$ 298	\$ (23)
Interest	30	30	-	(30)
Other - service reimbursements	17,304	17,304	17,296	(8)
Total revenues	<u>17,655</u>	<u>17,655</u>	<u>17,594</u>	<u>(61)</u>
EXPENDITURES				
Nondepartmental	<u>20,756</u>	<u>46,098</u>	<u>46,080</u>	<u>18</u>
Deficiency of revenues under expenditures	<u>(3,101)</u>	<u>(28,443)</u>	<u>(28,486)</u>	<u>(43)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of refunding debt	-	22,530	22,530	-
Premium on long-term debt	-	2,562	2,562	-
Transfers out	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(250)</u>	<u>25,092</u>	<u>25,092</u>	<u>-</u>
Net change in fund balances	<u>(3,351)</u>	<u>(3,351)</u>	<u>(3,394)</u>	<u>(43)</u>
Fund balances - beginning	<u>4,804</u>	<u>4,804</u>	<u>4,457</u>	<u>(347)</u>
Fund balances - ending	<u>\$ 1,453</u>	<u>\$ 1,453</u>	<u>\$ 1,063</u>	<u>\$ (390)</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Obligation Bond Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes - property	\$ 6,978	\$ 6,978	\$ 6,998	\$ 20
Payments in lieu of taxes	-	-	5	5
Interest	40	40	22	(18)
Total revenues	<u>7,018</u>	<u>7,018</u>	<u>7,025</u>	<u>7</u>
EXPENDITURES				
Nondepartmental	8,161	8,161	8,161	-
Net change in fund balances	(1,143)	(1,143)	(1,136)	7
Fund balances - beginning	7,683	7,683	7,714	31
Fund balances - ending	<u>\$ 6,540</u>	<u>\$ 6,540</u>	<u>\$ 6,578</u>	<u>\$ 38</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
PERS Pension Bond Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ 375	\$ 375	\$ 251	\$ (124)
Other - service reimbursements	18,392	18,392	29,319	10,927
Total revenues	<u>18,767</u>	<u>18,767</u>	<u>29,570</u>	<u>10,803</u>
EXPENDITURES				
Nondepartmental	18,062	18,062	18,037	25
Net change in fund balances	705	705	11,533	10,828
Fund balances - beginning	59,403	59,403	57,832	(1,571)
Fund balances - ending	<u>\$ 60,108</u>	<u>\$ 60,108</u>	<u>\$ 69,365</u>	<u>\$ 9,257</u>

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CAPITAL PROJECTS FUNDS

These funds account for expenditures on major construction projects, proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of County property, 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:

Major Fund

- **Sellwood Bridge Replacement Fund** – accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from Vehicle Registration Fees, City of Portland, Clackamas County, the State of Oregon and a request for federal funds, debt issuance or other financing proceeds.

Nonmajor Funds

- **Equipment Acquisition Fund** – accounts for expenditures for small capital assets/equipment that might otherwise need to be acquired through the issuance of debt. Resources in the fund are derived from one-time revenue. Expenditures will be reimbursed over time by loan payments charged to the budgets of programs for which the assets are purchased.
- **Financed Projects Fund** - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Asset Preservation Fund** – accounts for the expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement, etc. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2014
(amounts expressed in thousands)

	<u>Equipment Acquisition</u>	<u>Financed Projects</u>	<u>Capital Improvement</u>	<u>Asset Preservation</u>	<u>Total</u>
ASSETS					
Unrestricted:					
Cash and investments	\$ 226	\$ 3,864	\$ 15,963	\$ 9,713	\$ 29,766
Receivables:					
Accounts	-	-	33	-	33
Inventories	-	-	36	-	36
Restricted:					
Cash and investments	-	-	18,568	-	18,568
Total assets	<u>\$ 226</u>	<u>\$ 3,864</u>	<u>\$ 34,600</u>	<u>\$ 9,713</u>	<u>\$ 48,403</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ -	\$ 1,426	\$ 604	\$ 2,030
Liabilities payable from restricted assets:					
Accounts payable	-	-	326	-	326
Total liabilities	<u>-</u>	<u>-</u>	<u>1,752</u>	<u>604</u>	<u>2,356</u>
FUND BALANCES					
Nonspendable	-	-	36	-	36
Restricted	-	-	18,242	-	18,242
Committed	-	2,915	14,570	9,109	26,594
Assigned	226	949	-	-	1,175
Total fund balances	<u>226</u>	<u>3,864</u>	<u>32,848</u>	<u>9,109</u>	<u>46,047</u>
Total liabilities and fund balances	<u>\$ 226</u>	<u>\$ 3,864</u>	<u>\$ 34,600</u>	<u>\$ 9,713</u>	<u>\$ 48,403</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Equipment Acquisition</u>	<u>Financed Projects</u>	<u>Capital Improvement</u>	<u>Asset Preservation</u>	<u>Total</u>
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
Licenses and permits	-	-	-	-	-
Charges for services	-	-	57	-	57
Interest	-	16	91	34	141
Other:					
Service reimbursements	-	-	3,376	3,780	7,156
Miscellaneous	-	-	97	-	97
Total revenues	<u>-</u>	<u>16</u>	<u>13,621</u>	<u>3,814</u>	<u>17,451</u>
EXPENDITURES					
Current:					
General government	-	-	4,502	-	4,502
Community services	-	24	-	1,893	1,917
Capital outlay	<u>-</u>	<u>90</u>	<u>4,601</u>	<u>1,277</u>	<u>5,968</u>
Total expenditures	<u>-</u>	<u>114</u>	<u>9,103</u>	<u>3,170</u>	<u>12,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(98)</u>	<u>4,518</u>	<u>644</u>	<u>5,064</u>
OTHER FINANCING SOURCES					
Transfers in	<u>226</u>	<u>-</u>	<u>8,925</u>	<u>541</u>	<u>9,692</u>
Net change in fund balances	226	(98)	13,443	1,185	14,756
Fund balances - beginning	-	3,962	19,405	7,924	31,291
Fund balances - ending	<u>\$ 226</u>	<u>\$ 3,864</u>	<u>\$ 32,848</u>	<u>\$ 9,109</u>	<u>\$ 46,047</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Equipment Acquisition Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES				
Transfers in	\$ -	\$ -	\$ 226	\$ 226
Net change in fund balances	-	-	226	226
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 226</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Financed Projects Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 16	\$ 16
Total revenues	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
EXPENDITURES				
County management	3,442	3,442	114	3,328
Net change in fund balances	(3,442)	(3,442)	(98)	3,344
Fund balances - beginning	3,442	3,442	3,962	520
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,864</u>	<u>\$ 3,864</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvement Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 26,900	\$ 26,900	\$ 10,000	\$ (16,900)
Charges for services	496	496	57	(439)
Interest	110	110	91	(19)
Other:				
Service reimbursements	3,423	3,423	3,376	(47)
Miscellaneous	-	-	97	97
Total revenues	<u>30,929</u>	<u>30,929</u>	<u>13,621</u>	<u>(17,308)</u>
EXPENDITURES				
County assets	<u>66,154</u>	<u>66,154</u>	<u>9,103</u>	<u>57,051</u>
Deficiency of revenues under expenditures	<u>(35,225)</u>	<u>(35,225)</u>	<u>4,518</u>	<u>39,743</u>
OTHER FINANCING SOURCES				
Proceeds from issuance of debt	6,300	6,300	-	(6,300)
Transfers in	<u>8,925</u>	<u>8,925</u>	<u>8,925</u>	<u>-</u>
Total other financing sources	<u>15,225</u>	<u>15,225</u>	<u>8,925</u>	<u>(6,300)</u>
Net change in fund balances	(20,000)	(20,000)	13,443	33,443
Fund balances - beginning	<u>20,000</u>	<u>20,000</u>	<u>19,405</u>	<u>(595)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,848</u>	<u>\$ 32,848</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Asset Preservation Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ 35	\$ 35	\$ 34	\$ (1)
Other - service reimbursements	3,733	3,733	3,780	47
Total revenues	<u>3,768</u>	<u>3,768</u>	<u>3,814</u>	<u>46</u>
EXPENDITURES				
County assets	11,809	11,809	3,170	8,639
Excess (deficiency) of revenues over (under) expenditures	<u>(8,041)</u>	<u>(8,041)</u>	<u>644</u>	<u>8,685</u>
OTHER FINANCING SOURCES				
Transfers in	541	541	541	-
Net change in fund balances	(7,500)	(7,500)	1,185	8,685
Fund balances - beginning	7,500	7,500	7,924	424
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,109</u>	<u>\$ 9,109</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Sellwood Bridge Replacement Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 75,555	\$ 75,555	\$ 74,705	\$ (850)
Licenses and permits	10,830	10,830	11,249	419
Interest	155	155	211	56
Total revenues	<u>86,540</u>	<u>86,540</u>	<u>86,165</u>	<u>(375)</u>
EXPENDITURES				
Community services	142,565	142,565	90,885	51,680
Net change in fund balances	(56,025)	(56,025)	(4,720)	51,305
Fund balances - beginning	56,025	56,025	75,694	19,669
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,974</u>	<u>\$ 70,974</u>

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ENTERPRISE FUNDS

The County's Enterprise Funds are listed below.

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

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Dunthorpe-Riverdale Service District No. 1 Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments - sewer:				
Current	\$ 856	\$ 856	\$ 861	\$ 5
Prior	10	10	14	4
Charges for services	2	2	2	-
Interest	6	6	6	-
Total revenues	<u>874</u>	<u>874</u>	<u>883</u>	<u>9</u>
EXPENDITURES				
Community services	<u>1,219</u>	<u>1,219</u>	<u>603</u>	<u>616</u>
Excess (deficiency) of revenues over (under) expenditures	(345)	(345)	280	625
Contingency	<u>(50)</u>	<u>(50)</u>	<u>-</u>	<u>50</u>
Net change in fund balances	(395)	(395)	280	675
Fund balances - beginning	1,008	1,008	1,196	188
Fund balances - ending	<u>\$ 613</u>	<u>\$ 613</u>	<u>1,476</u>	<u>\$ 863</u>
Reconciliation to GAAP basis:				
Net investment in capital assets			2,299	
Deferred revenue on assessments			48	
Allowance for uncollectible accounts, assessments			(2)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 47.			<u>\$ 3,821</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Mid County Service District No. 14 Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments - street lighting:				
Current	\$ 445	\$ 445	\$ 441	\$ (4)
Prior	5	5	8	3
Interest	2	2	2	-
Total revenues	<u>452</u>	<u>452</u>	<u>451</u>	<u>(1)</u>
EXPENDITURES				
Community services	<u>432</u>	<u>432</u>	<u>355</u>	<u>77</u>
Excess (deficiency) of revenues over (under) expenditures	20	20	96	(78)
Contingency	<u>(25)</u>	<u>(25)</u>	<u>-</u>	<u>25</u>
Net changes in fund balances	(5)	(5)	96	(53)
Fund balances - beginning	296	296	334	38
Fund balances - ending	<u>\$ 291</u>	<u>\$ 291</u>	<u>430</u>	<u>\$ (15)</u>
Reconciliation to GAAP basis:				
Net investment in capital assets			1,332	
Deferred revenue on assessments			24	
Allowance for uncollectible accounts, assessments			<u>(1)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 47.			<u>\$ 1,785</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Behavioral Health Managed Care Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Federal, state and local	\$ 45,290	\$ 52,508	\$ 53,112	\$ 604
Interest	66	66	94	28
Other - miscellaneous	-	-	10	10
Total revenues	<u>45,356</u>	<u>52,574</u>	<u>53,216</u>	<u>642</u>
EXPENDITURES				
Human services	<u>46,010</u>	<u>53,228</u>	<u>53,156</u>	<u>72</u>
Excess (deficiency) of revenues over (under) expenditures	(654)	(654)	60	714
Contingency	<u>(14,017)</u>	<u>(14,017)</u>	<u>-</u>	<u>14,017</u>
Net change in fund balances	(14,671)	(14,671)	60	14,731
Fund balances - beginning	14,671	14,671	16,651	1,980
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,711</u>	<u>\$ 16,711</u>

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INTERNAL SERVICE FUNDS

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

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

MULTNOMAH COUNTY, OREGON

Combining Statement of Net Position

Internal Service Funds

June 30, 2014

(amounts expressed in thousands)

	Government Activities - Internal Service Funds					
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 67,484	\$ 5,720	\$ 7,782	\$ 1,042	\$ 5,079	\$ 87,107
Accounts receivable	3	109	47	7	662	828
Inventories	-	395	331	90	166	982
Prepaid items	298	-	1,567	-	65	1,930
Total current assets	<u>67,785</u>	<u>6,224</u>	<u>9,727</u>	<u>1,139</u>	<u>5,972</u>	<u>90,847</u>
Noncurrent assets:						
Capital assets:						
Construction in progress	-	6	2,402	-	-	2,408
Other capital assets (net of accumulated depreciation)	10	2,996	4,974	11	35	8,026
Total noncurrent assets	<u>10</u>	<u>3,002</u>	<u>7,376</u>	<u>11</u>	<u>35</u>	<u>10,434</u>
Total assets	<u>67,795</u>	<u>9,226</u>	<u>17,103</u>	<u>1,150</u>	<u>6,007</u>	<u>101,281</u>
LIABILITIES						
Current liabilities:						
Accounts payable	1,884	694	1,741	74	2,193	6,586
Claims and judgments payable	10,792	-	-	-	-	10,792
Payroll payable	101	25	366	17	191	700
Deferred revenue	41	-	-	-	-	41
Compensated absences	346	59	1,252	31	649	2,337
Total current liabilities	<u>13,164</u>	<u>778</u>	<u>3,359</u>	<u>122</u>	<u>3,033</u>	<u>20,456</u>
Noncurrent liabilities:						
Compensated absences	65	-	-	-	50	115
Incremental leases payable	-	-	-	-	1,799	1,799
Total noncurrent liabilities	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,849</u>	<u>1,914</u>
Total liabilities	<u>13,229</u>	<u>778</u>	<u>3,359</u>	<u>122</u>	<u>4,882</u>	<u>22,370</u>
NET POSITION						
Invested in capital assets	10	3,002	7,376	11	35	10,434
Unrestricted	54,556	5,446	6,368	1,017	1,090	68,477
Total net position	<u>\$ 54,566</u>	<u>\$ 8,448</u>	<u>\$ 13,744</u>	<u>\$ 1,028</u>	<u>\$ 1,125</u>	<u>\$ 78,911</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Government Activities - Internal Service Funds					Total Internal Service Funds
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	
OPERATING REVENUES						
Charges for services	\$ 85,607	\$ 5,331	\$ 37,369	\$ 2,217	\$ 34,040	\$ 164,564
Insurance premiums	8,521	-	-	-	-	8,521
Experience ratings and other	792	122	2	-	45	961
Total operating revenues	<u>94,920</u>	<u>5,453</u>	<u>37,371</u>	<u>2,217</u>	<u>34,085</u>	<u>174,046</u>
OPERATING EXPENSES						
Cost of sales and services	90,682	4,321	34,803	2,174	32,878	164,858
Administration	1,077	214	1,905	85	1,474	4,755
Depreciation	2	948	913	5	9	1,877
Total operating expenses	<u>91,761</u>	<u>5,483</u>	<u>37,621</u>	<u>2,264</u>	<u>34,361</u>	<u>171,490</u>
Operating income (loss)	<u>3,159</u>	<u>(30)</u>	<u>(250)</u>	<u>(47)</u>	<u>(276)</u>	<u>2,556</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	254	18	33	4	13	322
Gain on disposal of capital assets	-	278	1	-	-	279
Loss on disposal of capital assets	-	(51)	-	-	-	(51)
Total nonoperating revenues	<u>254</u>	<u>245</u>	<u>34</u>	<u>4</u>	<u>13</u>	<u>550</u>
Income before contributions and transfers	3,413	215	(216)	(43)	(263)	3,106
Capital contributions in	-	7	10	-	-	17
Transfers in	-	1,204	1,500	-	-	2,704
Transfers out	-	-	-	-	(604)	(604)
Change in net position	<u>3,413</u>	<u>1,426</u>	<u>1,294</u>	<u>(43)</u>	<u>(867)</u>	<u>5,223</u>
Total net position - beginning	51,153	7,022	12,450	1,071	1,992	73,688
Total net position - ending	<u>\$ 54,566</u>	<u>\$ 8,448</u>	<u>\$ 13,744</u>	<u>\$ 1,028</u>	<u>\$ 1,125</u>	<u>\$ 78,911</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds					Total Internal Service Funds
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 9,360	\$ 291	\$ 455	\$ 110	\$ 3,419	\$ 13,635
Receipts connected with interfund activities	85,556	5,256	36,914	2,122	30,773	160,621
Payments to suppliers	(83,120)	(2,138)	(14,134)	(809)	(17,230)	(117,431)
Payments to employees	(7,054)	(1,203)	(21,165)	(884)	(8,944)	(39,250)
Payments connected with interfund activities	(989)	(895)	(2,017)	(584)	(8,598)	(13,083)
Net cash provided by (used in) operating activities	<u>3,753</u>	<u>1,311</u>	<u>53</u>	<u>(45)</u>	<u>(580)</u>	<u>4,492</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	500	-	-	500
Transfers out	-	-	-	-	(604)	(604)
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>(604)</u>	<u>(104)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(12)	(1,279)	(2,880)	(5)	(17)	(4,193)
Transfers in	-	1,204	1,000	-	-	2,204
Proceeds on sales of capital assets	-	380	-	-	-	380
Net cash used in capital and related financing activities	<u>(12)</u>	<u>305</u>	<u>(1,880)</u>	<u>(5)</u>	<u>(17)</u>	<u>(1,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	254	18	33	4	13	322
Net cash provided by investing activities	<u>254</u>	<u>18</u>	<u>33</u>	<u>4</u>	<u>13</u>	<u>322</u>
Net increase (decrease) in cash and cash equivalents	3,995	1,634	(1,294)	(46)	(1,188)	3,101
Balances at beginning of the year	63,489	4,086	9,076	1,088	6,267	84,006
Balances at the end of the year	<u>\$ 67,484</u>	<u>\$ 5,720</u>	<u>\$ 7,782</u>	<u>\$ 1,042</u>	<u>\$ 5,079</u>	<u>\$ 87,107</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 3,159	\$ (30)	\$ (250)	\$ (47)	\$ (276)	\$ 2,556
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2	948	913	5	9	1,877
Changes in assets and liabilities:						
Receivables	(4)	94	1	23	53	167
Inventories	-	78	(319)	(25)	(11)	(277)
Prepaid items	636	-	(469)	-	(20)	147
Contracts receivable	-	-	-	-	67	67
Accounts payable	356	297	152	18	(306)	517
Claims and judgments payable	(438)	-	-	-	-	(438)
Payroll payable	13	(10)	42	(5)	41	81
Unearned revenue	(1)	-	(2)	-	-	(3)
Compensated absences	30	(66)	(15)	(14)	98	33
Incremental leases payable	-	-	-	-	(235)	(235)
Total adjustments	<u>594</u>	<u>1,341</u>	<u>303</u>	<u>2</u>	<u>(304)</u>	<u>1,936</u>
Net cash provided by (used in) operating activities	<u>\$ 3,753</u>	<u>\$ 1,311</u>	<u>\$ 53</u>	<u>\$ (45)</u>	<u>\$ (580)</u>	<u>\$ 4,492</u>
Noncash financing activities:						
Contributions of capital assets to governmental funds	\$ -	\$ 7	\$ 10	\$ -	\$ -	\$ 17

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 8,407	\$ 8,407	\$ 8,568	\$ 161
Interest	250	250	254	4
Other:				
Service reimbursements	89,357	90,172	85,556	(4,616)
Experience ratings and other	465	465	796	331
Total revenues	<u>98,479</u>	<u>99,294</u>	<u>95,174</u>	<u>(4,120)</u>
EXPENDITURES				
County management	94,136	94,923	87,960	6,963
Nondepartmental	4,093	4,093	3,811	282
Total expenditures	<u>98,229</u>	<u>99,016</u>	<u>91,771</u>	<u>7,245</u>
Excess of revenues over expenditures	250	278	3,403	3,125
Contingency	(14,695)	(14,723)	-	14,723
Net change in fund balances	(14,445)	(14,445)	3,403	17,848
Fund balances - beginning	45,000	45,000	51,153	6,153
Fund balances - ending	<u>\$ 30,555</u>	<u>\$ 30,555</u>	<u>54,556</u>	<u>\$ 24,001</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>10</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			<u>\$ 54,566</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fleet Management Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 74	\$ 74	\$ 75	\$ 1
Interest	19	19	18	(1)
Other:				
Service reimbursements	5,358	5,358	5,256	(102)
Miscellaneous	80	80	122	42
Total revenues	5,531	5,531	5,471	(60)
EXPENDITURES				
County assets	10,112	10,112	5,814	4,298
Deficiency of revenues under expenditures	(4,581)	(4,581)	(343)	4,238
OTHER FINANCING SOURCES				
Proceeds from sale of assets	130	130	380	250
Cash transfers in	1,204	1,204	1,204	-
Total other financing sources	1,334	1,334	1,584	250
Contingency	(660)	(660)	-	660
Net change in fund balances	(3,907)	(3,907)	1,241	5,148
Fund balances - beginning	3,907	3,907	4,205	298
Fund balances - ending	\$ -	\$ -	5,446	\$ 5,446
Reconciliation to GAAP basis:				
Invested in capital assets			3,002	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			\$ 8,448	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Information Technology Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 454	\$ 454
Interest	-	-	33	33
Other:				
Service reimbursements	38,156	38,160	36,915	(1,245)
Miscellaneous	-	-	2	2
Total revenues	<u>38,156</u>	<u>38,160</u>	<u>37,404</u>	<u>(756)</u>
EXPENDITURES				
County assets	<u>46,319</u>	<u>46,323</u>	<u>39,588</u>	<u>6,735</u>
Deficiency of revenues under expenditures	<u>(8,163)</u>	<u>(8,163)</u>	<u>(2,184)</u>	<u>5,979</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total other financing sources	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Contingency	<u>(670)</u>	<u>(670)</u>	<u>-</u>	<u>670</u>
Net changes in fund balances	<u>(7,333)</u>	<u>(7,333)</u>	<u>(684)</u>	<u>6,649</u>
Fund balances - beginning	<u>7,333</u>	<u>7,333</u>	<u>7,052</u>	<u>(281)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,368</u>	<u>\$ 6,368</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>7,376</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			<u>\$ 13,744</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Mail/Distribution Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 63	\$ 63	\$ 95	\$ 32
Interest	8	8	4	(4)
Other:				
Service reimbursements	2,196	2,196	2,122	(74)
Total revenues	<u>2,267</u>	<u>2,267</u>	<u>2,221</u>	<u>(46)</u>
EXPENDITURES				
County assets	<u>3,052</u>	<u>3,052</u>	<u>2,264</u>	<u>788</u>
Deficiency of revenues under expenditures	(785)	(785)	(43)	742
Contingency	(487)	(487)	-	487
Net changes in fund balances	<u>(1,272)</u>	<u>(1,272)</u>	<u>(43)</u>	<u>1,229</u>
Fund balances - beginning	1,272	1,272	1,060	(212)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,017</u>	<u>\$ 1,017</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>11</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			<u>\$ 1,028</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Facilities Management Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,835	\$ 2,835	\$ 3,030	\$ 195
Intergovernmental	-	-	310	310
Interest	30	30	13	(17)
Other:				
Service reimbursements	33,079	33,079	30,773	(2,306)
Miscellaneous	4,656	4,656	39	(4,617)
Total revenues	<u>40,600</u>	<u>40,600</u>	<u>34,165</u>	<u>(6,435)</u>
EXPENDITURES				
County management	<u>41,896</u>	<u>41,896</u>	<u>34,369</u>	<u>7,527</u>
Deficiency of revenues under expenditures	<u>(1,296)</u>	<u>(1,296)</u>	<u>(204)</u>	<u>1,092</u>
OTHER FINANCING USES				
Transfers out	<u>(604)</u>	<u>(604)</u>	<u>(604)</u>	<u>-</u>
Total other financing uses	<u>(604)</u>	<u>(604)</u>	<u>(604)</u>	<u>-</u>
Contingency	<u>(525)</u>	<u>(525)</u>	<u>-</u>	<u>525</u>
Net change in fund balances	<u>(2,425)</u>	<u>(2,425)</u>	<u>(808)</u>	<u>1,617</u>
Fund balances - beginning	<u>2,425</u>	<u>2,425</u>	<u>1,898</u>	<u>(527)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,090</u>	<u>\$ 1,090</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>35</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			<u>\$ 1,125</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 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, 2014
(amounts expressed in thousands)

	<u>Sundry Taxing Bodies</u>	<u>Department and Offices Agency</u>	<u>Public Guardian</u>	<u>Visitors' Facilities Trust</u>	<u>Total</u>
ASSETS:					
Restricted assets:					
Cash and Investments	\$ 6,308	\$ 7,439	\$ 897	\$ 9,368	\$ 24,012
Receivables - Taxes	64,381	113	-	3,087	67,581
Total assets	<u>\$ 70,689</u>	<u>\$ 7,552</u>	<u>\$ 897</u>	<u>\$ 12,455</u>	<u>\$ 91,593</u>
LIABILITIES:					
Liabilities payable from restricted assets:					
Accounts payable	\$ 6,308	\$ 3,895	\$ 55	\$ 4,691	\$ 14,949
Due to other governmental units	63,655	-	-	-	63,655
Amounts held in trust	726	3,657	842	7,764	12,989
Total liabilities	<u>\$ 70,689</u>	<u>\$ 7,552</u>	<u>\$ 897</u>	<u>\$ 12,455</u>	<u>\$ 91,593</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
SUNDRY TAXING BODIES:				
Restricted assets:				
Cash and investments	\$ 6,170	\$ 1,041,936	\$ 1,041,798	\$ 6,308
Taxes receivable	60,552	1,141,922	1,138,093	64,381
Total restricted assets	<u>\$ 66,722</u>	<u>\$ 2,183,858</u>	<u>\$ 2,179,891</u>	<u>\$ 70,689</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 6,166	\$ 1,019,969	\$ 1,019,827	\$ 6,308
Due to other governmental units	59,376	1,062,912	1,058,633	63,655
Amounts held in trust	1,180	1,019,121	1,019,575	726
Total liabilities	<u>\$ 66,722</u>	<u>\$ 3,102,002</u>	<u>\$ 3,098,035</u>	<u>\$ 70,689</u>
DEPARTMENT AND OFFICES AGENCY:				
Restricted assets:				
Cash and investments	\$ 6,283	\$ 1,557,057	\$ 1,555,901	\$ 7,439
Taxes receivable	110	1,360,653	1,360,650	113
Total assets	<u>\$ 6,393</u>	<u>\$ 2,917,710</u>	<u>\$ 2,916,551</u>	<u>\$ 7,552</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 3,072	\$ 56,290	\$ 55,467	\$ 3,895
Amounts held in trust	3,321	1,383,510	1,383,174	3,657
Total liabilities	<u>\$ 6,393</u>	<u>\$ 1,439,800</u>	<u>\$ 1,438,641</u>	<u>\$ 7,552</u>
PUBLIC GUARDIAN:				
Restricted assets:				
Cash and investments	\$ 749	\$ 8,180	\$ 8,032	\$ 897
Accounts receivable	-	1,807	1,807	-
Total assets	<u>\$ 749</u>	<u>\$ 9,987</u>	<u>\$ 9,839</u>	<u>\$ 897</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 51	\$ 3,016	\$ 3,012	\$ 55
Amounts held in trust	698	1,752	1,608	842
Total liabilities	<u>\$ 749</u>	<u>\$ 4,768</u>	<u>\$ 4,620</u>	<u>\$ 897</u>
VISITORS FACILITIES TRUST:				
Restricted assets:				
Cash and investments	\$ 6,928	\$ 58,994	\$ 56,554	\$ 9,368
Taxes receivable	2,787	15,244	14,944	3,087
Total assets	<u>\$ 9,715</u>	<u>\$ 74,238</u>	<u>\$ 71,498</u>	<u>\$ 12,455</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 4,163	\$ 15,456	\$ 14,928	\$ 4,691
Amounts held in trust	5,552	15,102	12,890	7,764
Total liabilities	<u>\$ 9,715</u>	<u>\$ 30,558</u>	<u>\$ 27,818</u>	<u>\$ 12,455</u>
TOTAL - ALL AGENCY FUNDS:				
Restricted assets:				
Cash and investments	\$ 20,130	\$ 2,666,167	\$ 2,662,285	\$ 24,012
Taxes receivable	63,449	2,517,819	2,513,687	67,581
Accounts receivable	-	1,807	1,807	-
Total assets	<u>\$ 83,579</u>	<u>\$ 5,185,793</u>	<u>\$ 5,177,779</u>	<u>\$ 91,593</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 13,452	\$ 1,094,731	\$ 1,093,234	\$ 14,949
Due to other governmental units	59,376	1,062,912	1,058,633	63,655
Amounts held in trust	10,751	2,419,485	2,417,247	12,989
Total liabilities	<u>\$ 83,579</u>	<u>\$ 4,577,128</u>	<u>\$ 4,569,114</u>	<u>\$ 91,593</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, 2014
(amounts expressed in thousands)

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 15,173	\$ 14,998
Right-of-way	196,843	196,959
Construction in progress	239,982	148,898
Works of art	4,430	4,430
Buildings-not in service	47,109	47,409
Buildings	398,766	398,721
Improvements other than buildings	1,010	918
Machinery and equipment	110,421	108,016
Bridges	156,395	156,395
Infrastructure	370,476	369,973
Total governmental funds capital assets	<u>\$ 1,540,605</u>	<u>\$ 1,446,717</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
Beginning balance	\$ 1,446,717	\$ 1,382,124
General fund	(298)	(6,063)
Road fund	830	1,819
Federal and state program fund	1,217	1,737
Willamette river bridges fund	2,045	1,243
Library fund	930	(1,014)
Land corner preservation fund	17	-
Justice services special operations	65	7
Financed projects fund	1	(2,167)
Capital improvement fund	4,573	3,290
Capital Acquisition Fund	(75)	1,382
Asset preservation fund	1,277	1,077
Sellwood bridge replacement fund	80,941	63,010
Risk management fund	(26)	-
Fleet management fund	(335)	79
Information technology fund	2,774	118
Mail distribution fund	(33)	59
Facilities management fund	(15)	16
Total governmental funds capital assets, ending balance	<u>\$ 1,540,605</u>	<u>\$ 1,446,717</u>

MULTNOMAH COUNTY, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2014
(amounts expressed in thousands)

	<u>Land</u>	<u>Right of Way</u>	<u>Work in Progress</u>	<u>Works of Art</u>	<u>Buildings not in Service</u>
FUNCTION AND ACTIVITY					
General government:					
Legislative	\$ 236	\$ -	\$ -	\$ -	\$ -
Administrative	2,218	-	12,811	-	-
	<u>2,454</u>	<u>-</u>	<u>12,811</u>	<u>-</u>	<u>-</u>
Health and social services:					
Health	1,459	-	1,910	-	-
Social	159	-	419	-	-
	<u>1,618</u>	<u>-</u>	<u>2,329</u>	<u>-</u>	<u>-</u>
Public safety:					
Law enforcement	1,033	-	86	-	-
Justice services	1,347	-	234	-	47,109
	<u>2,380</u>	<u>-</u>	<u>320</u>	<u>-</u>	<u>47,109</u>
Community services:					
Community service development	-	-	-	-	-
Recreation	-	-	-	-	-
Library	4,310	-	32	4,430	-
	<u>4,310</u>	<u>-</u>	<u>32</u>	<u>4,430</u>	<u>-</u>
Roads and bridges:					
Roads and bridges	992	196,843	224,490	-	-
	<u>992</u>	<u>196,843</u>	<u>224,490</u>	<u>-</u>	<u>-</u>
External organizations:					
External use	3,419	-	-	-	-
	<u>\$ 15,173</u>	<u>\$ 196,843</u>	<u>\$ 239,982</u>	<u>\$ 4,430</u>	<u>\$ 47,109</u>

<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Bridges</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 7,210	\$ -	\$ 280	\$ -	\$ -	\$ 7,726
86,217	48	26,724	-	-	128,018
<u>93,427</u>	<u>48</u>	<u>27,004</u>	<u>-</u>	<u>-</u>	<u>135,744</u>
34,632	1	2,518	-	-	40,520
14,980	316	2,801	-	-	18,675
<u>49,612</u>	<u>317</u>	<u>5,319</u>	<u>-</u>	<u>-</u>	<u>59,195</u>
95,606	99	8,909	-	-	105,733
9,316	2	2,839	-	-	60,847
<u>104,922</u>	<u>101</u>	<u>11,748</u>	<u>-</u>	<u>-</u>	<u>166,580</u>
-	108	14	-	-	122
-	-	25	-	-	25
64,641	432	62,939	-	-	136,784
<u>64,641</u>	<u>540</u>	<u>62,978</u>	<u>-</u>	<u>-</u>	<u>136,931</u>
-	-	3,372	156,395	370,476	952,568
-	-	3,372	156,395	370,476	952,568
86,164	4	-	-	-	89,587
<u>\$ 398,766</u>	<u>\$ 1,010</u>	<u>\$ 110,421</u>	<u>\$ 156,395</u>	<u>\$ 370,476</u>	<u>\$ 1,540,605</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, 2014
(amounts expressed in thousands)

FUNCTION AND ACTIVITY	Governmental Funds Capital Assets June 30, 2013	Additions	Deductions & Reclassifications	Governmental Funds Capital Assets June 30, 2014
General government:				
Legislative	\$ 8,269	\$ -	\$ (543)	\$ 7,726
Administrative	127,882	7,873	(7,737)	128,018
	<u>136,151</u>	<u>7,873</u>	<u>(8,280)</u>	<u>135,744</u>
Health and social services:				
Health	37,863	2,778	(121)	40,520
Social	11,961	730	5,984	18,675
	<u>49,824</u>	<u>3,508</u>	<u>5,863</u>	<u>59,195</u>
Public safety:				
Law enforcement	105,763	1,184	(1,214)	105,733
Justice services	61,871	377	(1,401)	60,847
	<u>167,634</u>	<u>1,561</u>	<u>(2,615)</u>	<u>166,580</u>
Community services:				
Community service development	122	-	-	122
Recreation	25	-	-	25
Library	135,699	6,981	(5,896)	136,784
	<u>135,846</u>	<u>6,981</u>	<u>(5,896)</u>	<u>136,931</u>
Roads and bridges:				
Roads and bridges	868,459	85,380	(1,271)	952,568
	<u>868,459</u>	<u>85,380</u>	<u>(1,271)</u>	<u>952,568</u>
External organizations:				
External use	88,803	3	781	89,587
	<u>\$ 1,382,124</u>	<u>\$ 105,306</u>	<u>\$ (11,418)</u>	<u>\$ 1,540,605</u>

OTHER SCHEDULES

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

MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2014
(amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2013	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, 2014
2013-14	\$ -	\$ 1,369,839	\$ (3,509)	\$ 544	\$ (34,878)	\$ (1,296,362)	\$ 35,634
2012-13	34,335	-	(1,243)	1,144	27	(15,751)	18,512
2011-12	20,865	-	(349)	1,058	1	(6,544)	15,031
2010-11	12,630	-	(131)	1,498	1	(6,418)	7,580
2009-10	7,811	-	(103)	971	-	(3,655)	5,024
2008-09 and prior	1,774	-	(130)	255	-	(622)	1,277
	<u>\$ 77,415</u>	<u>\$ 1,369,839</u>	<u>\$ (5,465)</u>	<u>\$ 5,470</u>	<u>\$ (34,849)</u>	<u>\$ (1,329,352)</u>	<u>\$ 83,058</u>

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2014

	Current Years' Levy	Prior Years' Levies	Total Property Taxes	Other Taxes*	Total
General fund	\$ 6,416	\$ 9,194	\$ 15,610	\$ 18,256	\$ 33,866
Special revenue funds:					
Library fund	-	1,368	1,368	-	1,368
OHS special levy fund	46	51	97	-	97
Land corner preservation fund	-	-	-	8	8
Special excise tax fund	-	-	-	2,624	2,624
Library District	1,719	-	1,719	-	1,719
Total special revenue funds	1,765	1,419	3,184	2,632	5,816
General obligation bond fund	191	337	528	-	528
Agency funds	27,227	36,428	63,655	3,926	67,581
Sub-total taxes receivable	35,599	47,378	82,977	24,814	107,791
Special assessments collected through taxes	35	46	81	-	81
Total receivables	<u>\$ 35,634</u>	<u>\$ 47,424</u>	<u>\$ 83,058</u>	<u>\$ 24,814</u>	<u>\$ 107,872</u>

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

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
For the Year Ended June 30, 2014
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

	<u>Outstanding June 30, 2013</u>		<u>2013-14 Transactions</u>			<u>Outstanding June 30, 2014</u>	
	<u>Matured</u>	<u>Unmatured</u>	<u>Issued</u>	<u>Matured</u>	<u>Refunded or Paid</u>	<u>Matured</u>	<u>Unmatured</u>
Dated March 31, 2010	\$ -	\$ 24,935	\$ -	\$ -	\$ 7,210	\$ -	\$ 17,725
	-	24,935	-	-	7,210	-	17,725

GENERAL OBLIGATION BOND INTEREST COUPONS

Dated March 31, 2014	<u>\$ 951</u>
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MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds Outstanding
June 30, 2014
(amounts expressed in thousands)

GENERAL OBLIGATION BONDS

Fiscal Year of Maturity	Series 2010 Dated 3/31/10 3.00 to 5.00%		Total	
	Principal	Interest	Principal	Interest
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2015	\$ 6,155	\$ 617	\$ 6,155	\$ 617
2016	5,665	349	5,665	349
2017	5,905	118	5,905	118
	<u>\$ 17,725</u>	<u>\$ 1,084</u>	<u>\$ 17,725</u>	<u>\$ 1,084</u>

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Obligations
June 30, 2014
(amounts expressed in thousands)

CAPITALIZED LEASE OBLIGATIONS

Fiscal Year of Maturity	Sellwood Lofts Dated 01/01/02 10.31%		Sheriff Warehouse Dated 07/01/10 4.00%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ 21	\$ 98	\$ 121	\$ 13	\$ 142
2016	23	95	126	8	149	103
2017	25	93	131	3	156	96
2018	28	90	-	-	28	90
2019	31	87	-	-	31	87
2020	34	84	-	-	34	84
2021	38	80	-	-	38	80
2022	42	76	-	-	42	76
2023	47	71	-	-	47	71
2024	52	66	-	-	52	66
2025	57	61	-	-	57	61
2026	64	55	-	-	64	55
2027	70	48	-	-	70	48
2028	78	40	-	-	78	40
2029	86	32	-	-	86	32
2030	96	22	-	-	96	22
2031	106	12	-	-	106	12
2032	57	2	-	-	57	2
	<u>\$ 955</u>	<u>\$ 1,112</u>	<u>\$ 378</u>	<u>\$ 24</u>	<u>\$ 1,333</u>	<u>\$ 1,136</u>

MULTNOMAH COUNTY, OREGON
Schedule of Loans Outstanding
June 30, 2014
(amounts expressed in thousands)

GENERAL LONG TERM LOANS

Fiscal Year of Maturity	OTIB		Total	
	Dated 09/04/08		Principal	Interest
	3.98%			
	Principal	Interest		
2015	\$ 194	\$ 118	\$ 194	\$ 118
2016	202	110	202	110
2017	210	102	210	102
2018	218	93	218	93
2019	227	85	227	85
2020	236	75	236	75
2021	246	66	246	66
2022	256	56	256	56
2023	266	46	266	46
2024	277	35	277	35
2025	288	24	288	24
2026	299	12	299	12
	<u>\$ 2,919</u>	<u>\$ 822</u>	<u>\$ 2,919</u>	<u>\$ 822</u>

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
June 30, 2014
(amounts expressed in thousands)

FULL FAITH AND CREDIT BONDS

Fiscal Year of Maturity	Series 1999		Series 2004		Series 2010A	
	Dated 12/01/99		Dated 10/01/04		Dated 03/31/10	
	6.49 to 7.74%		3.00 to 5.00%		2.00 to 3.00%	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 4,469	\$ 14,618	\$ 6,185	\$ 155	\$ 1,420	\$ 131
2016	6,845	13,341	-	-	1,450	88
2017	16,985	4,358	-	-	1,485	45
2018	19,470	3,096	-	-	-	-
2019	22,200	1,649	-	-	-	-
2020	5,319	19,876	-	-	-	-
2021	5,208	21,407	-	-	-	-
2022	5,098	23,012	-	-	-	-
2023	4,989	24,686	-	-	-	-
2024	4,881	26,444	-	-	-	-
2025	4,775	28,285	-	-	-	-
2026	4,670	30,215	-	-	-	-
2027	4,566	32,234	-	-	-	-
2028	4,463	34,347	-	-	-	-
2029	4,362	36,563	-	-	-	-
2030	4,262	38,887	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
	\$ 122,562	\$ 353,018	\$ 6,185	\$ 155	\$ 4,355	\$ 264

Series 2010B		Series 2012		Series 2014		Total	
Dated 12/14/10		Dated 12/13/12		Dated 06/18/14			
4.00 to 4.70%		3.00 to 5.00%		3.00 to 5.00%			
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ -	\$ 713	\$ 4,165	\$ 5,306	\$ -	\$ 641	\$ 16,239	\$ 21,564
-	713	4,330	5,139	3,785	940	16,410	20,221
-	713	4,550	4,923	4,570	731	27,590	10,770
-	713	4,775	4,695	4,820	497	29,065	9,001
-	713	5,015	4,456	4,575	308	31,790	7,126
-	713	5,265	4,206	4,780	120	15,364	24,915
1,350	713	5,530	3,942	-	-	12,088	26,062
1,380	659	5,805	3,666	-	-	12,283	27,337
1,410	600	6,095	3,376	-	-	12,494	28,662
1,440	537	6,400	3,071	-	-	12,721	30,052
1,475	470	6,720	2,751	-	-	12,970	31,506
1,510	401	7,055	2,415	-	-	13,235	33,031
1,545	325	7,410	2,062	-	-	13,521	34,621
1,585	247	7,705	1,766	-	-	13,753	36,360
1,630	167	8,015	1,457	-	-	14,007	38,187
1,675	84	8,335	1,137	-	-	14,272	40,108
-	-	8,665	803	-	-	8,665	803
-	-	8,925	543	-	-	8,925	543
-	-	9,195	276	-	-	9,195	276
\$ 15,000	\$ 8,481	\$ 123,955	\$ 55,990	\$ 22,530	\$ 3,237	\$ 294,587	\$ 421,145

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STATISTICAL INFORMATION SECTION (UNAUDITED)

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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

	<u>2014</u>	<u>2013</u>	<u>Restated 2012</u>	<u>2011</u>
Governmental Activities:				
Net Investment in capital assets	\$ 705,519	\$ 670,483	\$ 686,874	\$ 637,922
Restricted	99,882	106,237	29,565	49,806
Unrestricted	107,416	24,375	74,009	81,502
Total governmental activities net position	<u>\$ 912,817</u>	<u>\$ 801,095</u>	<u>\$ 790,448</u>	<u>\$ 769,230</u>
Business-Type Activities:				
Net Investment in capital assets	\$ 3,631	\$ 3,672	\$ 3,752	\$ 3,612
Unrestricted	18,686	18,241	13,402	17,442
Total business-type activities net position	<u>\$ 22,317</u>	<u>\$ 21,913</u>	<u>\$ 17,154</u>	<u>\$ 21,054</u>
Primary Government:				
Net Investment in capital assets	\$ 709,150	\$ 674,155	\$ 690,626	\$ 641,534
Restricted	99,882	106,237	29,565	49,806
Unrestricted	126,102	42,616	87,411	98,944
Total primary government net position	<u>\$ 935,134</u>	<u>\$ 823,008</u>	<u>\$ 807,602</u>	<u>\$ 790,284</u>

Source: Current and prior years' financial statements

2010	Restated 2009	2008	2007	2006	Restated 2005
\$ 620,544	\$ 470,426	\$ 465,079	\$ 456,502	\$ 434,866	\$ 523,606
103,600	98,542	77,979	76,266	71,388	100,156
(8,728)	(10,907)	27,954	17,731	32,205	18,912
<u>\$ 715,416</u>	<u>\$ 558,061</u>	<u>\$ 571,012</u>	<u>\$ 550,499</u>	<u>\$ 538,459</u>	<u>\$ 642,674</u>
\$ 3,696	\$ 3,442	\$ 3,424	\$ 3,020	\$ 2,985	\$ 2,577
13,600	9,631	2,928	4,612	2,830	2,012
<u>\$ 17,296</u>	<u>\$ 13,073</u>	<u>\$ 6,352</u>	<u>\$ 7,632</u>	<u>\$ 5,815</u>	<u>\$ 4,589</u>
\$ 624,240	\$ 473,868	\$ 468,503	\$ 459,522	\$ 437,851	\$ 526,183
103,600	98,542	77,979	76,266	71,388	100,156
4,872	(1,276)	30,882	22,343	35,035	20,924
<u>\$ 732,712</u>	<u>\$ 571,134</u>	<u>\$ 577,364</u>	<u>\$ 558,131</u>	<u>\$ 544,274</u>	<u>\$ 647,263</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Program Revenues				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$ 71,664	\$ 26,466	\$ 27,239	\$ 27,789
Health services	72,286	68,943	72,910	77,276
Social services	2,038	1,064	1,568	1,321
Public safety and justice	15,473	17,167	16,809	16,056
Community services	3,779	3,514	2,914	2,325
Library	1,652	1,639	1,747	1,759
Roads and bridges	13,011	12,853	11,866	9,131
Operating grants and contributions	340,367	318,956	308,392	316,218
Capital grants and contributions	60,776	68	839	16,415
Total governmental activities program revenues	<u>581,046</u>	<u>450,670</u>	<u>444,284</u>	<u>468,290</u>
Business-type activities:				
Charges for services:				
Dunthorpe	877	852	837	816
Mid County	452	377	380	363
Behavioral Health	53,112	42,857	44,712	46,110
Capital grants and contributions	-	10	6	36
Total business-type activities program revenues	<u>54,441</u>	<u>44,096</u>	<u>45,935</u>	<u>47,325</u>
Total primary government program revenues	<u>635,487</u>	<u>494,766</u>	<u>490,219</u>	<u>515,615</u>
Expenses				
Governmental activities:				
General government	97,325	72,049	65,813	58,642
Health services	152,854	148,528	150,421	151,327
Social services	245,233	233,990	224,975	222,515
Public safety and justice	228,463	221,744	217,842	216,403
Community services	39,182	36,895	34,511	26,683
Library	64,708	58,488	61,641	60,343
Roads and bridges	66,622	55,383	54,287	51,772
Interest on long-term debt	20,822	18,932	10,695	11,774
Total governmental activities expenses	<u>915,209</u>	<u>846,009</u>	<u>820,185</u>	<u>799,459</u>
Business-type activities:				
Dunthorpe	573	554	507	486
Mid County	420	389	411	427
Behavioral Health	53,156	38,586	49,014	43,640
Total business-type activities expenses	<u>54,149</u>	<u>39,529</u>	<u>49,932</u>	<u>44,553</u>
Total primary government expenses	<u>969,358</u>	<u>885,538</u>	<u>870,117</u>	<u>844,012</u>

	2010	2009	2008	2007	2006	2005
\$	22,843	\$ 21,936	\$ 21,721	\$ 23,703	\$ 25,531	\$ 20,486
	70,455	60,340	52,241	45,765	44,406	44,145
	1,902	1,125	1,615	1,309	1,210	1,175
	17,490	17,597	17,765	17,904	16,600	16,394
	-	10	10	31	8	1
	1,757	1,754	1,855	1,745	1,641	1,887
	1,107	1,227	2,141	1,962	1,784	1,867
	299,735	291,018	265,271	257,810	247,933	256,489
	2,885	3,831	10,505	5,594	5,272	34,149
	<u>418,174</u>	<u>398,838</u>	<u>373,124</u>	<u>355,823</u>	<u>344,385</u>	<u>376,593</u>
	809	713	627	574	455	423
	341	264	268	306	294	289
	42,931	39,027	36,072	34,879	34,519	29,472
	133	80	10	76	82	238
	<u>44,214</u>	<u>40,084</u>	<u>36,977</u>	<u>35,835</u>	<u>35,350</u>	<u>30,422</u>
	<u>462,388</u>	<u>438,922</u>	<u>410,101</u>	<u>391,658</u>	<u>379,735</u>	<u>407,015</u>
	59,572	64,660	75,547	87,472	114,378	128,871
	137,615	133,751	125,355	118,380	112,201	106,551
	224,928	210,590	196,537	185,672	177,891	181,194
	210,079	217,215	208,253	199,850	196,167	192,005
	22,796	24,320	26,069	24,136	23,336	21,795
	56,548	55,181	52,087	47,872	43,530	41,357
	49,571	53,462	56,716	53,701	54,256	56,781
	12,800	14,041	16,443	16,954	21,822	18,058
	<u>773,909</u>	<u>773,220</u>	<u>757,007</u>	<u>734,037</u>	<u>743,581</u>	<u>746,612</u>
	516	458	476	405	407	487
	403	420	377	354	328	495
	<u>39,207</u>	<u>32,720</u>	<u>37,803</u>	<u>34,221</u>	<u>33,640</u>	<u>29,480</u>
	<u>40,126</u>	<u>33,598</u>	<u>38,656</u>	<u>34,980</u>	<u>34,375</u>	<u>30,462</u>
	<u>814,035</u>	<u>806,818</u>	<u>795,663</u>	<u>769,017</u>	<u>777,956</u>	<u>777,074</u>

(continued)

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

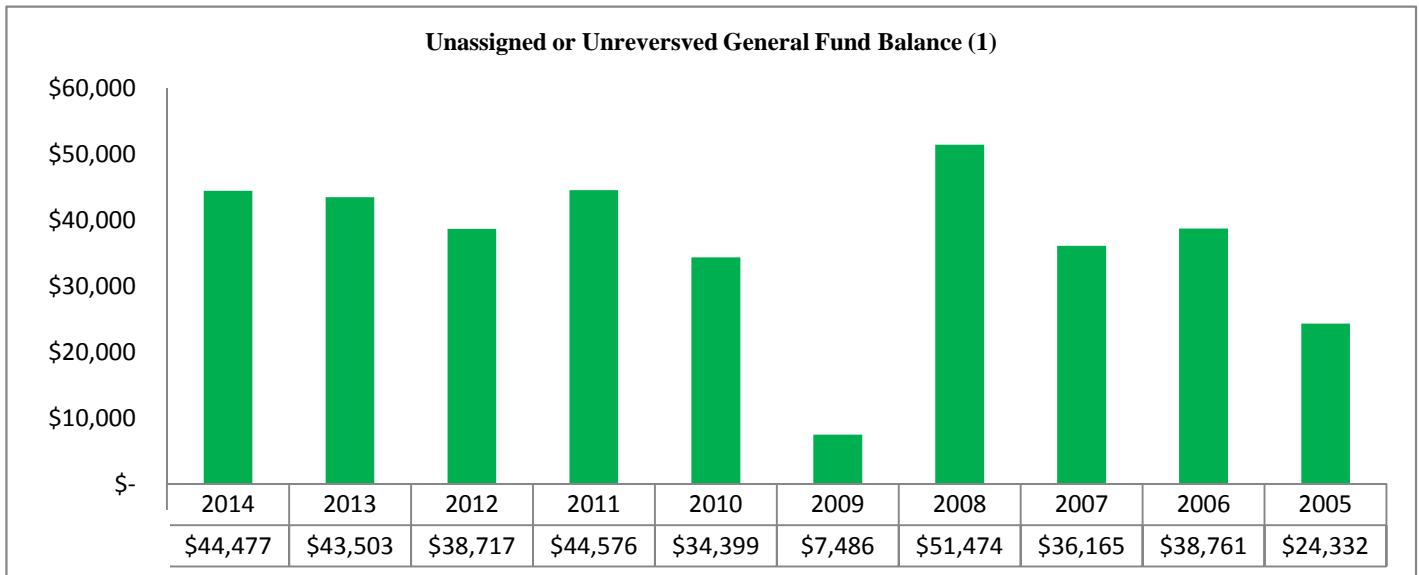
(continued)	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Expense				
Governmental activities	\$ (334,163)	\$ (395,339)	\$ (375,901)	\$ (331,169)
Business-type activities	292	4,567	(3,997)	2,772
Total primary government net expense	<u>(333,871)</u>	<u>(390,772)</u>	<u>(379,898)</u>	<u>(328,397)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property and other local taxes levied for:				
General purposes	303,871	271,664	272,299	268,605
Debt service	6,999	8,067	8,842	8,246
Personal income taxes	16	77	235	683
Business income taxes	61,800	58,750	52,250	48,570
Selective excise and use taxes	58,456	52,934	48,777	46,167
Payments in lieu of taxes	821	1,019	697	1,500
State government shared revenues	9,198	9,090	10,108	7,423
Grants and contributions not restricted to specific programs	24	15	10	1
Interest and investment earnings	2,119	1,638	2,604	2,946
Miscellaneous	2,302	2,613	1,194	667
Gain on sale of capital assets	279	119	607	175
Special items:				
Loss on transfer of County roads	-	-	-	-
Total governmental activities	<u>445,885</u>	<u>405,986</u>	<u>397,623</u>	<u>384,983</u>
Business-type activities:				
Interest and investment earnings	102	95	97	115
Miscellaneous	10	97	-	871
Total business-type activities	<u>112</u>	<u>192</u>	<u>97</u>	<u>986</u>
Total primary government	<u>445,997</u>	<u>406,178</u>	<u>397,720</u>	<u>385,969</u>
Change in Net Position				
Governmental activities	111,722	10,647	21,722	53,814
Cumulative effect of correction of error	-	-	-	-
Cumulative effect of change in accounting principle	-	-	(504)	-
Total governmental activities	<u>111,722</u>	<u>10,647</u>	<u>21,218</u>	<u>53,814</u>
Business-type activities	404	4,759	(3,900)	3,758
Total primary government change in net position	<u>\$ 112,126</u>	<u>\$ 15,406</u>	<u>\$ 17,318</u>	<u>\$ 57,572</u>

Source: Current and prior years' financial statements

2010	2009	2008	2007	2006	2005
\$ (355,735)	\$ (374,382)	\$ (383,883)	\$ (378,214)	\$ (399,196)	\$ (370,019)
4,088	6,486	(1,679)	855	975	(40)
<u>(351,647)</u>	<u>(367,896)</u>	<u>(385,562)</u>	<u>(377,359)</u>	<u>(398,221)</u>	<u>(370,059)</u>
266,294	258,200	249,446	231,073	219,854	209,056
9,001	8,227	9,077	9,249	9,373	7,815
-	(5,341)	2,748	21,237	59,764	124,577
44,150	42,900	65,650	57,399	50,980	36,463
42,692	39,161	42,812	39,582	36,914	33,646
1,305	1,516	1,537	1,738	2,249	3,012
7,768	8,562	9,613	9,517	8,692	6,741
27	14	10	6	2	1,150
2,589	5,767	11,887	13,454	10,094	4,943
1,665	1,797	1,410	6,771	4,007	2,233
228	628	10,206	228	1,607	166
-	-	-	-	(108,555)	-
<u>375,719</u>	<u>361,431</u>	<u>404,396</u>	<u>390,254</u>	<u>294,981</u>	<u>429,802</u>
128	235	398	495	251	121
7	-	1	467	-	113
<u>135</u>	<u>235</u>	<u>399</u>	<u>962</u>	<u>251</u>	<u>234</u>
<u>375,854</u>	<u>361,666</u>	<u>404,795</u>	<u>391,216</u>	<u>295,232</u>	<u>430,036</u>
19,984	(12,951)	20,513	12,040	(104,215)	59,783
-	137,371	-	-	-	-
-	-	-	-	-	21,091
<u>19,984</u>	<u>124,420</u>	<u>20,513</u>	<u>12,040</u>	<u>(104,215)</u>	<u>80,874</u>
<u>4,223</u>	<u>6,721</u>	<u>(1,280)</u>	<u>1,817</u>	<u>1,226</u>	<u>194</u>
<u>\$ 24,207</u>	<u>\$ 131,141</u>	<u>\$ 19,233</u>	<u>\$ 13,857</u>	<u>\$ (102,989)</u>	<u>\$ 81,068</u>

MULTNOMAH COUNTY, OREGON
Fund Balances, Governmental Funds (1)
Last Ten Fiscal Years
(dollar amounts expressed in thousands)
(modified accrual basis of accounting)
(unaudited)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund (2)				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	622	576	364	654
Restricted	254	429	534	487
Committed	-	-	42	487
Unassigned	44,477	43,503	38,717	44,576
Total general fund	<u>45,353</u>	<u>44,508</u>	<u>39,657</u>	<u>46,204</u>
All Other Governmental Funds				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	1,115	1,269	1,418	1,237
Restricted	104,838	105,341	28,506	48,942
Committed	99,651	86,123	86,457	94,237
Assigned	14,494	9,255	11,282	20,914
Unassigned	(207)	(446)	(396)	(312)
Total all other governmental funds	<u>219,891</u>	<u>201,542</u>	<u>127,267</u>	<u>165,018</u>
Total governmental funds	<u>\$ 265,244</u>	<u>\$ 246,050</u>	<u>\$ 166,924</u>	<u>\$ 211,222</u>



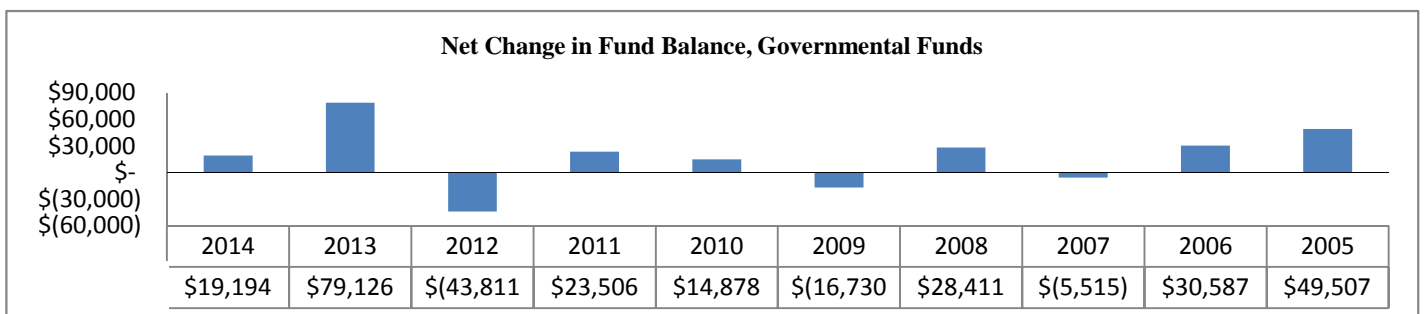
- (1) This schedule was modified with the implementation of GASB Statement #54, effective fiscal year 2011, which affected the categories used to report fund balances.
- (2) Reclassifications were made to amounts reported as Reserved and Unreserved in the General Fund for fiscal years 2000 - 2007 reported above in order to be consistent with the current reporting of amounts reserved for interfund receivables.

Source: Current and prior years' financial statements

2010	2009	2008	2007	2006	2005
\$ 25,016	\$ 23,891	\$ 20,139	\$ 24,053	\$ 16,203	\$ 18,084
34,399	7,486	51,474	36,165	38,761	24,332
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>59,415</u>	<u>31,377</u>	<u>71,613</u>	<u>60,218</u>	<u>54,964</u>	<u>42,416</u>
97,220	91,256	70,605	51,317	53,964	37,292
30,594	49,718	46,863	49,135	57,257	55,890
<u>127,814</u>	<u>140,974</u>	<u>117,468</u>	<u>100,452</u>	<u>111,221</u>	<u>93,182</u>
<u>\$ 187,229</u>	<u>\$ 172,351</u>	<u>\$ 189,081</u>	<u>\$ 160,670</u>	<u>\$ 166,185</u>	<u>\$ 135,598</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues				
Taxes	\$ 429,539	\$ 391,722	\$ 379,334	\$ 373,435
Payments in lieu of taxes	858	1,019	697	1,500
Intergovernmental	401,312	318,878	312,588	317,944
Licenses and permits	27,244	27,685	27,727	23,535
Charges for services	85,153	87,307	80,001	68,875
Interest	1,796	1,315	1,180	1,486
Miscellaneous	86,706	64,816	56,823	64,335
Total revenues	<u>1,032,608</u>	<u>892,742</u>	<u>858,350</u>	<u>851,110</u>
Expenditures				
Current:				
General government	73,641	69,384	61,380	62,951
Health services	159,095	155,451	156,344	158,283
Social services	247,007	236,253	226,460	223,815
Public safety and justice	231,694	225,707	221,094	220,279
Community services	38,833	34,517	34,137	26,283
Library	58,193	52,438	55,088	54,223
Roads and bridges	55,419	44,704	43,623	40,790
Capital Outlay	100,355	79,769	80,888	32,804
Debt service:				
Principal	48,931	60,212	28,526	23,947
Interest	23,253	19,702	10,583	11,759
Total expenditures	<u>1,036,421</u>	<u>978,137</u>	<u>918,123</u>	<u>855,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,813)</u>	<u>(85,395)</u>	<u>(59,773)</u>	<u>(4,024)</u>
Other Financing Sources (Uses)				
Proceeds from issuance of debt	22,530	153,262	15,101	16,282
Proceeds from issuance of refunding bonds	-	-	-	-
Premium on short-term debt	-	-	-	-
Premium on long-term debt	2,562	21,113	-	-
Issuance of capital lease	-	-	-	815
Proceeds from sale of capital assets	15	20	1,713	24
Payment to escrow agent - refunded debt	-	-	-	-
Transfers in	75,187	21,870	37,351	33,521
Transfers out	(77,287)	(31,744)	(38,203)	(23,112)
Total other financing sources (uses)	<u>23,007</u>	<u>164,521</u>	<u>15,962</u>	<u>27,530</u>
Net change in fund balances	<u>\$ 19,194</u>	<u>\$ 79,126</u>	<u>\$ (43,811)</u>	<u>\$ 23,506</u>
Debt service as a percentage of noncapital expenditures	<u>7.7%</u>	<u>8.9%</u>	<u>4.7%</u>	<u>4.3%</u>



Source: Current and prior years' financial statements

2010	2009	2008	2007	2006	2005
\$ 364,080	\$ 348,780	\$ 373,507	\$ 354,944	\$ 439,330	\$ 419,200
1,305	1,516	1,537	1,738	2,249	3,012
300,963	292,689	277,099	260,549	250,855	284,527
14,722	14,806	15,441	15,934	16,025	14,743
85,603	74,827	67,750	62,791	62,245	61,399
1,796	4,391	9,557	10,837	8,347	4,134
54,118	43,916	50,342	46,880	46,090	51,926
<u>822,587</u>	<u>780,925</u>	<u>795,233</u>	<u>753,673</u>	<u>825,141</u>	<u>838,941</u>
58,971	59,960	69,224	73,559	136,726	146,626
145,555	138,941	128,914	122,029	115,778	112,562
227,257	211,832	197,210	187,256	178,736	184,335
215,442	219,797	209,119	202,477	198,774	198,608
22,458	24,080	25,904	24,040	23,468	22,266
52,118	50,872	48,051	44,411	46,228	44,546
37,540	38,148	40,723	39,875	42,283	39,844
21,481	20,783	27,367	31,589	22,150	9,288
30,762	23,424	21,522	19,861	18,256	16,929
12,997	13,989	16,394	16,958	18,235	17,928
<u>824,581</u>	<u>801,826</u>	<u>784,428</u>	<u>762,055</u>	<u>800,634</u>	<u>792,932</u>
<u>(1,994)</u>	<u>(20,901)</u>	<u>10,805</u>	<u>(8,382)</u>	<u>24,507</u>	<u>46,009</u>
11,309	623	-	-	-	54,235
45,175	-	-	-	-	-
-	-	-	157	-	-
5,443	-	-	-	-	5,089
-	-	-	33	1,093	-
10	-	14,219	35	1,988	5
(49,710)	-	-	-	-	(58,847)
47,360	61,978	29,266	26,996	47,004	29,907
<u>(42,715)</u>	<u>(58,430)</u>	<u>(25,879)</u>	<u>(24,354)</u>	<u>(44,005)</u>	<u>(26,891)</u>
<u>16,872</u>	<u>4,171</u>	<u>17,606</u>	<u>2,867</u>	<u>6,080</u>	<u>3,498</u>
<u>\$ 14,878</u>	<u>\$ (16,730)</u>	<u>\$ 28,411</u>	<u>\$ (5,515)</u>	<u>\$ 30,587</u>	<u>\$ 49,507</u>
<u>5.4%</u>	<u>4.8%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>4.7%</u>	<u>4.4%</u>

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

Function/Program	2014	2013	2012	2011
Governmental activities:				
General government	\$ 76,839	\$ 31,273	\$ 32,200	\$ 34,230
Health services	116,869	100,994	107,371	113,591
Social services	185,991	194,176	172,360	180,874
Public safety and justice	61,636	57,886	57,705	60,451
Community services	5,389	5,104	5,898	7,184
Library	4,233	5,724	5,318	4,948
Roads and bridges	130,089	55,513	63,432	67,012
Total governmental activities	581,046	450,670	444,284	468,290
Business-type activities:				
Dunthorpe-Riverdale	877	852	837	822
Mid County	452	387	386	393
Behavioral Health	53,112	42,857	44,712	46,110
Total business-type activities	54,441	44,096	45,935	47,325
Total primary government	\$ 635,487	\$ 494,766	\$ 490,219	\$ 515,615

Source: Current and prior years' financial statements

2010	2009	2008	2007	2006	2005
\$ 27,142	\$ 26,142	\$ 35,044	\$ 28,530	\$ 32,587	\$ 33,367
104,070	91,457	81,507	74,024	74,003	71,924
180,656	171,782	152,905	142,100	134,894	139,569
60,818	61,855	57,364	58,188	54,278	62,497
3,636	3,943	3,196	3,278	4,712	4,387
5,178	5,306	5,359	5,302	4,106	4,079
36,674	38,353	37,749	44,401	39,805	60,770
<u>418,174</u>	<u>398,838</u>	<u>373,124</u>	<u>355,823</u>	<u>344,385</u>	<u>376,593</u>
877	713	627	574	455	423
406	344	278	382	376	527
42,931	39,027	36,072	34,879	34,519	29,472
<u>44,214</u>	<u>40,084</u>	<u>36,977</u>	<u>35,835</u>	<u>35,350</u>	<u>30,422</u>
<u>\$ 462,388</u>	<u>\$ 438,922</u>	<u>\$ 410,101</u>	<u>\$ 391,658</u>	<u>\$ 379,735</u>	<u>\$ 407,015</u>

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

<u>Year</u>	<u>Property Taxes</u>	<u>Business Income Taxes</u>	<u>Transient Lodging Taxes</u>	<u>Motor Vehicle Rental Taxes</u>	<u>County Gasoline Taxes</u>	<u>Personal Income Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2005	\$ 217,750	\$ 36,463	\$ 13,467	\$ 13,321	\$ 6,744	\$130,187	\$ 4,280	\$ 422,212
2006	229,312	50,980	14,794	14,886	7,115	120,919	3,573	441,579
2007	240,710	57,399	16,726	15,644	7,110	16,038	3,055	356,682
2008	257,225	65,650	18,491	16,852	7,356	6,611	2,859	375,044
2009	263,630	42,900	16,115	16,101	6,878	2,122	2,550	350,296
2010	275,462	44,150	15,441	20,105	7,063	905	2,259	365,385
2011	277,258	48,570	18,208	20,842	7,052	657	2,348	374,935
2012	277,827	52,250	20,052	21,852	6,811	205	1,034	380,031
2013	279,697	58,750	21,464	24,764	6,707	76	1,283	392,741
2014	309,024	61,800	24,268	27,435	6,753	34	1,083	430,397

Source: Current and prior years' financial statements

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

<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Public Utility Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate (1)</u>	<u>Estimated Real Market Value</u>
2005	\$ 26,264,819	\$ 14,003,443	\$ 2,484,887	\$ 2,158,073	\$ 44,911,222	\$ 5.01	\$ 70,457,625
2006	27,361,638	14,456,811	2,262,162	2,269,165	46,349,776	5.10	78,109,995
2007	28,695,852	14,825,459	2,376,350	2,328,560	48,226,221	5.12	87,070,081
2008	30,569,475	15,426,621	2,355,692	2,319,890	50,671,678	5.25	100,302,763
2009	32,075,253	15,987,533	2,390,005	2,362,074	52,814,865	5.21	107,381,958
2010	33,268,838	16,437,414	2,545,964	2,297,087	54,549,303	5.20	105,010,710
2011	34,269,351	16,954,346	2,569,318	2,194,393	55,987,408	5.10	101,559,353
2012	35,156,964	17,653,597	2,641,653	2,089,271	57,541,485	5.01	95,354,432
2013	35,929,873	18,050,498	2,599,627	2,097,912	58,677,910	4.89	93,735,420
2014	37,261,960	18,518,408	2,718,961	2,123,276	60,622,604	5.27	98,078,710

(1) See Property Tax Rates - Total Direct on page 160

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments	Amount		Percentage of Levy	Amount		Percentage of Levy	
2005	\$ 224,978	\$ (8,121)	\$216,857	\$211,480	94.00 %	\$ 5,335	\$216,815	96.37 %
2006	236,631	(7,479)	229,152	223,312	94.37	5,792	229,104	96.82
2007	246,944	(7,319)	239,625	233,608	94.60	5,976	239,584	97.02
2008	265,938	(8,394)	257,544	250,542	94.21	6,911	257,453	96.81
2009	275,133	(8,519)	266,614	257,497	93.59	8,931	266,428	96.84
2010	283,349	(8,894)	274,455	266,292	93.98	6,272	272,564	96.19
2011	285,605	(8,600)	277,005	269,609	94.40	4,314	273,923	95.91
2012	288,355	(8,686)	279,669	270,714	93.88	3,688	274,402	95.16
2013	287,384	(8,212)	279,172	271,302	94.40	3,344	274,646	95.57
2014	253,024	(7,092)	245,932	239,352	94.60	-	239,352	94.60

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

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

Year	Multnomah County Direct Rates				Overlapping Rates						
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
2005	\$ 4.25	\$ 0.58	\$0.18	\$ 5.01	\$6.68	\$ 0.55	\$ 7.75	\$ 0.01	\$ 0.08	\$ 1.40	\$ 21.48
2006	4.27	0.62	0.21	5.10	6.66	0.58	6.25	0.01	0.08	1.44	20.12
2007	4.28	0.64	0.20	5.12	6.61	0.55	6.56	0.01	0.08	1.55	20.48
2008	4.29	0.78	0.18	5.25	6.70	0.72	7.25	-	0.08	1.72	21.72
2009	4.27	0.78	0.16	5.21	6.35	0.70	7.18	0.01	0.08	1.81	21.34
2010	4.27	0.76	0.17	5.20	6.62	0.75	7.25	0.01	0.07	2.00	21.90
2011	4.24	0.71	0.15	5.10	6.56	0.73	7.23	0.01	0.07	2.02	21.72
2012	4.21	0.64	0.16	5.01	6.39	0.62	7.45	0.01	0.08	1.97	21.53
2013	4.16	0.59	0.14	4.89	6.39	0.64	7.41	0.01	0.08	1.97	21.39
2014	4.03	1.12	0.12	5.27	6.30	0.67	8.24	0.01	0.08	2.05	22.62

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

MULTNOMAH COUNTY, OREGON
Principal Taxpayers
December 31, 2013 and December 31, 2004
(dollar amounts expressed in thousands)
(unaudited)

December 31, 2013				
Taxpayer	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 11,674	\$ 547,181	1	0.90 %
Portland General Electric Co	7,447	447,185	2	0.74
Comcast Corporation	8,457	407,218	3	0.67
Pacificorp (PP&L)	5,357	316,652	4	0.52
Weston Investment Co LLC	5,707	256,447	5	0.42
Evraz Inc NA	3,823	218,521	6	0.36
Alaska Airlines Inc	3,036	181,860	7	0.30
Centurylink	2,974	175,920	8	0.29
Boeing Co	2,859	171,248	9	0.28
AT&T, Inc	2,889	170,751	10	0.28
	<u>\$ 54,223</u>	<u>\$ 2,892,983</u>		<u>4.77 %</u>
Total Assessed Valuation		<u>\$ 60,622,604</u>		

December 31, 2004				
Taxpayer	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
QWEST Corporation	N/A	\$ 551,810	1	1.23 %
Portland General Electric	N/A	350,967	2	0.78
Pacificorp (PP&L)	N/A	235,222	3	0.52
Wacker Siltronic Corp	N/A	169,330	4	0.38
Boeing Co	N/A	163,457	5	0.36
Northwest Natural Gas	N/A	146,202	6	0.33
LC Portland LLC	N/A	134,660	7	0.30
United Airlines	N/A	123,407	8	0.27
LSI Logic Corp	N/A	118,161	9	0.26
Alaska Airlines	N/A	117,000	10	0.26
		<u>\$ 2,110,216</u>		<u>4.70 %</u>
Total Assessed Valuation		<u>\$ 44,911,221</u>		

(1) Assessed valuation based on the valuation of property for tax collection years 2013-14 and 2004-05 respectively.
Note: Tax amounts not available for year ended December 31, 2004

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capitalized Lease Obligations	Full Faith and Credit Bonds	Revenue Bonds	Loans Payable			
2005	\$ 81,025	\$ 27,971	\$ 266,063	\$ 6,935	\$ 542	\$ 382,536	1.53 %	\$ 552
2006	75,340	19,444	256,833	6,420	449	358,486	1.33	511
2007	69,380	16,620	246,413	5,880	362	338,655	1.20	477
2008	63,125	13,604	234,688	5,320	242	316,979	1.07	442
2009	56,570	10,757	222,988	3,240	623	294,178	1.04	406
2010	45,175	1,020	219,018	2,845	2,132	270,190	0.92	367
2011	38,620	1,719	217,158	2,430	3,414	263,341	0.85	355
2012	31,795	1,597	198,353	-	18,164	249,909	0.76	334
2013	24,935	1,468	313,429	-	3,133	342,965	1.10	458
2014	17,725	1,333	294,587	-	2,919	316,564	0.97	418

Source: Current year PBC debt schedules

Note: 2013 - 2014 percentages calculated using 2011 personal income data, which is the most recent available.

(1) See population and personal income data on page 168

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

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2005	\$ 81,025	\$ (7,557)	\$ 73,468	0.29 %	0.16 %	\$ 106
2006	75,340	(7,993)	67,347	0.25	0.15	96
2007	69,380	(8,433)	60,947	0.22	0.13	86
2008	63,125	(8,569)	54,556	0.18	0.11	76
2009	56,570	(7,643)	48,927	0.17	0.09	68
2010	45,175	(7,611)	37,564	0.13	0.07	51
2011	38,620	(7,454)	31,166	0.10	0.06	42
2012	31,795	(7,753)	24,042	0.08	0.04	32
2013	24,935	(7,714)	17,221	0.06	0.03	23
2014	17,725	(6,578)	11,147	0.06	0.02	15

Note: 2013 and 2014 percentages calculated using 2012 personal income data, which is the most recent available.

(1) See taxable assessed value schedule on page 158

(2) See population and personal income data on page 168

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

Fiscal Year	Revenue Bonds						Coverage
	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2005	\$ 450	\$ 247	\$ 203	\$ 490	\$ 336	0.25 %	
2006	1,152	5	1,147	515	315	1.38	
2007	335	12	323	540	292	0.39	
2008	80	-	80	560	268	0.10	
2009	33	8	25	2,080	208	0.01	
2010	35	-	35	395	152	0.06	
2011	36	5	31	415	133	0.06	
2012	39	1	38	2,430	78	0.02	
2013	-	-	-	-	-	-	
2014	-	-	-	-	-	-	

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

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Real market value	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
Debt limit rate	2.00%	2.00%	2.00%	2.00%
Debt limit	1,961,574	1,874,708	1,907,089	2,031,187
Less bonded debt at June 30	17,725	24,935	31,795	38,620
Legal debt margin	<u>\$ 1,943,849</u>	<u>\$ 1,849,773</u>	<u>\$ 1,875,294</u>	<u>\$ 1,992,567</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.90%	1.33%	1.67%	1.90%

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

Real market value	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
Debt limit rate	1.00%	1.00%	1.00%	1.00%
Debt limit	980,787	937,354	953,544	1,015,594
Less bonded debt at June 30	172,025	186,395	198,353	217,158
Legal debt margin	<u>\$ 808,762</u>	<u>\$ 750,959</u>	<u>\$ 755,191</u>	<u>\$ 798,436</u>
Total net debt applicable to the limit as a percentage of debt limit.	17.54%	19.89%	20.80%	21.38%

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

Real market value	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
Debt limit rate	5.00%	5.00%	5.00%	5.00%
Debt limit	4,903,936	4,686,771	4,767,722	5,077,968
Less bonded debt at June 30	122,562	127,034	131,513	142,223
Legal debt margin	<u>\$ 4,781,374</u>	<u>\$ 4,559,737</u>	<u>\$ 4,636,209</u>	<u>\$ 4,935,745</u>
Total net debt applicable to the limit as a percentage of debt limit.	2.50%	2.71%	2.76%	2.80%

2010	2009	2008	2007	2006	2005
\$ 105,010,710	\$ 107,381,958	\$ 100,302,763	\$ 87,070,081	\$ 78,109,995	\$ 70,457,625
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2,100,214	2,147,639	2,006,055	1,741,402	1,562,200	1,409,153
45,175	56,570	63,125	69,380	75,340	81,025
\$ 2,055,039	\$ 2,091,069	\$ 1,942,930	\$ 1,672,022	\$ 1,486,860	\$ 1,328,128

2.15% 2.63% 3.15% 3.98% 4.82% 5.75%

\$ 105,010,710	\$ 107,381,958	\$ 100,302,763	\$ 87,070,081	\$ 78,109,995	\$ 70,457,625
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1,050,107	1,073,820	1,003,028	870,701	781,100	704,576
219,018	222,988	234,688	246,413	256,833	266,063
\$ 831,089	\$ 850,832	\$ 768,340	\$ 624,288	\$ 524,267	\$ 438,513

20.86% 20.77% 23.40% 28.30% 32.88% 37.76%

\$ 105,010,710	\$ 107,381,958	\$ 100,302,763	\$ 87,070,081	\$ 78,109,995	\$ 70,457,625
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5,250,536	5,369,098	5,015,138	4,353,504	3,905,500	3,522,881
151,373	159,113	165,583	170,908	175,203	178,568
\$ 5,099,163	\$ 5,209,985	\$ 4,849,555	\$ 4,182,596	\$ 3,730,297	\$ 3,344,313

2.88% 2.96% 3.30% 3.93% 4.49% 5.07%

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
June 30, 2014
(dollar amounts expressed in thousands)
(unaudited)

<u>Overlapping District (1)</u>	Gross (2) Property-tax Backed Debt	Net (3) Property-tax Backed Debt	Percent (4) Overlapping	Total Direct and Overlapping
City of Fairview	\$ 485	\$ -	100.00 %	\$ -
City of Gresham	60,249	30,049	100.00	30,049
City of Lake Oswego	203,527	28,742	5.81	1,670
City of Milwaukie	3,965	-	0.90	-
City of Portland	657,782	130,695	99.65	130,233
City of Troutdale	11,775	11,775	100.00	11,775
Metro	254,820	222,955	50.29	112,121
Port of Portland	66,739	-	46.61	-
Clackamas County ESD	24,190	-	0.06	-
Multnomah ESD	32,655	-	97.90	-
Northwest Regional ESD	5,125	-	0.55	-
Multnomah County SD 1 (Portland)	537,147	537,147	99.38	533,809
Multnomah County SD 3 (Parkrose)	60,265	60,265	100.00	60,265
Multnomah County SD 7 (Reynolds)	110,029	110,029	100.00	110,029
Multnomah County SD 10J (Gresham-Barlow)	86,600	86,600	79.29	68,668
Multnomah County SD 28J (Centennial)	28,867	28,867	93.19	26,900
Multnomah County SD 39 (Corbett)	1,590	1,590	100.00	1,590
Multnomah County SD 40 (David Douglas)	101,757	101,757	100.00	101,757
Multnomah County SD 51J (Riverdale)	25,228	25,228	94.92	23,947
Mt Hood Community College	68,038	25,100	82.67	20,749
Portland Community College	486,300	167,875	48.23	80,974
Clackamas County SD 7J (Lake Oswego)	99,037	99,037	0.34	333
Columbia County SD 1J (Scappoose)	30,645	30,645	19.34	5,927
Washington County SD 48J (Beaverton)	416,415	416,415	0.46	1,934
Washington County SD 1J (Hillsboro)	279,612	279,612	0.00	14
Clackamas County RFPD #1	19,740	910	0.23	2
Rockwood Water PUD	5,910	-	100.00	-
Sauvie Island RFPD 30	50	50	95.53	48
Pleasant Home Water District	1,790	1,790	93.63	1,676
Tualatin Valley Fire & Rescue Dist	55,600	42,600	1.62	691
Lusted Water District	825	825	100.00	825
Multnomah County Drainage Dist No 1	2,560	95	100.00	95
Subtotal, overlapping debt	3,739,317	2,440,653		\$ 1,326,081
Multnomah County direct debt	214,702	183,565	100.00	197,908
Total direct and overlapping debt				<u>\$ 1,523,989</u>

- (1) The overlapping debt calculation was performed by Municipal Debt Advisory Commission as of June 30, 2014
- (2) Gross Property-tax Backed Debt includes all General Obligation (GO) bonds and Full Faith & Credit bonds, including premiums.
- (3) Net Property-tax Backed Debt is Gross Property-tax Backed Debt less Self-supporting Unlimited Tax GO and less Self-supporting Full Faith & Credit debt.
- (4) Percent overlapping equals the RMV of the overlapping area of the overlapping district divided by the RMV of the County.
- Source: Municipal Debt Advisory Commission, Oregon State Treasury

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (thousands)</u>	<u>Per Capita Income (2)</u>	<u>PMSA* Unemployment Rate (3)</u>
2005	692,825	\$ 25,011,925	\$ 37,062	6.0 %
2006	701,545	27,043,127	39,550	5.1
2007	710,025	28,234,192	40,462	4.9
2008	717,880	29,687,197	41,638	5.6
2009	724,680	28,192,097	38,740	11.3
2010	736,785	29,424,258	39,899	10.0
2011	741,925	31,161,157	41,658	8.9
2012	748,445	32,715,802	43,089	7.9
2013	756,530	N/A	N/A	7.3
2014	756,530 (4)	N/A	N/A	6.1 (5)

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

(1) Population Research Center, PSU

(2) US BEA, Dept of Commerce, Bureau of Economic Analysis

(3) OLMIS, Oregon Labor Market Information System

(4) Population data for July 1, 2014 not available at this time.

(5) As of June 30, 2014

* Portland Metropolitan Statistical Area

MULTNOMAH COUNTY, OREGON
Principal Employers
Current Year and Nine Years Ago
(unaudited)

2013-14			
Employer	Employees	Rank	Percentage of Total PMSA* Employment
Intel Corporation	16,700	1	1.51 %
Providence Health System	14,132	2	1.27
Oregon Health and Science University	14,106	4	1.27
U.S. Federal Government	13,900	3	1.25
Fred Meyer Stores	10,176	5	0.92
Kaiser Foundation Health Plan	9,896	7	0.89
Legacy Health System	9,835	6	0.89
City of Portland	9,318	8	0.84
State of Oregon	7,559	9	0.68
Nike, Inc.	7,000	10	0.63
	<u>112,622</u>		<u>10.15 %</u>
Total PMSA* employment	<u>1,109,348</u> (1)		

2004-05			
Taxpayer	Employees	Rank	Percentage of Total PMSA* Employment
U.S. Government	15,585	1	1.41 %
Intel Corporation	14,890	2	1.34
Providence Health System	13,496	3	1.22
Oregon Health and Science University	11,400	4	1.03
Fred Meyer Stores	10,500	5	0.95
State of Oregon	9,771	6	0.88
Kaiser Foundation Health Plan	8,000	7	0.72
Legacy Health System	7,972	9	0.72
City of Portland	7,845	8	0.71
Safeway Inc.	6,000	10	0.54
	<u>105,459</u>		<u>9.51 %</u>
Total PMSA* employment	<u>1,109,100</u>		

* Portland Metropolitan Statistical Area

(1) As of June 30, 2014

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

Function/Program	2014	2013	2012	2011
Governmental activities:				
General government	652.5	617.5	613.5	637.0
Health services	973.3	968.5	954.5	966.5
Social services	759.5	672.0	660.0	650.0
Public safety and justice	1,442.8	1,423.5	1,444.5	1,476.0
Community services	68.5	69.0	61.5	62.5
Library	502.0	433.5	460.5	480.0
Roads and bridges	136.0	140.0	144.0	146.0
Total governmental activities	<u>4,534.5</u>	<u>4,324.0</u>	<u>4,338.5</u>	<u>4,418.0</u>
Business-type activities:				
Behavioral Health	5.0	4.5	8.0	6.0
Total business-type activities	<u>5.0</u>	<u>4.5</u>	<u>8.0</u>	<u>6.0</u>
Total primary government budgeted FTE	<u><u>4,539.5</u></u>	<u><u>4,328.5</u></u>	<u><u>4,346.5</u></u>	<u><u>4,424.0</u></u>
 MULTNOMAH COUNTY EMPLOYEES				
Management and exempt	694	678	675	764
Bargaining units:				
General employees (Local 88)	2,893	2,729	2,750	2,771
Electricians (Local 48)	19	17	19	19
Operating engineers (Local 701)	14	13	12	13
Paint makers (Local 1094)	1	1	0	1
Corrections (Teamsters 223)	413	415	421	411
Deputy sheriffs association	92	90	88	87
Oregon nurses association	188	192	189	199
Juvenile group workers (Local 86)	58	51	54	52
Prosecuting attorneys association	74	69	73	68
Parole and Probation Officers	114	111	115	121
Total bargaining units	<u>3,866</u>	<u>3,688</u>	<u>3,721</u>	<u>3,742</u>
Temporary County employees	<u>1,213</u>	<u>132</u>	<u>129</u>	<u>128</u>
Total actual County employees	<u><u>5,773</u></u>	<u><u>4,498</u></u>	<u><u>4,525</u></u>	<u><u>4,634</u></u>

Source: Multnomah County payroll records

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
613.5	622.5	614.5	603.5	665.5	676.0
916.0	914.0	874.5	864.5	841.5	802.5
661.5	677.0	621.0	582.5	573.0	596.0
1,503.5	1,531.0	1,561.5	1,538.5	1,559.0	1,585.0
61.0	60.5	69.5	75.0	81.0	73.0
477.0	467.5	440.5	423.0	411.0	413.5
138.0	143.0	149.0	150.0	139.0	159.5
<u>4,370.5</u>	<u>4,415.5</u>	<u>4,330.5</u>	<u>4,237.0</u>	<u>4,270.0</u>	<u>4,305.5</u>
6.0	7.0	8.0	7.0	11.0	17.0
<u>6.0</u>	<u>7.0</u>	<u>8.0</u>	<u>7.0</u>	<u>11.0</u>	<u>17.0</u>
<u>4,376.5</u>	<u>4,422.5</u>	<u>4,338.5</u>	<u>4,244.0</u>	<u>4,281.0</u>	<u>4,322.5</u>
<u>716</u>	<u>716</u>	<u>704</u>	<u>659</u>	<u>668</u>	<u>669</u>
2,740	2,724	2,664	2,602	2,623	2,648
18	19	18	19	17	21
13	13	10	11	12	14
1	2	2	2	2	2
420	429	437	432	449	450
92	88	88	91	98	96
216	220	221	228	238	239
52	56	59	60	58	56
78	81	88	83	85	86
123	131	134	133	133	133
<u>3,753</u>	<u>3,763</u>	<u>3,721</u>	<u>3,661</u>	<u>3,715</u>	<u>3,745</u>
100	72	103	114	91	109
<u>4,569</u>	<u>4,551</u>	<u>4,528</u>	<u>4,434</u>	<u>4,474</u>	<u>4,523</u>

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

FUNCTION/PROGRAM	2014	2013	2012
Governmental Activities:			
General Government			
Number of property tax accounts - residential	242,721	242,566	242,228
Number of property tax accounts - personal	62,437	62,085	61,876
Number of property tax accounts - commercial	33,785	33,895	34,042
Number of marriage licenses issued	7,045	6,608	6,306
Health Services			
Total clinic visits	307,137	314,940	339,794
County residents who rate their health good or better	84%	85%	85%
Environmental health inspections	14,263	12,793	13,109
Women, infants, and children (WIC) served in the WIC program	29,072	30,424	31,277
Flu vaccinations at health clinics	26,154	24,755	22,687
Social Services			
Households that have received assistance with energy bills	16,286	17,249	17,160
Clients with developmental disabilities served	4,921	4,704	4,485
Senior and physically disabled clients served	62,877	61,602	N/A
Alcohol and drug treatment clients	3,638	4,576	4,255
Early childhood mental health clients	5,410	5,874	5,327
Families served in early childhood programs	801	504	472
Students enrolled in extended day school activities	21,108	19,529	19,958
Public Safety and Justice			
Sheriff			
Responses to calls for services (a)	48,975	49,105	46,749
Number of arrests (parts 1, 2 and 3 crimes)	2,712	2,652	2,812
Corrections			
Number of inmates booked	39,731	39,162	37,166
Average daily jail population	1,220	1,264	1,240
Average length of jail stay in days	12	12	13
Inmates held for court at Courthouse	19,196	17,846	18,280
Juvenile			
Youth admitted to detention center	1,453	1,554	1,566
Average length of stay in days in youth detention center	10.3	10.2	9.8
Community service hours completed	3,107	3,766	2,180
Average number of youth on supervision/probation (b)	324	337	339

(continued)

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

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

(a) Beginning in 2012, a substantial increase due to equipment upgrades allowing for greater number of serving civil documents

(b) Beginning in 2013 switched from probation to supervision per month

2011	2010	2009	2008	2007	2006	2005
242,210	241,771	240,212	234,567	225,597	225,445	224,367
62,125	63,075	63,086	63,279	64,126	58,082	63,497
34,063	34,161	34,226	34,210	34,152	34,199	33,173
6,201	6,276	6,257	6,383	6,542	6,203	9,037
362,546	384,762	358,692	330,105	312,661	301,263	277,736
85%	90%	89%	89%	87%	86%	85%
13,371	12,572	11,873	11,672	10,130	9,126	9,039
32,107	31,542	31,179	30,850	30,339	30,672	31,144
20,982	15,597	13,140	9,600	6,148	5,084	3,283
17,383	19,292	22,129	14,606	13,676	12,482	12,450
4,336	4,465	4,270	3,950	3,780	3,613	3,477
39,136	37,470	N/A	N/A	N/A	44,664	45,241
N/A	6,824	4,617	10,503	10,829	9,391	8,478
4,025	4,511	4,869	4,726	7,700	7,737	7,708
505	615	693	718	768	887	848
19,127	17,669	14,773	15,041	17,052	16,315	14,384
40,655	40,835	36,848	N/A	41,601	43,327	41,260
2,776	2,850	3,037	2,938	2,708	3,204	3,548
36,557	38,634	32,992	35,533	37,113	38,726	37,577
1,187	1,274	1,378	1,559	1,641	1,612	1,577
13	13	17	18	18	17	17
17,536	16,748	10,898	11,737	11,632	13,905	12,506
1,638	1,758	2,112	2,021	1,992	2,161	2,161
8.7	7.8	7.9	8.3	11.7	9.0	9.0
3,277	4,353	6,521	6,623	10,894	5,531	5,531
378	478	567	533	523	582	582

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

FUNCTION/PROGRAM	2014	2013	2012
Public Safety and Justice (continued)			
Adult			
Community service hours completed	N/A	89,204	98,240
Adults participating in educational classes	689	689	801
Clients receiving GED's	125	93	85
Average no. adults on probation & post-prison supervision/month	9,351	8,300	8,284
District Attorney			
Cases of adult criminal activity prosecuted	25,880	26,932	26,137
Juvenile delinquency cases prosecuted	491	528	550
Hours of Community Court community service completed	11,930	10,380	14,295
Community Services			
Number of registered voters	434,898	437,729	451,659
Number of votes cast in last general election (a)	367,992	370,142	284,104
Percent of registered voters who voted in last general election	85%	83%	70%
Animal Control - Total Intake - Dogs and Cats	6,894	6,740	7,563
Library			
New library cards issued annually	60,715	57,592	69,198
Books circulated (Total circulation) (b)	19,486,176	21,984,923	24,794,942
Borrowers who used their cards in last three years	432,685	441,505	444,618
Library satisfaction (c)	97.0%	96.9%	98.4%
Web site visits/hits	N/A	N/A	N/A
Catalog visits	N/A	N/A	N/A
Website visits, including catalog	6,230,998	6,629,449	6,888,701
Business-type activities:			
Dunthorpe-Riverdale Service Districts			
Sewage disposal - number of accounts	563	595	593
Mid County Service District			
Lighting - number of accounts	7,942	7,944	7,986

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

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

(b) Total circulation as of 2012.

(c) Library satisfaction is from a patron survey beginning in 2012. Satisfaction rating is % found library materials of interest starting in fiscal year 2004.

2011	2010	2009	2008	2007	2006	2005
101,392	141,732	123,442	82,429	80,131	84,818	91,886
710	705	639	588	481	584	630
78	79	60	38	62	67	99
8,278	7,896	8,793	9,261	9,619	9,763	9,118
24,241	25,932	27,149	27,377	21,415	22,563	21,936
476	651	869	1,064	817	946	944
13,869	17,552	17,004	16,742	15,477	16,984	18,123
408,126	407,541	426,567	380,298	380,298	430,693	430,693
284,104	367,540	367,540	262,628	262,628	365,530	365,530
70%	86%	86%	69%	69%	85%	85%
8,606	8,320	8,096	8,886	9,879	9,808	9,597
73,566	71,809	74,677	71,843	67,379	69,973	74,805
23,939,091	22,715,292	21,513,255	20,394,496	19,900,816	19,589,530	19,462,344
436,949	425,749	421,199	440,311	431,429	455,296	474,292
91.5%	90.1%	90.4%	91.3%	92.4%	92.5%	92.5%
N/A	N/A	N/A	N/A	N/A	6,410,053	111,433,518
N/A	6,710,594	5,709,967	5,366,879	5,313,210	N/A	N/A
7,158,805	N/A	N/A	N/A	N/A	N/A	N/A
592	591	590	583	582	579	578
7,993	7,985	7,987	7,885	7,800	7,392	7,392

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

FUNCTION/PROGRAM	2014	2013	2012	2011
Governmental Activities:				
General Government				
Buildings owned	79	80	79	78
Buildings leased	48	48	55	54
Automobiles	294	297	308	310
Vehicles (excluding automobiles)	276	281	294	253
Heavy equipment	96	103	105	100
Health Services				
Health & dental centers	8	8	7	7
School based health centers	12	12	14	14
Social Services				
Aging & Disability offices	5	5	5	5
Public Safety and Justice				
Sheriff				
Vehicular patrol units	58	55	63	65
Number of employees (sworn and civilian)	759	762	766	763
River Patrol offices	3	3	3	3
Corrections				
Jails:				
Facilities	2	2	2	2
Population	1,310	1,310	1,310	1,310
Community Justice				
Adult probation & parole offices	7	7	7	7
Adult housing program offices	1	4	4	4
Juvenile counseling offices	3	4	4	4
Library				
Regional	2	2	2	2
Neighborhood	11	11	11	11
Leased	6	6	6	6
Roads & Bridges				
Miles of streets maintained by County:				
Paved	270	270	270	270
Unpaved	24	24	24	24
Bridges:				
Major	6	6	6	6
Minor	19	19	19	19
Business-type activities:				
Mid County				
Street lighting - lights and poles	4,535	4,526	4,507	4,507
Dunthorpe-Riverdale				
Pump stations	1	1	1	1
Miles of sewer (approximate)	15	15	15	15

Sources: Multnomah County Departments
N/A = not available

2010	2009	2008	2007	2006	2005
74	79	79	83	84	87
51	52	53	59	59	59
316	325	328	301	311	302
263	298	300	292	295	292
93	122	141	132	136	135
7	7	7	7	7	7
14	13	13	13	13	14
5	7	7	7	7	9
66	50	45	47	43	48
785	786	786	798	794	814
3	3	3	3	3	3
2	3	3	3	3	4
1,367	1,539	1,633	1,690	1,690	1,537
6	6	6	6	6	6
4	4	4	4	4	5
4	4	4	4	4	4
2	2	2	2	2	2
11	11	11	11	11	11
6	4	4	4	4	4
270	271	271	273	273	326
24	24	24	24	24	24
6	6	6	6	6	6
19	19	18	18	18	23
4,499	4,525	4,484	4,439	4,400	4,219
1	1	1	1	1	1
15	15	15	15	15	15

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AUDIT COMMENTS AND FEDERAL GRANT PROGRAMS SECTION

AUDIT COMMENTS

- Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with *Oregon Minimum Auditing Standards*

FEDERAL GRANT PROGRAMS

- Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Report of Independent Auditors on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133*
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Management's Views and Corrective Action Plan to Current Year Audit Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings and Questioned Costs

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH OREGON MINIMUM AUDIT STANDARDS**

Board of Commissioners
 Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County (“the County”) as of and for the year ended June 30, 2014 and have issued our report thereon dated October 31, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

Compliance

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

OAR	Section	Instances of Non-Compliance Identified?
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	Yes
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	None Noted
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	None Noted
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0315	State School Fund	Not applicable
162-010-0316	Public Charter Schools	Not applicable
162-010-0320	Other Comments and Disclosures	None Noted

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed one instance of noncompliance that is required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State:

- The County opened two new bank accounts on August 9, 2013 and the State Treasury was not notified until August 16, 2013. The State Treasurer should have been notified within 3 days.

MOSS ADAMS LLP**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-001 and 2014-002 that we consider to be significant deficiencies.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Moss Adams LLP
Eugene, Oregon
October 31, 2014

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of County Commissioners
Multnomah County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Federal and State Program Fund of Multnomah County, Oregon (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 31, 2014. Our report includes a reference to other auditors who audited the financial statements of The Library Foundation, as described in our report on the County's financial statements. The financial statements of the Library Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with The Library Foundation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MOSS ADAMS_{LLP}**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams, LLP

Eugene, Oregon
October 31, 2014

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Board of County Commissioners
 Multnomah County, Oregon

Report on Compliance for Each Major Federal Program

We have audited Multnomah County, Oregon's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 the County'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

MOSS ADAMS_{LLP}

The County's response to the noncompliance findings identified in our audit are described in the accompanying Management's Views and Corrective Action Plan to Current Year Audit Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying Management's Views and Corrective Action Plan to Current Year Audit Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Moss Adams, LLP

Eugene, Oregon
October 31, 2014

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE						
10.170	Specialty Crop Block Grant Program - Farm Bill	Oregon Physicians for Social Responsibility	0701-093013	-	21,430	21,430
10.553	School Breakfast Program	Oregon State, Dept. of Education	2613007	-	50,913	50,913
10.555	National School Lunch Program	Oregon State, Dept. of Education	2613007	-	101,353	101,353
		<i>Total Child Nutrition Cluster</i>		-	152,266	152,266
10.557	* Children Special Supplemental Nutrition Program for Women, Infants, and State Administrative Matching Grants for the Supplemental	Oregon State, Health Division	1936002309	-	3,199,992	3,199,992
10.561	Nutrition Assistance Program	Oregon State, Dept. of Human Services		-	42,707	42,707
10.665	Schools and Roads - Grants to States	U.S. Forest Service		244,530	-	244,530
TOTAL DEPARTMENT OF AGRICULTURE				244,530	3,416,395	3,660,925
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
14.218	Community Development Block Grants/Entitlement Grants	City of Portland, OR	30000598	-	252,670	252,670
14.218	Community Development Block Grants/Entitlement Grants	U.S. Dept. of Housing & Urban Dev.		326,849	-	326,849
		<i>Total Community Development Block Grants/Entitlement Grants</i>		326,849	252,670	579,519
14.231	Emergency Solutions Grant Program	Oregon State, Dept. of Housing & Community	E-11-DC-41-0001	-	83,072	83,072
14.235	Supportive Housing Program	U.S. Dept. of Housing & Urban Dev.		2,286,346	-	2,286,346
14.239	Home Investment Partnerships Program	Home Forward	7multn02	-	78,951	78,951
14.881	Moving to Work Demonstration Program	Home Forward	7multn02	-	24,442	24,442
14.901	Healthy Homes Demonstration Grants	U.S. Dept. of Housing & Urban Dev.		16,450	-	16,450
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				2,629,645	439,135	3,068,780
DEPARTMENT OF THE INTERIOR						
15.226	Payment in Lieu of Taxes	U.S. Dept. of the Interior		59,704	-	59,704
15.227	Distribution of Receipts to State and Local Governments	U.S. Dept. of the Interior		248,930	-	248,930
TOTAL DEPARTMENT OF THE INTERIOR				308,634	-	308,634

* Indicates a Major Federal Program
A Indicates inclusion of ARRA funding

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
DEPARTMENT OF JUSTICE						
16.111	Joint Law Enforcement Operations (JLEO)	U.S. Dept. of Justice, U.S. Marshal Office		122,102	-	122,102
16.203	Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	U.S. Dept. of Justice		49,952	-	49,952
16.523	Juvenile Accountability Block Grants	Oregon State, Commission on Children	2008-6362	-	65,954	65,954
16.527	Supervised Visitation, Safe Havens for Children	U.S. Dept. of Justice		173,777	-	173,777
16.543	Missing Children's Assistance	U.S. Dept. of Justice		421,533	-	421,533
16.575	Crime Victim Assistance	Oregon State, Dept. of Justice	08-3205/09-3437	-	198,088	198,088
16.585	Drug Court Discretionary Grant Program	U.S. Dept. of Justice		111,753	-	111,753
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	U.S. Dept. of Justice		276,177	-	276,177
16.606	State Criminal Alien Assistance Program	U.S. Dept. of Justice		252,511	-	252,511
16.730	Reduction and Prevention of Children's Exposure to Violence Protecting Inmates and Safeguarding Communities Discretionary Grant Program	U.S. Dept. of Justice		219,052	-	219,052
16.735	Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	Linn County of Oregon	2014-032		6,824	6,824
16.736	Edward Byrne Memorial Justice Assistance Grant Program	U.S. Dept. of Justice		86,319	-	86,319
16.738	* Edward Byrne Memorial Justice Assistance Grant Program	Oregon State, Dept. of Justice		-	889,915	889,915
16.738	* Edward Byrne Memorial Justice Assistance Grant Program	Oregon State, Dept. of Justice	1936002309	-	127,707	127,707
16.738	* Edward Byrne Memorial Justice Assistance Grant Program	City of Portland, OR, Bureau of Police	2009-0552	-	59,804	59,804
16.738	* Edward Byrne Memorial Justice Assistance Grant Program	City of Portland, OR, Bureau of Police	2013-DJ-BX-0329	-	119,736	119,736
16.738	* Edward Byrne Memorial Justice Assistance Grant Program	Oregon State, Dept. of Justice	LEO12-11	-	8,234	8,234
	<i>Total Edward Byrne Memorial Justice Assistance Grant Program</i>			-	<i>1,205,396</i>	<i>1,205,396</i>
16.803	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Oregon State, Dept. of Justice	ARRA 1936002309	-	274,377	274,377
	<i>Total Justice Assistance Grant Cluster</i>			-	<i>1,479,773</i>	<i>1,479,773</i>
16.752	Economic High-Tech and Cyber Crime Prevention	City of Portland, OR, Bureau of Police	1112156	-	1,647	1,647
16.754	Harold Rogers Prescription Drug Monitoring Program	Oregon State, Health Div.		-	18,707	18,707
16.817	Byrne Criminal Justice Innovation Program	U.S. Dept. of Justice		223,879	-	223,879
TOTAL DEPARTMENT OF JUSTICE				1,937,055	1,770,994	3,708,049

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A Indicates inclusion of ARRA funding

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A	Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
DEPARTMENT OF TRANSPORTATION							
20.205		Highway Planning and Construction	Oregon State, Dept. of Transportation	1936002309	-	10,414,244	10,414,244
20.218		National Motor Carrier Safety	Oregon State, Dept. of Transportation	1936002309	-	9,280	9,280
20.232		Commercial Driver's License Program Improvement Grant	Oregon State, Dept. of Transportation	1936002309	-	63,079	63,079
20.600		State and Community Highway Safety	Alliance for Community Traffic Safety		-	1,337	1,337
20.600		State and Community Highway Safety	Oregon State, Dept. of Transportation		-	19,878	19,878
			<i>Total State and Community Highway Safety</i>		-	21,215	21,215
20.601		Alcohol Impaired Driving Countermeasures Incentive Grants I	Oregon State, Dept. of Transportation	K8-13-12-31SPF	-	5,000	5,000
			<i>Total Highway Safety Cluster</i>			26,215	26,215
20.933	*	National Infrastructure Investments	Oregon State, Dept. of Transportation	FHWA FY11 #21		11,988,761	11,988,761
			TOTAL DEPARTMENT OF TRANSPORTATION		-	22,501,579	22,501,579
INSTITUTE OF MUSEUM AND LIBRARY SERVICES							
45.310		Grants to States	Oregon State, Library Division		-	398,317	398,317
45.312		National Leadership Grants	Portland State University		-	2,009	2,009
			TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES		-	400,325	400,325
ENVIRONMENTAL PROTECTION AGENCY							
		Surveys, Studies, Research, Investigations, Demonstrations, and					
66.034		Special Purpose Activities Relating to the Clean Air Act	U.S., Environmental Protection Agency		46,793	-	46,793
66.432		State Public Water System Supervision	Oregon State, Health Div.	1936002309	-	1,094	1,094
66.468	A	Capitalization Grants for Drinking Water State Revolving Funds	Oregon State, Health Div.	ARRA 1936002309	-	4,191	4,191
			TOTAL ENVIRONMENTAL PROTECTION AGENCY		46,793	5,285	52,078
DEPARTMENT OF ENERGY							
81.042		Weatherization Assistance for Low-Income Persons	Oregon State, Housing & Community Svc.		-	286,193	286,193
			TOTAL DEPARTMENT OF ENERGY		-	286,193	286,193

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MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
DEPARTMENT OF EDUCATION						
84.002	Adult Education - Basic Grants to States	Portland Community College	045-09	-	23,080	23,080
84.010	Title I Grants to Local Educational Agencies	Portland Public Schools, Dist. 1J		-	240,000	240,000
84.287	Twenty-First Century Community Learning Centers	Centennial Schools, Dist. 28J	1213050	-	37,885	37,885
84.287	Twenty-First Century Community Learning Centers	Gresham Barlow School Dist.	1213049	-	73,000	73,000
		<i>Total Twenty-First Century Learning Centers</i>		-	<u>110,885</u>	<u>110,885</u>
		TOTAL DEPARTMENT OF EDUCATION		-	<u>373,965</u>	<u>373,965</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
93.008	Medical Reserve Corps Small Grant Program	National Assoc. of City and County Health Officials		-	3,882	3,882
93.041	Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Oregon State, Senior & Disabled Services Div.	1936002309	-	4,387	4,387
93.043	Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	Oregon State, Senior & Disabled Services Div.	1936002309	-	34,313	34,313
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects	Oregon State, Dept. of Consumer Affairs	1936002309	-	14,342	14,342
93.052	National Family Caregiver Support, Title III, Part E Special Programs for the Aging Title III, Part B Grants for	Oregon State, Senior & Disabled Services Div.	1936002309	-	232,640	232,640
93.044	* Supportive Services and Senior Centers	Oregon State, Senior & Disabled Services Div.	1936002309	-	753,057	753,057
93.045	* Special Programs for the Aging Title III, Part C Nutrition Services	Oregon State, Senior & Disabled Services Div.	1936002309	-	945,868	945,868
93.053	* Nutrition Services Incentive Program	Oregon State, Senior & Disabled Services Div.	1936002309	-	418,627	418,627
		<i>Total Aging Cluster</i>		-	<u>2,117,552</u>	<u>2,117,552</u>
93.069	Public Health Emergency Preparedness	Oregon State, Health Div.	1936002309	-	270,793	270,793
93.069	Public Health Emergency Preparedness	Washington State, Dept. of Health		-	21,954	21,954
		<i>Total Public Health Emergency Preparedness</i>		-	<u>292,747</u>	<u>292,747</u>
93.070	Environmental Public Health and Emergency Response	Oregon State, Health Div.	1936002308	-	18,975	18,975
93.071	Medicare Enrollment Assistance Program	Oregon State, Dept. of Consumer Affairs	MIPPA09-11-12	-	140,617	140,617
93.086	Healthy Marriage Promotion and Responsible Fatherhood Grants	Northwest Family Svcs.	90AE0160	-	309,176	309,176
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	Oregon State, Health Div.		-	87,206	87,206
93.103	Food and Drug Administration Research	U.S. Dept. of Health & Human Svcs.		59,237	-	59,237

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MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>						
93.110	Maternal and Child Health Federal Consolidated Programs Project Grants and Cooperative Agreements for Tuberculosis	National Assoc. of County and City Health Officers		-	6,000	6,000
93.116	Control Programs	Oregon State, Health Div.	1936002309	-	55,330	55,330
93.121	Oral Diseases and Disorders Research	U.S. Dept. of Health & Human Svcs.		2,152	-	2,152
93.136	Injury Prevention and Control Research and State and Community Based Programs	U.S. Dept. of Health & Human Svcs.		205,430	-	205,430
93.136	Injury Prevention and Control Research and State and Community Based Programs	Oregon State, Health Div.			20,289	20,289
	<i>Total Injury Prevention and Control Research and State and Community Based Programs</i>			<u>205,430</u>	<u>20,289</u>	<u>225,720</u>
93.137	Program	Cascade AIDS Project		-	38,365	38,365
93.145	AIDS Education and Training Centers	University of Washington	654951	-	101,322	101,322
93.150	Projects for Assistance in Transition from Homelessness (PATH) Coordinated Services and Access to Research for Women,	Oregon State, Dept. of Human Svcs.		-	240,118	240,118
93.153	Infants, Children, and Youth	U.S. Dept. of Health & Human Svcs.		376,602	-	376,602
93.217	Family Planning Services	Oregon State, Health Div.	1936002309	-	337,147	337,147
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	U.S. Dept. of Health & Human Svcs.		7,635,721	-	7,635,721
93.235	Affordable Care Act (ACA) Abstinence Education Program	Oregon State, Div. of Children & Families		-	12,948	12,948
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Oregon State, Dept. of Human Svcs.		-	186,793	186,793
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Lifeworks NW		-	3,333	3,333
	<i>Total S.A.M.H.S. Projects of Regional and National Significance</i>			<u>-</u>	<u>190,126</u>	<u>190,126</u>
93.268	Immunization Cooperative Agreements	Oregon State, Health Div.		-	4,596	4,596
93.270	Adult Viral Hepatitis Prevention and Control	U.S. Dept. of Health & Human Svcs.		76,521	-	76,521
93.283	The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance	Oregon State, Health Div.		-	221,315	221,315
93.283	The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance	Project Access Now		-	1,976	1,976
	<i>Total Affordable Care Act</i>			<u>-</u>	<u>223,291</u>	<u>223,291</u>

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MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A	Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>							
93.420	A	ARRA - Community Health Applied Research Network	Oregon Community Health Information Network Inc.	ARRA	-	84	84
93.501		Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	U.S. Dept. of Health & Human Svcs.		473,880	-	473,880
93.505		Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	Oregon State, Health Div.	132027	-	455,531	455,531
93.517		Affordable Care Act Aging and Disability Resource Center	Oregon State, Senior & Disabled Svcs. Div. Officials		-	72,461	72,461
93.524		Strengthen Public Health Infrastructure and Performance			-	6,826	6,826
93.556		Promoting Safe and Stable Families	U.S. Dept. of Health & Human Svcs.		-	-	-
93.558		Temporary Assistance for Needy Families	Oregon State, Housing & Community Svcs.	1936002309	-	95,480	95,480
93.563		Child Support Enforcement	Oregon State, Dept. of Justice	1936002309	-	1,784,395	1,784,395
93.568		Low-Income Home Energy Assistance	Oregon State, Housing & Community Svcs.	0310559	-	5,756,078	5,756,078
93.569		Community Services Block Grant	Oregon State, Housing & Community Svcs.	0310559	-	790,367	790,367
93.576		Refugee and Entrant Assistance Discretionary	U.S. Dept. of Health & Human Svcs.		96,372	-	96,372
93.597		Grants to States for Access and Visitation	Oregon State, Dept. of Justice	Multnomah	-	78,709	78,709
93.600		Head Start	Mt. Hood Community College	0210115-6	-	20,758	20,758
93.601		Child Support Enforcement Demonstrations and Special Projects	Oregon State, Dept. of Justice		-	4,958	4,958
93.610		Health Care Innovation Awards (HCIA)	Providence Hospital, Portland OR		-	607,419	607,419
93.610		Health Care Innovation Awards (HCIA)	Health Share of Oregon		-	4,279	4,279
<i>Total Health Care Innovation Awards</i>					-	611,698	611,698
93.624		ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	Oregon State, Health Div.		-	173,307	173,307
93.658		Foster Care Title IV-E	Oregon State, Dept. of Human Svcs.		-	570,919	570,919
93.667		Social Services Block Grant	Oregon State, Dept. of Education	MUL0911	-	497,280	497,280
93.736		Prevention Public Health Fund: Viral Hepatitis Prevention	U.S. Dept. of Health & Human Svcs.		42,482	-	42,482
93.779		Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Oregon State, Dept. of Human Svcs.		-	18,773	18,773
93.779		Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Oregon State, Dept. of Consumer Svcs.		-	20,000	20,000
<i>Total C.M.S. Research, Demonstrations and Evaluations</i>					-	38,773	38,773
93.837		Cardiovascular Diseases Research	Kaiser Research Foundation Institute	R18HL095481-04	-	32,059	32,059

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>						
93.866	Aging Research	University of Washington		-	10,346	10,346
93.889	National Bioterrorism Hospital Preparedness Program	Oregon State, Health Div.	1936002309	-	321,668	321,668
93.914	HIV Emergency Relief Project Grants	U.S. Dept. of Health & Human Svcs.		3,550,882	-	3,550,882
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	U.S. Dept. of Health & Human Svcs.		850,949	-	850,949
93.924	Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	Oregon Health Sciences University, Sponsored Prof. Admin.		-	12,348	12,348
93.926	Healthy Start Initiative	U.S. Dept. of Health & Human Svcs.		927,586	-	927,586
93.928	Special Projects of National Significance	U.S. Dept. of Health & Human Svcs.		384,711	-	384,711
93.940	HIV Prevention Activities Health Dept. Based Human Immunodeficiency Virus (HIV)/Acquired	Oregon State, Health Div.	1936002309	-	776,266	776,266
93.944	Immunodeficiency Virus Syndrome (AIDS) Surveillance	Oregon State, Health Div.	1936002309	-	424,642	424,642
93.945	Assistance Programs for Chronic Disease Prevention and Control	Nat'l Assoc. of Chronic Disease Directors	MCHD#080	-	27,646	27,646
93.958	Block Grants for Community Mental Health Services	Oregon State, Dept. of Health & Human Svcs.		-	395,451	395,451
93.959	* Block Grants for Prevention and Treatment of Substance Abuse Preventive Health Services Sexually Transmitted Diseases	Oregon State, Dept. of Human Svcs.		-	4,006,061	4,006,061
93.977	Control Grants	U.S. Dept. of Health & Human Svcs.		49,250	-	49,250
93.994	Block Grant to the States	Oregon State, Health Div.	1936002309	-	437,552	437,552
93.994	Block Grant to the States	Oregon Health Sciences University		-	120,487	120,487
<i>Total Maternal and Child Health Services Block Grant to the States</i>				-	558,039	558,039
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				14,731,777	22,007,518	36,739,295
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
94.011	Foster Grandparent Program	Corp. for National & Community Svc.		229,716	-	229,716
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				229,716	-	229,716
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
95.001	High Intensity Drug Trafficking Areas Program	Oregon H.I.D.T.A. Program		-	60,000	60,000
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				-	60,000	60,000

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MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2014

CFDA	*/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY						
97.008	Non-Profit Security Program	Portland Bureau of Emergency Management		-	225,362	225,362
97.012	Boating Safety Financial Assistance	Oregon State, Marine Board	1936002309	-	805,159	805,159
97.042	Emergency Management Performance Grants	Oregon State, Office of Emergency Management		-	442,015	442,015
97.067	Homeland Security Grant Program	Portland Bureau of Emergency Management		-	242,000	242,000
97.073	State Homeland Security Program (SHSP)	Portland Bureau of Emergency Management		-	1,579	1,579
97.073	State Homeland Security Program (SHSP)	Oregon State, Office of Emergency Management		-	40,989	40,989
97.074	Law Enforcement Terrorism Prevention Program (LETPP)	Portland Bureau of Emergency Management		-	42,568	42,568
				-	6,938	6,938
		TOTAL DEPARTMENT OF HOMELAND SECURITY		-	1,764,041	1,764,041
		TOTAL FEDERAL FUNDING		20,128,150	53,025,430	73,153,579

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MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

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, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The County's reporting entity is defined in Note 1 to the County's June 30, 2014 basic financial statements.

Note B – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting, as described in Note 1 to the County's basic financial statements. Expenditures reported on this schedule are recognized following the cost principles in OMB Circular A-87, *Cost Principles for State, Local Governments and Indian Tribal Governments*, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Highway Planning and Construction grant, CFDA 20.205, was reported on the cash basis due to the nature of this award. The Schedule provides the summary of expenditures of federal awards by program or program cluster (CFDA number), by State Agency, if applicable, and by detailed pass through agency, if applicable. Federal CFDA numbers are from the Catalog of Federal Domestic Assistance (CFDA) published by the Office of Management and Budget and the General Services Administration.

Note C – Relationship to Basic Financial Statements

Federal financial assistance revenues reported in the County's basic financial statements are included with operating grants and contributions.

Note D – Non-cash Awards

The accompanying Schedule of Expenditures of Federal Awards includes one non-cash award.

An award from the State Department of Education provides food donations (CFDA #10.555 - Commodity Supplemental Food Program) for the Juvenile Detention Center. The value of the food is determined by the grantor; \$6,738. This amount is included in the total program value reported on the Schedule of Expenditures of Federal Awards of \$101,353.

MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Note E - Subrecipients

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

<u>Program Title</u>	<u>Federal CFDA number</u>	<u>Amount provided to subrecipients</u>
Schools and Roads - Grants to States	10.665	56,481
Community Development Block Grants/Entitlement Grants	14.218	499,069
Emergency Solutions Grant Program	14.231	81,055
Supportive Housing Program	14.235	1,784,611
Healthy Homes Demonstration Grants	14.901	3,584
Supervised Visitation, Safe Havens for Children	16.527	17,055
Missing Children's Assistance	16.543	263,357
Drug Court Discretionary Grant Program	16.585	82,432
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	138,730
Violence, Stalking, or Sexual Assault	16.736	41,050
Edward Byrne Memorial Justice Assistance Grant Program	16.738	597,092
<i>ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories</i>	16.803	118,491
Byrne Criminal Justice Innovation Program	16.817	45,846
Grants to States	45.310	294,300
Title I Grants to Local Educational Agencies	84.010	270,000
Twenty-First Century Community Learning Centers	84.287	73,000
Special Programs for the Aging Title III, Part D Disease Prevention and Promotion Services	93.043	34,313
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	193,314
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	939,593
National Family Caregiver Support, Title III, Part E	93.052	82,538
Nutrition Services Incentive Program	93.053	422,546
Projects for Assistance in Transition from Homelessness (PATH)	93.150	219,713
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	79,902
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	231,977
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	349,298
Low-Income Home Energy Assistance	93.568	366,209
Community Services Block Grant	93.569	659,815

MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Note E - Subrecipients (continued)	Federal CFDA number	Amount provided to subrecipients
<u>Program Title</u>		
Health Care Innovation Awards	93.610	139,438
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	93.624	2,587
Foster Care Title IV-E	93.658	114,965
Social Services Block Grant	93.667	458,694
Medical Assistance Program	93.778	395,403
HIV Emergency Relief Project Grants	93.914	2,057,452
Special Projects of National Significance	93.928	218,261
HIV Prevention Activities Health Department Based	93.940	326,120
Block Grants for Community Mental Health Services	93.958	395,368
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3,687,253
Non-Profit Security Program	97.008	90,054
Total Subrecipient pass-through		15,830,966

**MULTNOMAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Yes No

Identification of Major Federal Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued</i>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	<i>Unmodified</i>
16.738	JAG Cluster, comprised of: Edward Byrne Memorial Justice Assistance Grant Program	<i>Unmodified</i>
16.803	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	
20.933	National Infrastructure Investments	<i>Unmodified</i>
93.044	Aging Cluster, comprised of: Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	<i>Unmodified</i>
93.045	Special Programs for the Aging Title III, Part C Nutrition Services	
93.053	Nutrition Services Incentive Program	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	<i>Unmodified</i>

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

\$ 2,194,607

**MULTNOMAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Auditee qualified as low-risk auditee?

Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-001 - Unallowed Costs - Significant Deficiency in Internal Control and Instances of Noncompliance

<i>CFDA Number</i>	<i>Federal Agency/Pass-through Entity - Program Name</i>	<i>Award Number</i>	<i>Award Year</i>	<i>Questioned Costs</i>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children, passed through the State of Oregon, Oregon Health Authority	142024	2014	\$343

Criteria or specific requirement (including statutory, regulatory, or other citation):

OMB Circular A-87 requires that all costs charged to an award be necessary and reasonable for proper and efficient performance and administration of Federal awards.

Condition: Immunizations for County employees that were charged to the award through an internal service fund were charged to the award twice.

Context: Out of 32 transactions selected for testing, one was determined to have been charged to the award twice. Further procedures identified seven total transactions that were charged to the award twice.

Effect: The program was overcharged for duplicative transactions.

Cause: There was insufficient oversight and review of these immunization charges because they were charged through an internal service fund.

Recommendation: It is recommended that the County implement the same review and approval process as other general disbursements for these types of transactions.

Views of responsible officials and planned corrective actions: Management's response is included at "Management's Views and Corrective Action Plan."

**MULTNOMAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

FINDING 2014-002 –Allowable Costs/Costs Principles– Significant Deficiency in Internal Control and Instance of Noncompliance

<i>CFDA Number</i>	<i>Federal Agency/Pass-through Entity - Program Name</i>	<i>Award Number</i>	<i>Award Year</i>	<i>Questioned Costs</i>
	JAG Cluster, passed through the State of Oregon, Department of Criminal Justice and the City of Portland, comprised of:	Various	2014	\$303
16.738	Edward Byrne Memorial Justice Assistance Grant Program			
16.803	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories			

Criteria or specific requirement (including statutory, regulatory, or other citation): According to OMB Circular A-133, Section 300 (b) the County is responsible for maintaining internal control over Federal programs to ensure program integrity and proper use of federal resources.

Condition: There was an error between an employee's time card and time entry into the payroll module of the accounting system as well as a benefit allocation error within the payroll module.

Context: Out of 31 transactions selected for testing, we identified two transactions with errors. One employee had been underpaid due to an error between the employee's timecard and time entry into the payroll module. Additionally, there was a system error in the allocation of payroll related benefits to the award for one employee as the employee's status changed during the pay period.

Effect: One employee was underpaid and the County was not reimbursed for \$52 due to the data entry error. The County also overcharged the award by \$303 due to the system allocation error.

Cause: The review and approval process over the entry of time and the recording of payroll allocable to grants was not adequate to identify this time entry error and the allocation of payroll related benefits within the payroll module for employees that change employment status during a pay period.

Recommendation: We have noted that the County has already implemented a monitoring control to identify individuals with status changes during the pay period to ensure that the appropriate payroll amount is allocated to the award. In addition to that, we recommend that the County review the time entry and approval controls to ensure that the correct amount of payroll is paid to the employee and charged to the award.

Views of responsible officials and planned corrective actions: Management's response is included at "Management's Views and Corrective Action Plan."

**Management's Views and Corrective Action Plan to Current Year Audit
Findings and Questioned Costs
For the Fiscal Year Ending June 30, 2014**

FINDING 2014-001 Unallowed Costs – Significant Deficiency in Internal Control and Instances of Noncompliance- WIC Program

During the current year's Single Audit, Moss Adams noted one sample out of thirty-two where internal service charges were duplicated and charged twice to this award. Further procedures identified a total of seven duplicate transactions that were erroneously charged to the award.

The County's Health Department Business Services unit has reviewed the Occupational Health internal service charge process and implemented a system-controlled monitoring process effective October 2014. Beginning in October, the Occupational Health subsidiary tracking system began generating a unique numeric identifier (per encounter) that prevents billing duplication.

Prior to implementation of the system-generated tracking system in October, the Health Department Business Services unit manually reviewed and verified the accuracy of all fiscal year 2015 Occupational Health internal billings. No instances of duplication errors occurred while performing the manual review process in fiscal year 2015.

FINDING 2014-002 -Allowable Cost/Cost Principles– Significant Deficiency in Internal Control and Instance of Noncompliance- JAG Cluster

While auditing fiscal year 2014 program expenditures, Moss Adams identified two payroll transactions with errors. One employee had been underpaid due to an error between the hours approved on their timecard and the hours processed during time entry. Additionally, there was a system error in the allocation of payroll related benefits to the award for an employee whose status changed during the pay period.

In response to this finding, the County's Department of Community Justice (DCJ) enhanced communication and provided additional education for those with time entry responsibilities. Management clarified the requirement that approved time entry must match the employee's time attendance report without exception. Additionally, DCJ's Business Services unit conducts a monthly review of all time and attendance reports for employees charged to Federal awards to ensure proper approval. This monthly review will now include a verification process that will ensure that the time entered in SAP agrees to the time recorded on the time attendance report.

The County's Central Finance unit, in coordination with the County's Information Technology Department, has identified the system problem that resulted in allocation errors for payroll-related benefits. A system fix has been developed and implemented within SAP to perform proper allocations when an employee's status changes mid pay period. This system fix will ensure all future postings are correct. Additionally, Central Finance staff reviewed all fiscal year 2015 transactions prior to the system fix and corrected all related posting errors.

Summary Schedule of Prior Audit Findings and Questioned Costs For the Fiscal Year Ending June 30, 2013

FINDING 2013-01 - Capitalization of Software – Significant Deficiency in Internal Control (Repeat Finding)

Condition: The County does not have effective internal controls in place over the process to capture software development related expenditures specified by GASB 51.

Recommendation: It is recommended that management implement an effective process for properly identifying and capturing expenditures that meet the criteria for capitalization. This process should include consideration of the following criteria: identification at project inception of whether the project will have enough expenditures during the Application Development Stage to meet the County's capitalization threshold; use of a project or cost accounting system to identify costs that are to be capitalized; reconciliation between the potential project costs to be capitalized and actual expenditures as recorded in SAP; and a set of internal controls over the process to ensure accuracy and timeliness of information.

Status of Finding: Throughout fiscal year 2014 management made a number of changes to provide more effective internal controls over the process to capture software development related expenditures specified by GASB 51. We improved many of the processes over accounting for internally developed software including revisions to the internal control document over this process to make it clearer and more concise. Additionally, we performed a full reconciliation of hours worked as captured in the subsidiary system, Planview, to the enterprise system, SAP; added an independent review of the expenditures by a Finance Specialist Sr., revised Planview reports to capture additional GASB 51-related information, and enhanced the collaboration between IT, Budget and Finance. In fiscal year 2015, we are planning additional improvements including the development of a flowchart to document key controls, the addition of quarterly reviews of expenses and quarterly reconciliations between Planview and SAP, the development of written instructions for IT staff to assist in interpreting GASB 51 guidelines, identifying GASB 51-eligible projects, and identifying the stage of project tasks, as well as the addition of training for IT project-related staff. We will continue to refine our processes and involve central Finance in these steps.

FINDING 2013-02 - Cutoff - Significant Deficiency in Internal Control – Highway Planning and Construction

Condition: During our testing of disbursements within the Highway Fund, we noted that expenditures related to FY 2012 were recorded in FY 2013 resulting in an under-reporting of construction in process on bridge project, under-reporting of accrued liabilities, and an under-reporting of receivables and revenues for amounts reimbursable from a grant partially financing the bridge project.

Recommendation: We recommend that the County improve processes for recording grant-funded projects that many straddle more than one accounting period to ensure that revenues, expenditures, and related accruals are recorded in the proper period.

Status of Finding: Transportation Finance has reviewed and revised the department's internal controls over recording expenditures and program revenues to ensure transactions are recorded timely and to the proper period. In addition, the department's internal control documents were revised to reflect the revisions in our controls. There was not any cutoff issues in DCS noted during the fiscal year 2014 audit.

FINDING 2013-03 Unallowed Costs – Significant Deficiency in Internal Control and Instances of Noncompliance – Aging Cluster

Federal Programs: Aging Cluster: Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers, CFDA 93.044, Special Programs for the Aging Title III, Part C Nutrition Services, CFDA 93.045, and Nutrition Services Incentive Program, CFDA 93.053

Condition: Personal expenses were charged to the program.

Recommendation: It is recommended that the County improve internal controls over general disbursements to ensure that unallowable expenses are not charged to the grant.

Status of Finding: The Department of County Human Services has enhanced its monitoring of general disbursements and implemented an additional reconciliation process. The additional reconciliation step ensures personal expenses (when part of approved travel) are posted to County General Fund. No instances of unallowable expenses were noted during the current year audit.

FINDING 2013-04 Unallowed Costs – Significant Deficiency in Internal Control and Instances of Noncompliance – JAG Program Cluster

Federal Programs: JAG Cluster: Edward Byrne Memorial Justice Assistance Grant Program, CFDA 16.738 and Recovery Act Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories, CFDA 16.803

Condition: Time and Attendance reports were missing supervisor review and approval.

Recommendation: It is recommended that the County address the internal controls to review Time and Attendance reports to ensure that the correct amount of payroll is charged to the program.

Status of Finding: The Department of Community Justice implemented an additional review process to ensure that all attendance reports have been properly reviewed and approved by those supervising employees charged to Federal awards. No instances of unapproved attendance reports were noted during the current year audit.

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