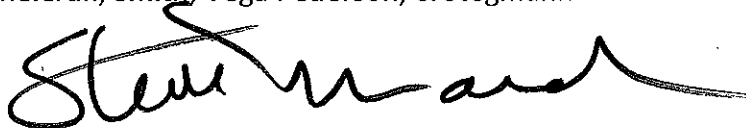


MEMORANDUM

To: Chair Kafoury; Commissioners Meieran, Smith, Vega Pederson, & Stegmann

From: Steve March, County Auditor



Cc: Sheriff Reese; District Attorney Underhill; COO Madrigal; CFO Campbell

Date: July 19, 2017

RE: Financial Condition Report 2017

This is the thirteenth biennial financial condition report that the Multnomah County Auditor's Office has issued. For most indicators we use a ten-year period, which is commonly used by local governments to demonstrate the ability to fund services on an ongoing basis. A local government that can maintain services to the public while meeting changing service demands and withstanding economic downturns is generally considered to be in good financial condition. We believe the County has met this standard.

The Auditor's Office looked at measures of revenues coming into the County, how these revenues were used, and the County's financial health over time. We also included indicators showing changes in population and the economy, and assessed how those changes can affect County services. For example, economic conditions influence revenues such as business income tax, and even more recently property taxes. A poor economy and loss of jobs puts more County residents at risk and in need of services. The unemployment rate is one indicator of the economic conditions in the County. In the last thirty-years covered by our reports, the unemployment rate has fluctuated from occasional low rates under 5% up to some years with high rates over 10%.

For more than twenty years, we have worked with the County's Commissioners, Budget Directors and Chief Financial Officers, who have made the difficult decisions that have affected the past, present and future of the County. Since we began issuing these reports, the County has undergone major changes in the property tax system, assumed responsibility for some state human service and public safety programs, and experienced economic downturns. We believe the current financial health of Multnomah County is the result of difficult decisions made by County Commissioners who responded to these challenges by creating and following sound financial policies while maintaining service to the public.

A financial condition report is a look back. Therefore, nearly all of the data presented reflect the economic downturn suffered locally and nationally from the most recent recession (commonly referred to as the "Great Recession"); however, these trends also reflect some of the gradual recovery that has been experienced in the most recent years. The County's past commitment to solid financial policies has put us in a good financial condition to serve our constituents as conditions continue to improve.

A couple of significant changes within the County that have impacted the results in this report include the creation of the Library District beginning in fiscal year 2014 and the transfer of the Mental Health and Addictions Services (MHAS) to the Health Department (Health Services) from the Department of County Human Services (Social Services) at the beginning of fiscal year 2016.

We would like to thank the various County staff who provided assistance in this report and in contributing to the strength of the County.

Department of County Management

Office of the Chief Operating Officer

July 12, 2017

Auditor Steve March
501 SE Hawthorne Blvd, Ste 600
Portland, OR 97206

Dear Auditor March:

Thank you for the opportunity to respond to the 2017 biennial Financial Condition Report. Our ability to serve the residents of Multnomah County depends on our continued financial stability. This report provides a valuable status update on the county's financial health.

As you note, the county's current financial strength is the result of wise, and sometimes difficult, financial decision-making by the Board of County Commissioners. Thanks to prudent decisions over the years, we have the luxury of knowing we're well-poised to continue to serve our community. As the county's population continues to grow, and demand for our services increase, we must maintain our commitment to sound financial practices and management.

It's worth noting that the demographic section of the report demonstrates that over the past ten years, as we've added 100,000 county residents, the impact and recovery from the "Great Recession" were felt unevenly by our residents. While the overall percentage of those in poverty has declined, county residents of color continue to experience greater rates of poverty than white residents. We must continue to work to ensure that all county residents receive the health, safety, and human services they need in order to thrive.

The recent volatility in federal and state funding highlights the importance of the work we do together to safeguard the county's finances. Thank you and your team for thoroughly examining and chronicling the current state of the county's financial health. This financial discipline will continue to be critical as we help the county's leaders maintain our financial resiliency and serve our community with excellence and integrity.

Sincerely,



Marissa Madrigal
Chief Operating Officer

Ten Year History

Below are a few of the major issues that have had an impacted on the County over the last ten years.

FY07 - \$6.4 million one-time-only payment to schools.

FY08 - Sauvie Island Bridge opened in June 2008; total cost \$45.7 million.

FY09 - The County transfers \$24 million from the General Fund to retire debt related to County buildings and pay off other debt issues.

- In June 2009, the Motor Vehicle Rental Tax base rates went from 10% to 14.5%.

FY10 - Issued \$9.8 million in Full Faith and Credit Obligations to replace the County's data center, telephone enhancements, and other projects.

- Received \$8.8 million from the Portland Development Commission to be used for the Downtown Courthouse Hawthorne Bridge ramp relocation project.

FY11 - The \$19 million per year Vehicle Registration Fee began, and will be in place for 20 years to provide resources for construction and subsequent debt service requirements for the Sellwood Bridge.

- Rockwood Community Health Center opened in August 2010.

- The County issued \$15 million in Full Faith and Credit bonds to finance the construction of the new East County Courthouse.

FY12 - The project to replace the Sellwood Bridge began construction in late FY12.

- The East County Courthouse and Data Center relocation project was completed in the spring of 2012.

FY13 - November 2012, voters approved the formation of a Library District with a permanent rate for property taxes. The County will continue to operate the library system under an intergovernmental agreement (IGA) with the Library District beginning in FY14.

- The County issued \$128 million in Full Faith and Credit obligations in December 2012 for the Sellwood Bridge project.

- Southeast Health Center opened in April 2013.

FY14 - About \$75 million received for the Sellwood bridge construction project. Two-thirds of the \$75 million came from the City of Portland, about \$20 million came from federal awards and about \$5 million came from direct state funding.

- The County received \$10 million from the Portland Development Commission as an initial payment for the construction of a new downtown health department headquarters.

FY15 - The City of Portland contributed \$20 million to the Sellwood Bridge project.

FY16 - At the beginning of FY16 the Department of County Human Services (Social Services) transferred the Mental Health and Addictions Services (MHAS) to the Health Department (Health Services).

- The Sellwood Bridge project was completed and the new bridge opened in the spring of 2016.

- The Downtown Courthouse construction project began the design and construction phase.

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Revenues versus Expenditures	Revenues - Where the Money Comes From	Intergovernmental Revenues	Other Taxes & Other Revenues	General Fund Revenues - Actual vs Budget	Expenditures
------------------------------	---------------------------------------	----------------------------	------------------------------	--	--------------

Economic Recovery Reflected in Increased Revenues & Expenditures

Revenues increased 27% from Fiscal Year 2007 (FY07) to FY16 (adjusted for inflation). The change is the result of steady economic recovery after the Great Recession.

Expenditures increased almost 27% from FY07 to FY16 (adjusted). The change is the result of the County responding to the impact of the changes in revenues noted above.

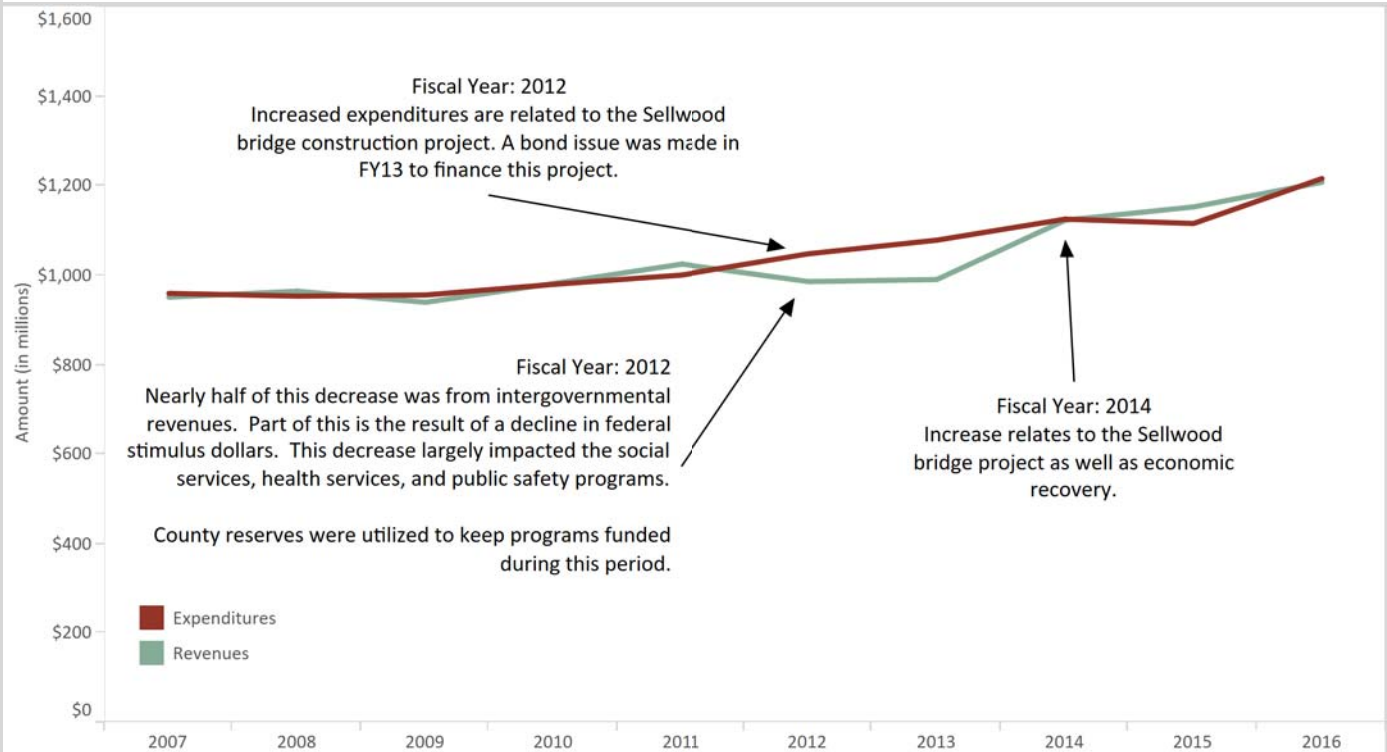
See the other tabs for additional details.

Adjust for Inflation?

Yes

Revenues versus Expenditures

Fiscal Year ended June 30



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Revenues & Expenditures

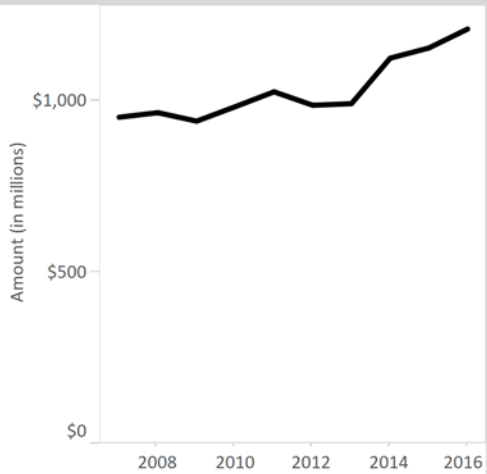
Click arrows below at left & right to navigate through this section

Revenues versus Expenditures	Revenues - Where the Money Comes From	Intergovernmental Revenues	Other Taxes & Other Revenues	General Fund Revenues - Actual vs Budget	Expenditures
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WHERE THE MONEY COMES FROM

Funding for Multnomah County comes from a variety of sources

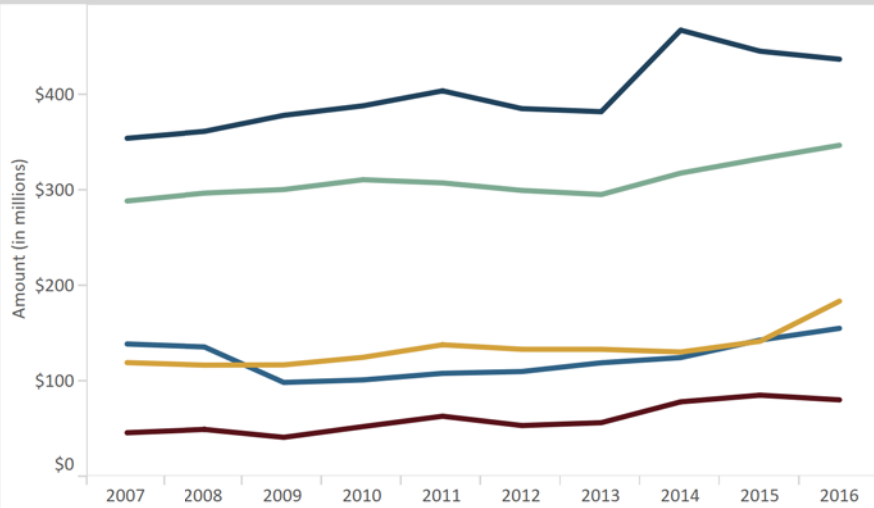
Total Revenues
Fiscal Year ended June 30



Revenues by Source

Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's resources)



Adjust for Inflation?
Yes

Fiscal Year Range
2007 to 2016
and Null values



Select a Revenue Source to View a Description of:
Intergovernmental

Intergovernmental funding is the largest revenue source for the County. These revenues are from federal, state, and local funding sources and support many programs such as:

- Insurance payments from the State to cover behavioral health services for Oregon Health Plan members
- State revenues that are passed-through directly to providers for the Developmental Disabilities (DD) services program
- Large construction projects such as the Sellwood bridge construction project
- Various other programs and projects (especially for social services and public safety)

Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Revenues versus Expenditures	Revenues - Where the Money Comes From	Intergovernmental Revenues	Other Taxes & Other Revenues	General Fund Revenues - Actual vs Budget	Expenditures
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Many County Programs are Highly Dependent on Intergovernmental Revenues which fluctuate based on federal and state budgets

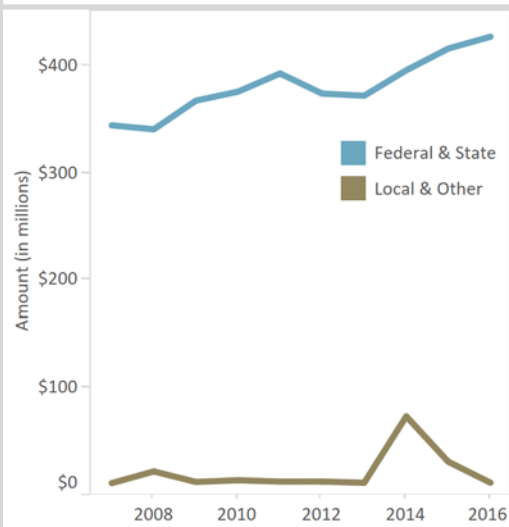
Intergovernmental funding is the largest revenue source for the County. These revenues include direct state and federal funding as well as federal funding passing through the state to the County, and local funding sources and support many programs such as:

- Insurance payments from the State to cover behavioral health services for Oregon Health Plan members
- State revenues that are passed-through directly to providers for the Developmental Disabilities (DD) services program
- Large construction projects such as the Sellwood bridge construction project
- Various other programs and projects (especially for social services and public safety)

Intergovernmental Revenues by Source

Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's sources)

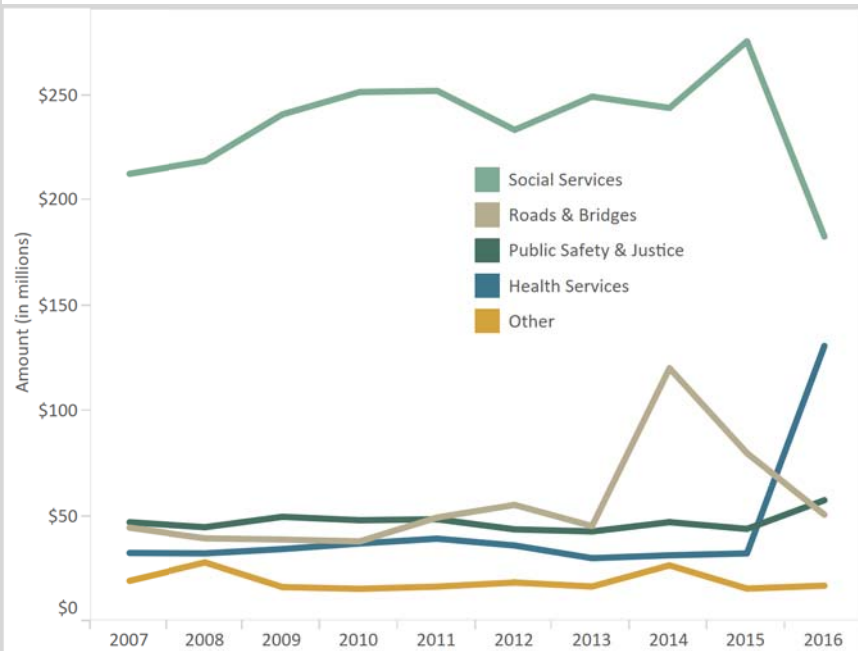


Adjust for Inflation?
Yes

Intergovernmental Revenues by Program Type

Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's programs)



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>
& the County's Enterprise Resource Planning (ERP) System

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Revenues - Where the Money Comes From	Intergovernmental Revenues	Other Taxes & Other Revenues	General Fund Revenues - Actual vs Budget	Expenditures - Where the Money Goes	Expenditures
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Other Taxes & Other Revenues

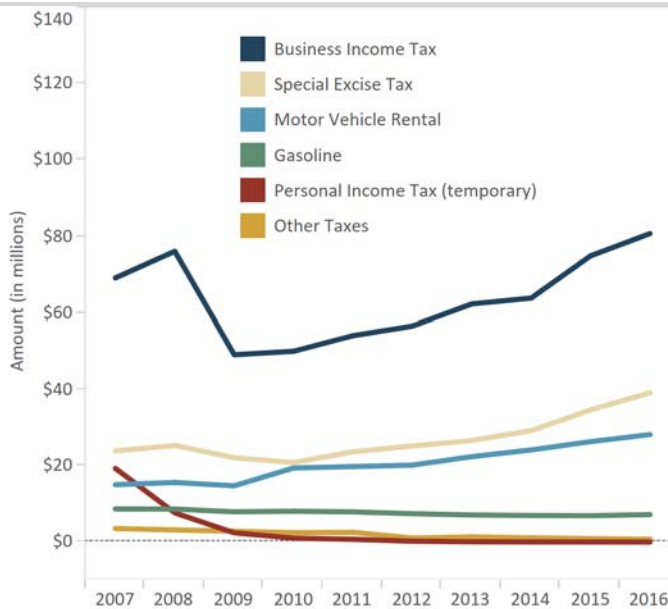
Other Taxes include the business income tax (BIT), special excise taxes (the proportion of transient lodging and motor vehicle rental taxes which are dedicated to Metro for the operation of the Oregon Convention Center as well as other tourism related entities), motor vehicle rental (MVR) tax (the proportion collected for the County General Fund), gasoline tax, temporary local personal income tax, and other minor taxes.

Other Revenues consist of charges for services (which are primarily from service charges related to the Health Department and health clinics as well as sewer and street lights service fees for the two small service districts), licenses and permits revenue, interest, and other miscellaneous revenue (which includes non-governmental grants).

Other Tax Revenue

Fiscal Year ended June 30

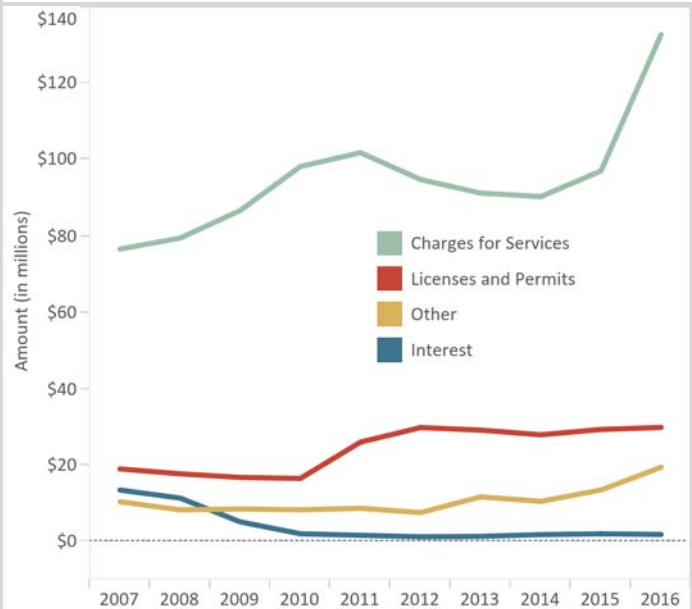
(hover over the graph to see additional information)



Other Revenues

Fiscal Year ended June 30

(hover over the graph to see additional information)



Adjust for Inflation?

Yes

Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Intergovernmental Revenues	Other Taxes & Other Revenues	General Fund Revenues - Actual vs Budget	Expenditures - Where the Money Goes	Expenditures per Capita	Expenditures
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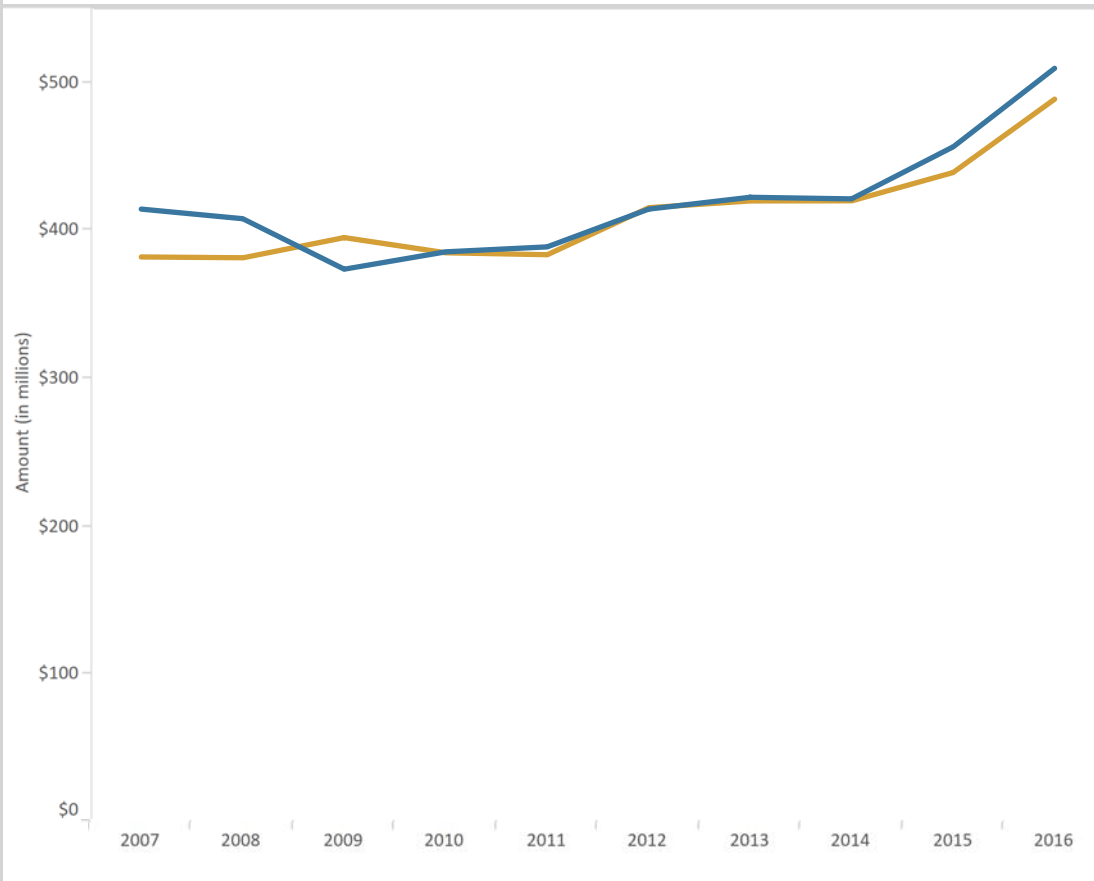
General Fund Revenues

General Funds are primarily comprised of property tax and business income tax (BIT) revenues. BIT is the second largest source of revenue in the General Fund and is imposed upon each taxfiler doing business within the County equal to 1.45% of the net income from the business within the County (exemptions can apply). BIT collections generally parallel economic cycles and can be difficult to predict when there are significant economic impacts such as the recent recession.

General Fund Revenues - Actual versus Budget

Fiscal Year ended June 30

(hover over the graph to see additional information)



Adjust for Inflation?

Yes

Select a Revenue Type

- All General Fund revenues
- Business Income Tax
- Charges for Services
- Intergovernmental
- Other Revenues
- Other Taxes
- Property Tax
- Service Reimbursements

Actual

Budget

Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

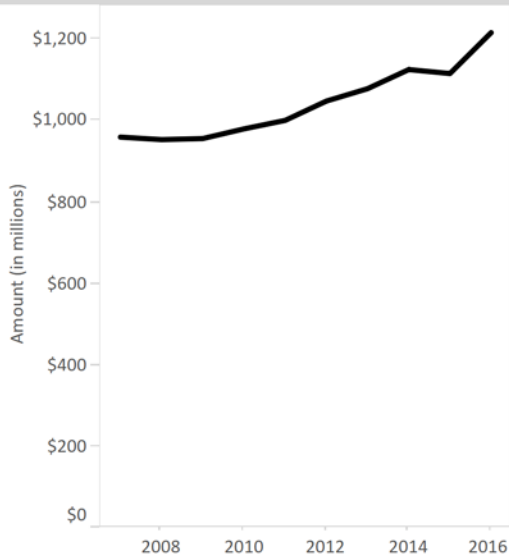
Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Other Taxes & Other Revenues	General Fund Revenues - Actual vs Budget	Expenditures - Where the Money Goes	Expenditures per Capita	Expenditures by Fund	Int er n..
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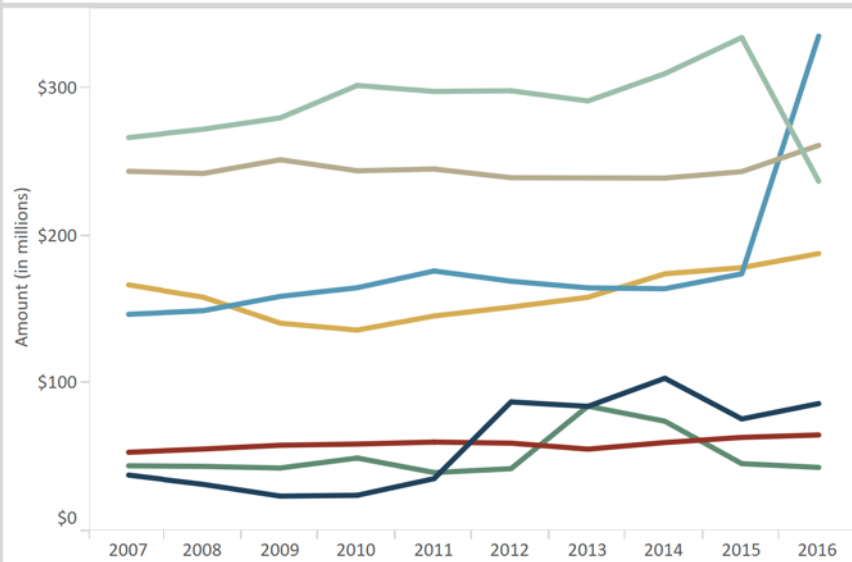
WHERE THE MONEY GOES

Total Expenditures
Fiscal Year ended June 30



Expenditures by Program
Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's spending)



Adjust for Inflation?
Yes

Fiscal Year Range
2007 to 2016

- Social Services
- Other
- Debt Principal & Interest
- Public Safety & Justice
- Capital Outlay Exp.
- Health Services
- Library

Select an Expenditure Program to View a Description of:

Health Services

Health Services include services provided by the County Health Department which include medical and dental clinics, public health services, school-based clinics, and other health care and education services for the community. The County also provides health care for the County's inmate population. At the beginning of FY16 the Department of County Human Services (Social Services) transferred the Mental Health and Addictions Services (MHAS) to the Health Department (Health Services). This includes the costs to operate the behavioral health services for Oregon Health Plan members.

Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

General Fund Revenues - Actual vs Budget	Expenditures - Where the Money Goes	Expenditures per Capita	Expenditures by Fund	Internal Service Funds - Expenditures	Number...
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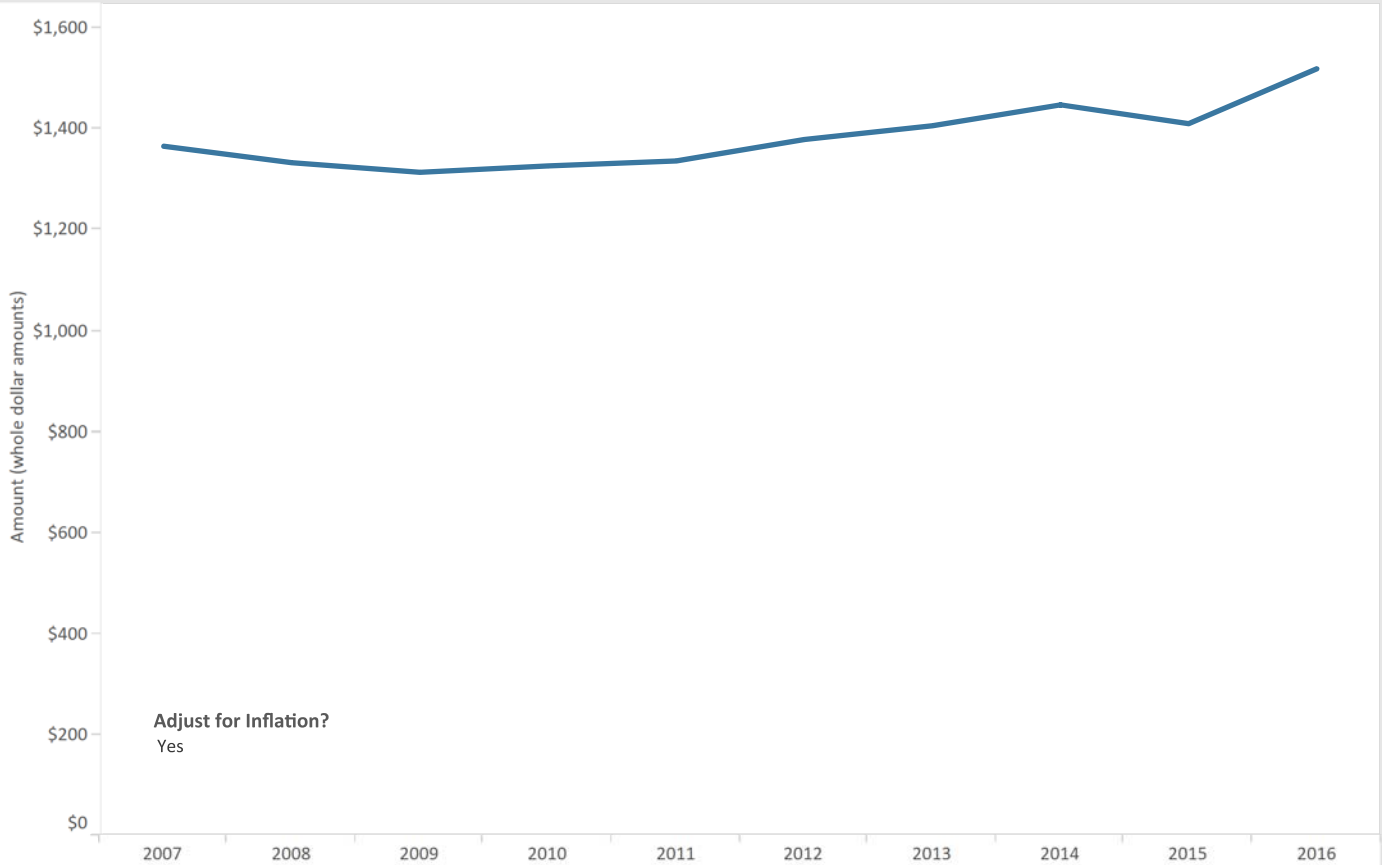
Expenditures per Capita

Expenditures per capita is the average amount of government spending by the County to provide services to each person who lives in the County.

The Total Expenditures on the "Revenues versus Expenditures" graph divided by that year's population from the "County Population" graph.

Expenditures per Capita

Fiscal Year ended June 30



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports> & the U.S. Census Bureau, American Community Survey 1-Year Estimates

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Expenditures - Where the Money Goes	Expenditures per Capita	Expenditures by Fund	Internal Service Funds - Expenditures	Number of Employees by Area of Government	Wage..
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Expenditures by Fund

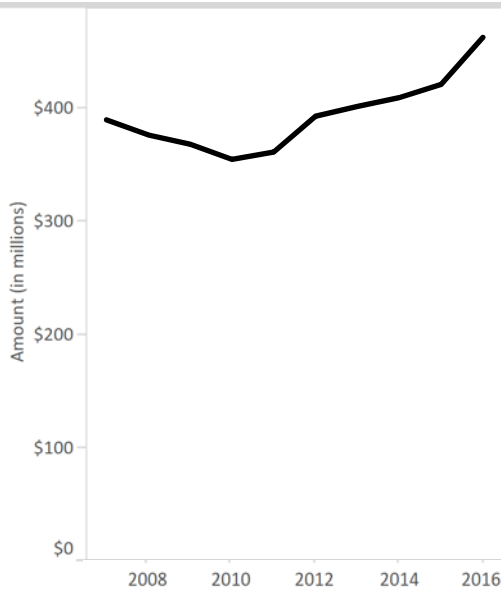
Expenditures by Fund is a reflection of the County's fiscal year expenditures by fund type. A *fund* is a grouping of related accounts for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Select a Fund to View Information On:

General Fund

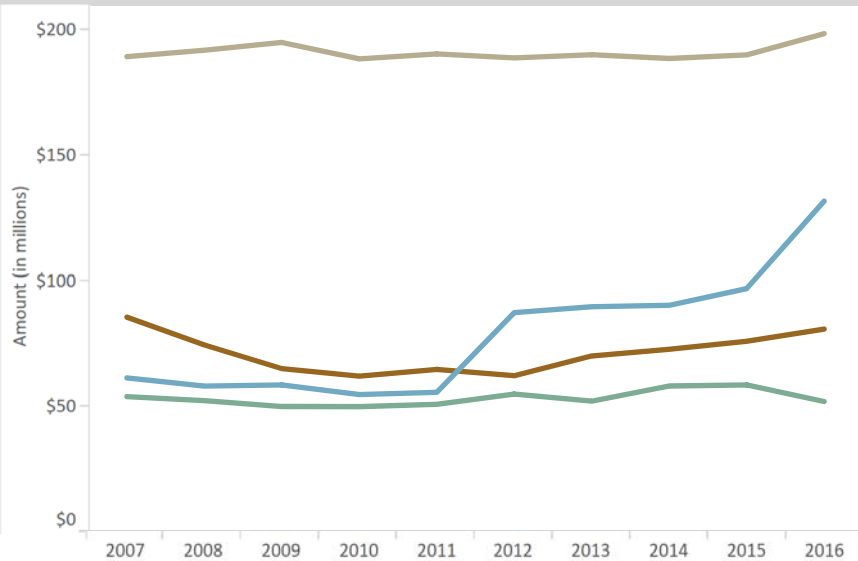
The General Fund accounts for the financial operations of the County which are not accounted for in any other fund.

Total General Fund Expenditures Fiscal Year ended June 30



Expenditures by Program Type for the General Fund Fiscal Year ended June 30

(hover over the graph to see additional information)



Adjust for Inflation?
Yes

- Public Safety & Justice
- General Government
- Health Services
- Social Services

Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Expenditures ..	Expenditures per Capita	Expenditures by Fund	Internal Service Funds - Expenditures	Number of Employees by Area of Government	Wages, Benefits, and Other Costs
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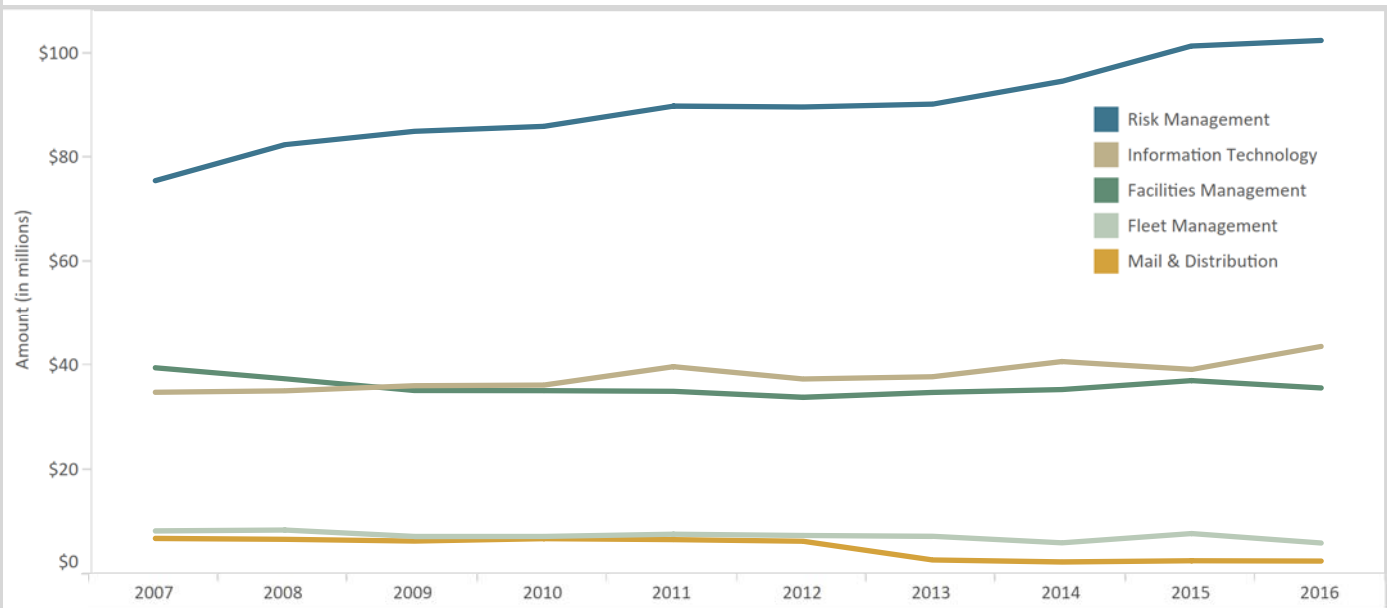
Internal Service Fund Expenditures

Services provided by the Internal Service Funds are charged directly to County departments and programs. The County's Internal Service Funds include:

- Risk Management Fund - accounts for expenditures and reserves associated with the protection of the County's assets, employees, programs, and operations, such as administration of workers' compensation, general liability, auto liability, property liability, employee medical/dental benefits, legal services, and insurance programs for life, long-term and short-term disability, retiree insurance, unemployment, and insured and self-insured programs.
- Information Technology Fund - accounts for expenditures for data processing and telephone services.
- Facilities Management Fund - accounts for expenditures to maintain and manage all owned and leased properties.
- Fleet Management Fund - accounts for expenditures to maintain and manage County vehicles and motor pool.
- Mail & Distribution Fund - accounts for expenditures for County mail and distribution services.

Total Expenditures for Each Internal Service Fund

Fiscal Year ended June 30



Adjust for Inflation?

Yes

Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Expenditures ..	Expenditures per Capita	Expenditures by Fund	Internal Service Funds - Expenditures	Number of Employees by Area of Government	Wages, Benefits, and Other Costs
-----------------	-------------------------	----------------------	---------------------------------------	--	----------------------------------

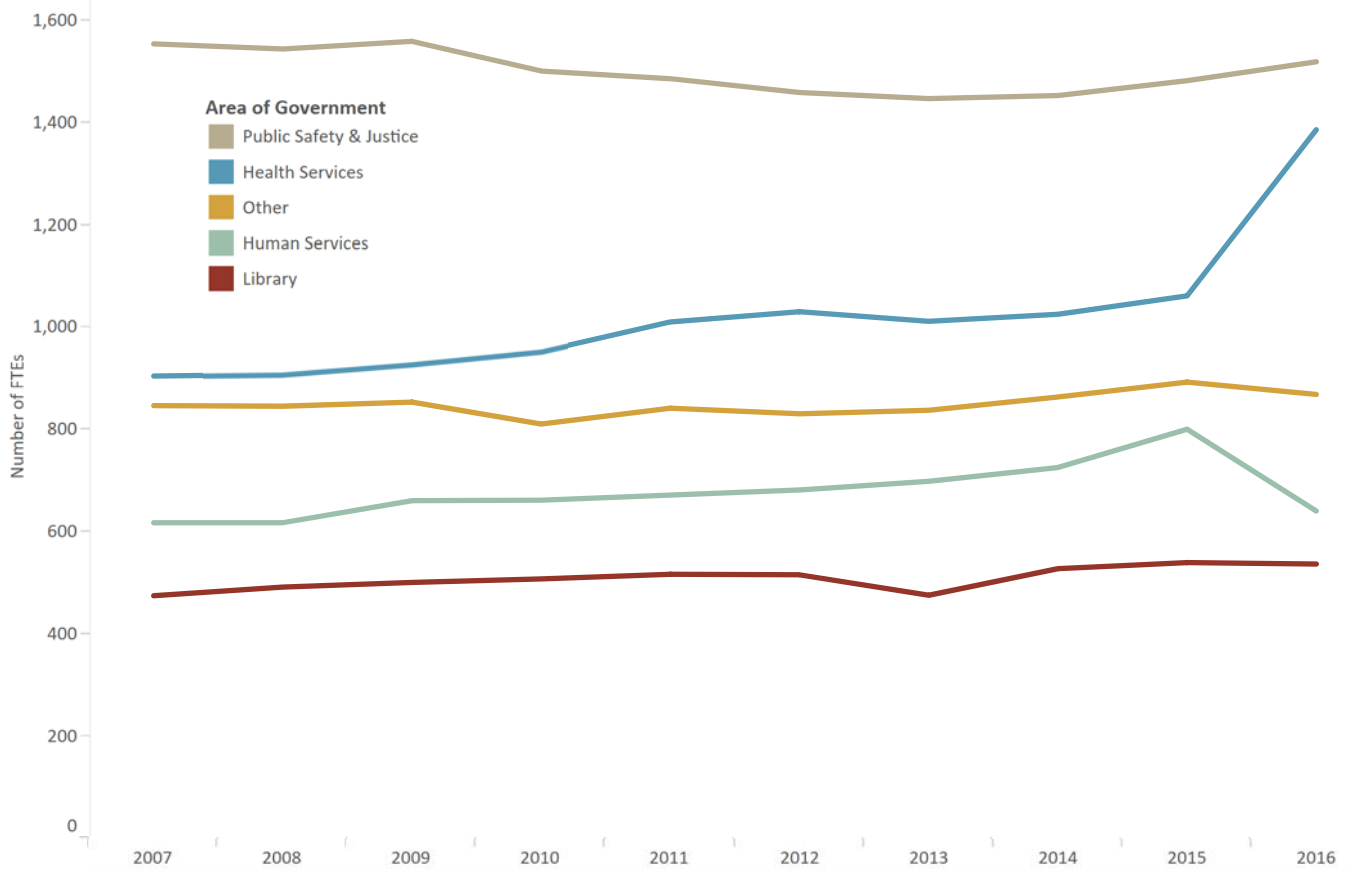
Number of Employees by Area of Government

The fluctuation in the number of full-time equivalent (FTE) employees over the years reflect the County's response to changes in economic factors and funding availability, as well as the demand on County services.

Full-Time Equivalent Employees (FTEs)

Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's FTE)



Total	4,400	4,409	4,504	4,436	4,529	4,520	4,473	4,598	4,779	4,954
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Source: County's Enterprise Resource Planning (ERP) System

Revenues & Expenditures

Click arrows below at left & right to navigate through this section

Expenditures ..	Expenditures per Capita	Expenditures by Fund	Internal Service Funds - Expenditures	Number of Employees by Area of Government	Wages, Benefits, and Other Costs
-----------------	-------------------------	----------------------	---------------------------------------	---	----------------------------------

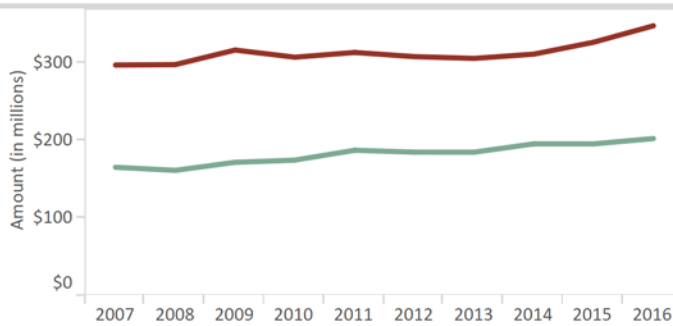
Wages, Benefits, and Other Costs

Wages for County employees peaked in FY09 and then declined slightly until the last couple of years. Some of the initial decrease was attributable to a wage freeze as well as budget cuts in response to the recent recession. Recent growth in wages is a direct result of cost of living increases as well as changes in number of employees as noted on the previous FTE graph. Increasing health insurance costs and PERS rates contributed to the growing cost of employee benefits.

Wages, Benefits, and Other Costs

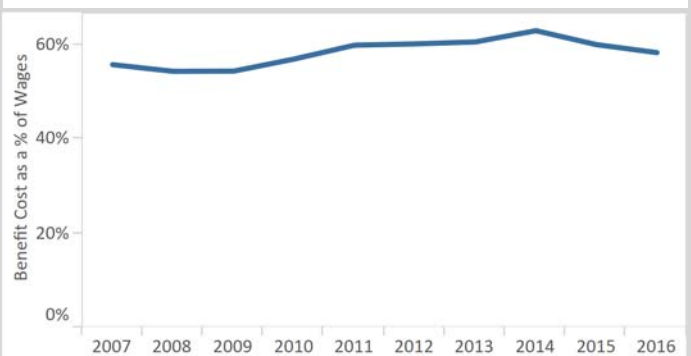
Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's costs)



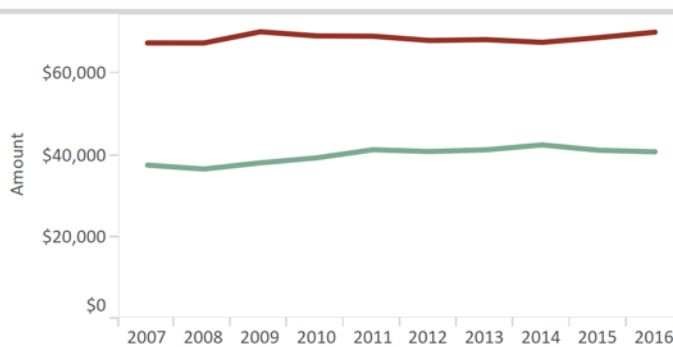
Benefit and Other Costs as a % of Wages

Fiscal Year ended June 30



Wages, Benefits, and Other Costs per FTE

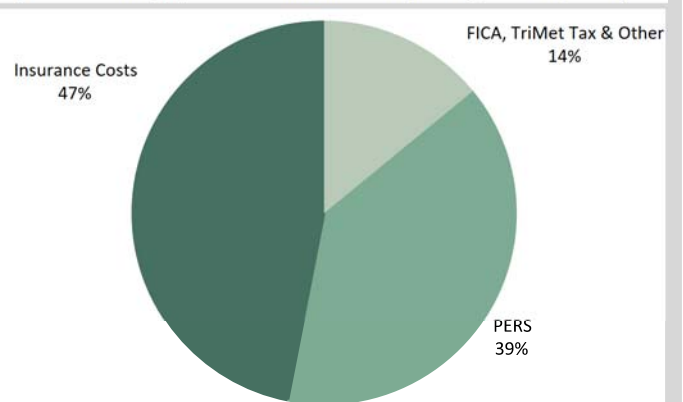
Fiscal Year ended June 30



Benefit and Other Costs by Type

Fiscal Year ended June 30, 2016

(hover over the graph to see additional descriptions of the benefit costs)



Adjust for Inflation?

Yes

Wages

Benefits & Other

Source: County's Enterprise Resource Planning (ERP) System

Financial Health

Click arrows below at left & right to navigate through this section

General Fund Balance	What We Own versus What We Owe	Capital Assets	Long-Term Debt	Fixed Costs & Future Fixed Payments	Total Debt per ..
----------------------	--------------------------------	----------------	----------------	-------------------------------------	-------------------

General Fund Balances Have Been Recovering Since the Great Recession

The County's General Fund balances are classified as to the amount that is restricted, committed or nonspendable, and the amount that is unassigned (unrestricted) and available for discretionary spending.

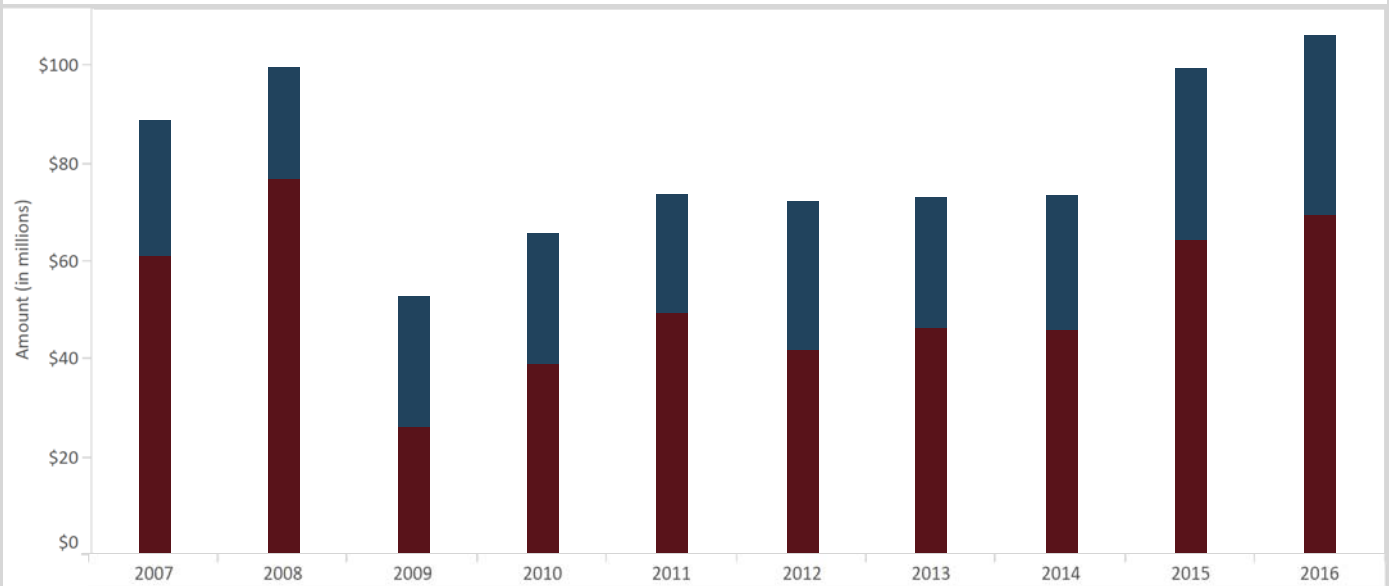
Included in the unrestricted balances below are certain clinic fee revenues from the State for the Federally Qualified Health Centers (FQHC) wraparound billable managed care clinic visits for the Health Department. These resources are considered unrestricted; however, there is a timing lag of when cash is to be received from the State. Therefore, these funds are not considered available at year-end (they are a receivable).

Excluded from the balances below are items that are considered restricted, committed or nonspendable as these are not available for discretionary spending.

General Fund Unrestricted Balance

Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's resources)



Adjust for Inflation?

Yes

Unrestricted but not yet available at fiscal year-end

Unrestricted or Unassigned

Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Financial Health

Click arrows below at left & right to navigate through this section

General Fund Balance	What We Own versus What We Owe	Capital Assets	Long-Term Debt	Fixed Costs & Future Fixed Payments	Total Debt per ..
----------------------	--------------------------------	----------------	----------------	-------------------------------------	-------------------

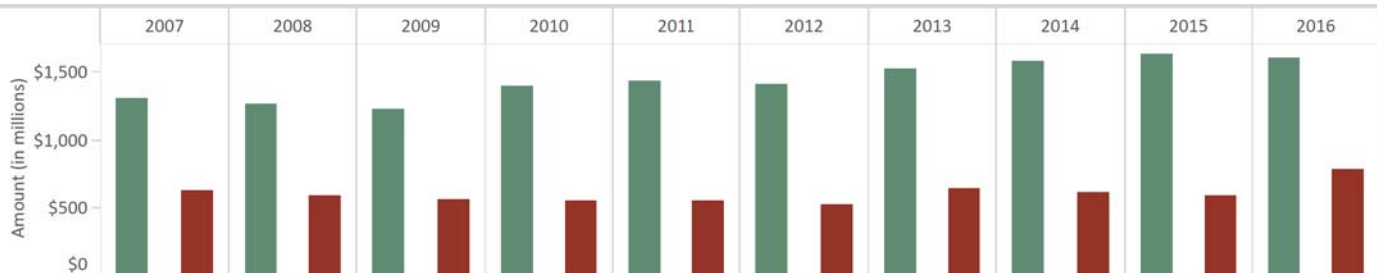
What We Own versus What We Owe

Adjust for Inflation?
Yes

Total Assets versus Total Debt

Fiscal Year ended June 30

■ Total Assets
■ Total Debt

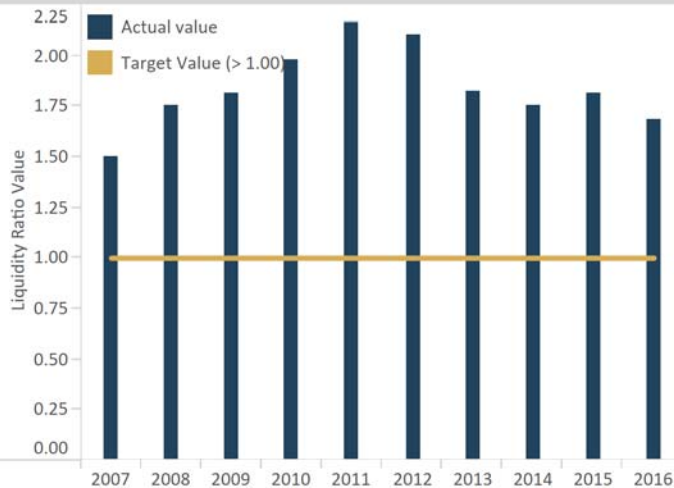


Liquidity Ratio

Fiscal Year ended June 30

The liquidity ratio compares total cash and short-term investments to current liabilities, measuring the ability to pay short-term obligations. The credit industry considers a liquidity ratio of 1.0 to be acceptable.

The County exceeds industry standards.

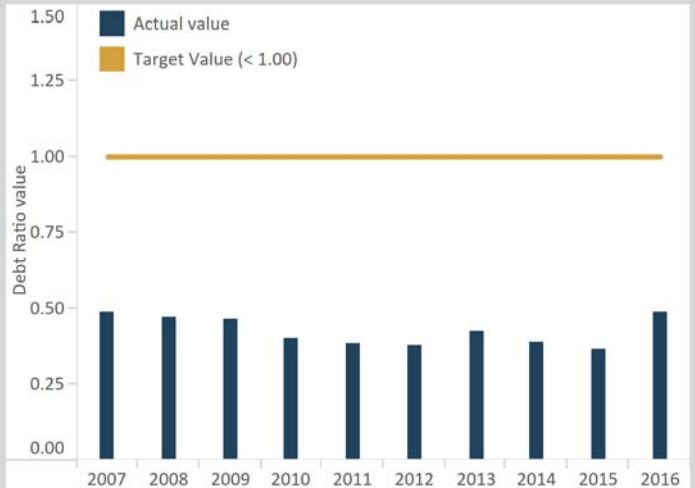


Debt Ratio

Fiscal Year ended June 30

The debt ratio compares total debt to total assets, measuring the proportion of the County's assets which are financed through debt. The credit industry considers a debt ratio of 1.0 or less to be acceptable.

The County exceeds industry standards.



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Financial Health

Click arrows below at left & right to navigate through this section

General Fund Balance	What We Own versus What We Owe	Capital Assets	Long-Term Debt	Fixed Costs & Future Fixed Payments	Total Debt per ..
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Capital Assets

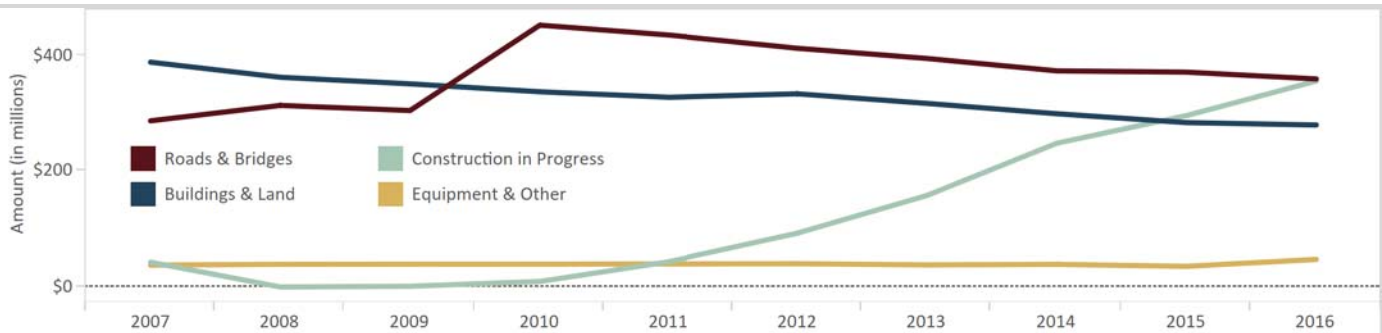
Capital Assets include land, buildings, equipment, and infrastructure used to provide County services. Accounting standards require that assets are reported in financial statements at their original cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciable assets are shown net of depreciation in the graph below which accounts for the steady decline in Buildings and Roads & Bridges (unless otherwise described in hover boxes). Since FY05, capital asset totals include a non-depreciated amount for the Wapato Jail since it remains unused and considered not in service. FY05 capitalized costs for the Jail was about \$51 million. Since the Jail has not been placed into service, management began making an impairment estimate starting in FY13. The adjusted balance of the Wapato Jail, which is included in Buildings, is about \$46 million for FY16.

Adjust for Inflation?
Yes

Capital Assets by Type, net of accumulated depreciation

Fiscal Year ended June 30

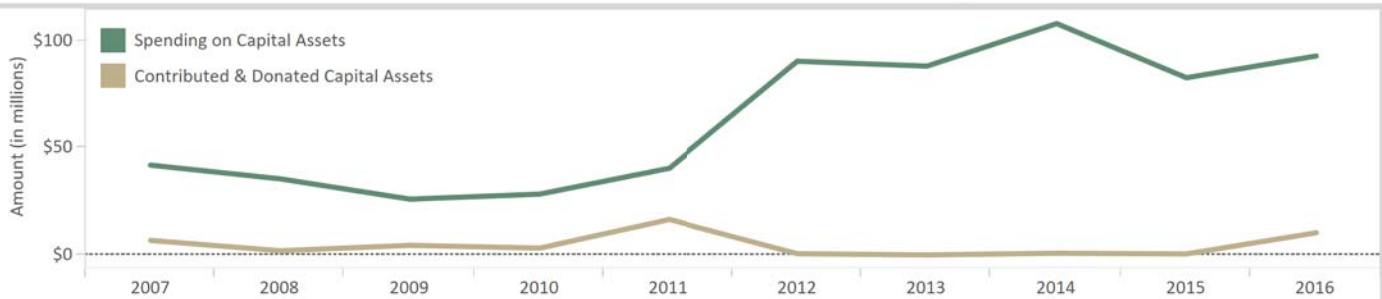
(hover over the graph to see additional information for some of the years)



Capital Asset Spending & Contributed Assets

Fiscal Year ended June 30

(hover over the graph to see additional information for some of the years)



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Financial Health

Click arrows below at left & right to navigate through this section

General Fund..	What We Own versus What We Owe	Capital Assets	Long-Term Debt	Fixed Costs & Future Fixed Payments	Total Debt per Capita
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Long-Term Debt

Long-term debt includes bonds payable, the net other postemployment benefits (OPEB) obligation, and other. Included in other are capital leases payable, pollution remediation obligation, and loans payable. Amounts not included below are the compensated absences related to employee earned paid time off (sick and vacation time) because significantly all of this is considered a current liability as the benefits are readily available to the employee for use. Also excluded is the incremental lease obligation as it is a non-cash liability (specific accounting treatment) and it will balance itself out through the performance of the lease terms.

Credit Ratings by Outstanding Bond

Balances as of June 30, 2016

Balance in millions

Ratings with upgraded status as of 2/15/2017

Bond name	Moody's rating	S&P rating	Balance
General Obligation Bond, Series 2010	Aaa	not rated	\$7
Full Faith and Credit Bond, Series 1999	Aaa	not rated	\$111
Full Faith and Credit Bond, Series 2010	not rated	AA+	\$2
Full Faith and Credit Bond, Series 2010B	Aaa	not rated	\$15
Full Faith and Credit Bond, Series 2012	Aaa	AA+	\$133
Full Faith and Credit Bond, Series 2014	Aaa	not rated	\$20

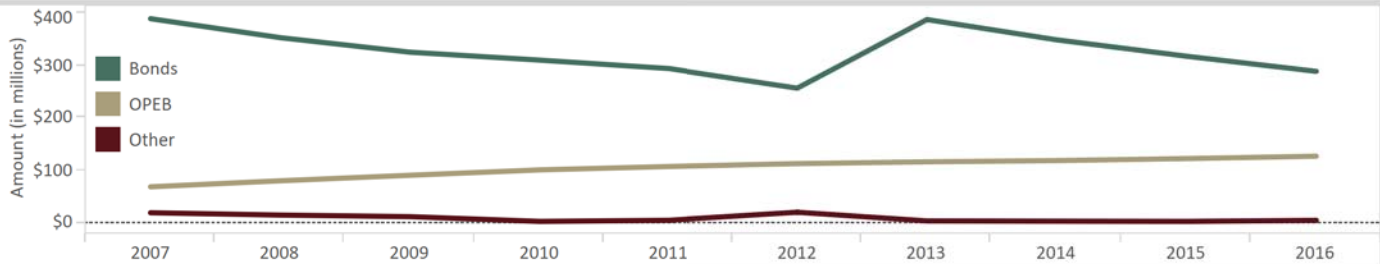
Adjust for Inflation?

Yes

Long-Term Debt by Type

Fiscal Year ended June 30

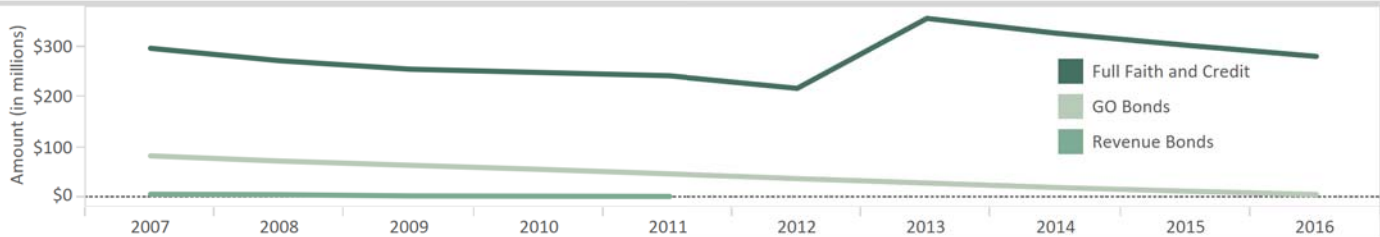
(hover over the graph to see additional information for some of the years)



Bonds by Type

Fiscal Year ended June 30

(hover over the graph to see additional information for some of the years)



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Financial Health

Click arrows below at left & right to navigate through this section

General Fund..	What We Own versus What We Owe	Capital Assets	Long-Term Debt	Fixed Costs & Future Fixed Payments	Total Debt per Capita
----------------	--------------------------------	----------------	----------------	--	-----------------------

Fixed Costs

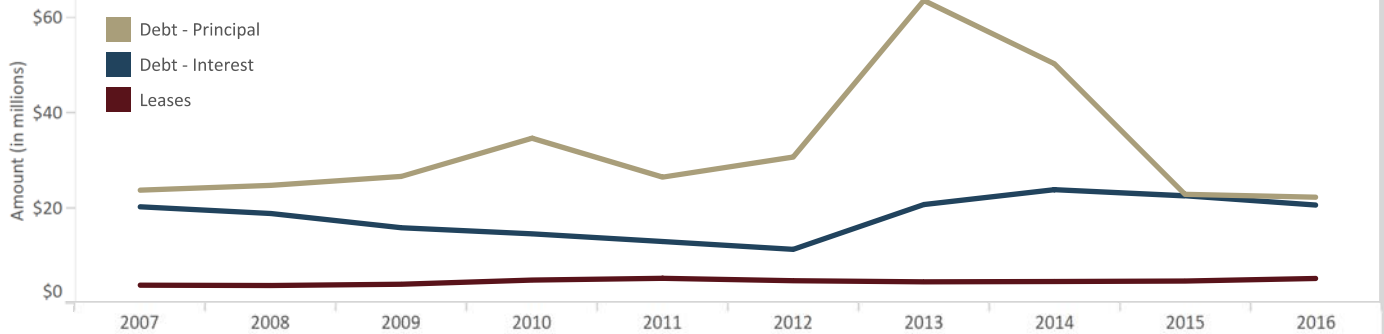
Fixed costs include the principal and interest payments on long-term debt and rent payments on operating leases. Operating leases are for certain land, buildings and equipment used to provide County services.

Adjust for Inflation?
Yes

Fixed Costs

Fiscal Year ended June 30

(hover over the graph to see additional information for some of the years)



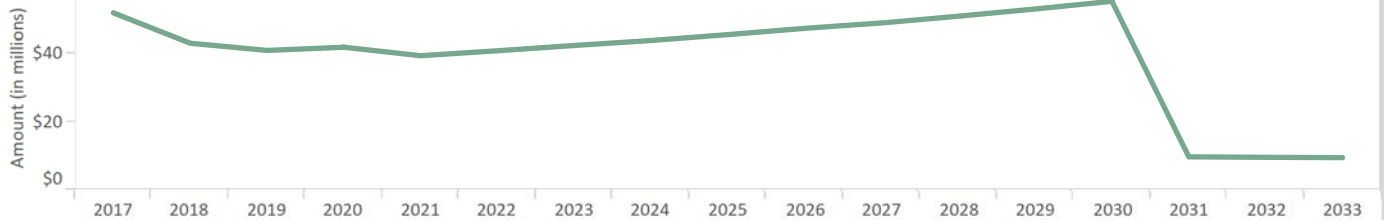
Future Fixed Payments

The current outstanding debt was primarily issued to finance major building projects and bridge construction. The County also issued debt to pay off unfunded pension liability, which saved the County nearly \$36 million over the life of the debt. As of June 30, 2016, the County had annual fixed payments for debt and long-term leases extending until year 2033. The County continues to restructure debt when opportunities arise, such as the March 2010 and June 2014 refunding bonds to take advantage of economic gains.

Future Fixed Payments as of June 30, 2014

Fiscal Year ending June 30

(hover over the graph to see additional information for some of the years)



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports>

Financial Health

Click arrows below at left & right to navigate through this section

General Fund..	What We Own versus What We Owe	Capital Assets	Long-Term Debt	Fixed Costs & Future Fixed Payments	Total Debt per Capita
----------------	--------------------------------	----------------	----------------	-------------------------------------	-----------------------

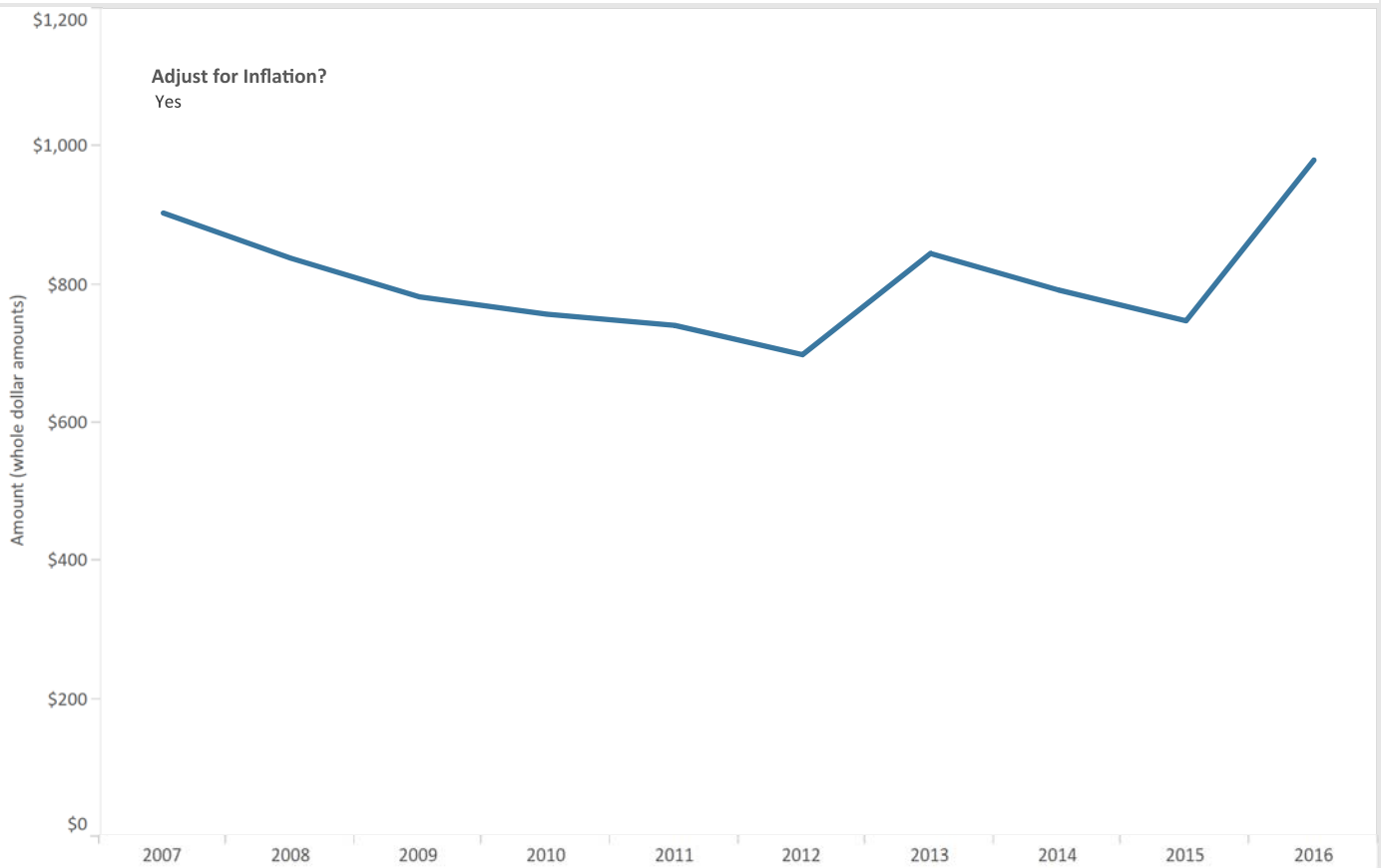
Total Debt per Capita

Total debt per capita is the average amount of debt the County has per person who lives in the County. The Total Debt on the "What We Own versus What We Owe" graph divided by that year's population from the "County Population" graph.

Total Debt per Capita

Fiscal Year ended June 30

(hover over the graph to see explanations for changes in some year's resources)



Source: Comprehensive Annual Financial Reports at <https://multco.us/finance/financial-reports> & the U.S. Census Bureau, American Community Survey 1-Year Estimates

Economy

Click arrows below at left & right to navigate through this section

Property Values	New Residential Construction	Number of Businesses	Unemployment Rate with comparisons to State and National	Number of Jobs	Per Capita Income
-----------------	------------------------------	----------------------	--	----------------	-------------------

Real Market Value versus Assessed Value

Real market value serves as one of many indicators of economic health and will experience volatility with the market. Total assessed property values, which are the basis for property taxes, will not experience the same level of volatility as the real market values. The increase in the combined assessed values for residential & commercial properties is about 4% from FY15 to FY16 compared to 17% for the increase in real market values over the same period.

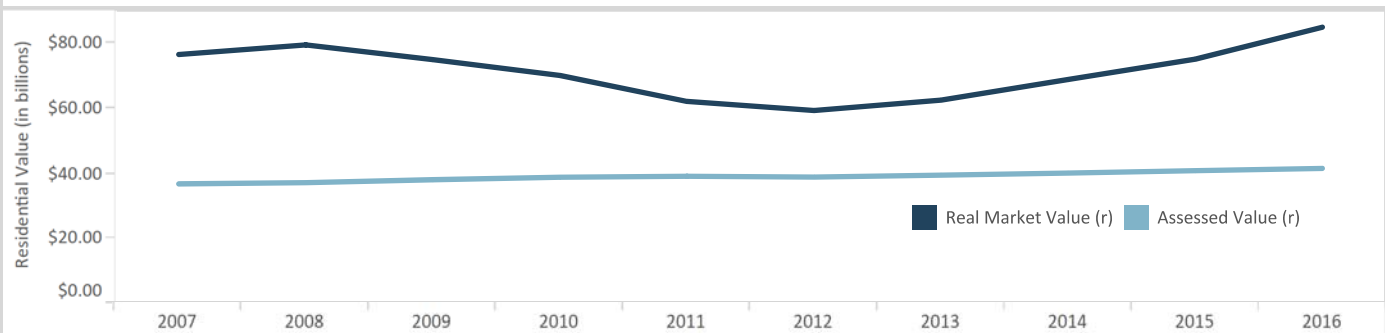
Adjust for Inflation?

Yes

Residential Properties

The inflation adjusted real market value for residential properties in Multnomah County peaked at \$80 billion (adjusted for inflation) in FY08 before dropping 25% to \$59 billion (adjusted) in FY12. From FY12 to FY16 real market values have increased by 43%.

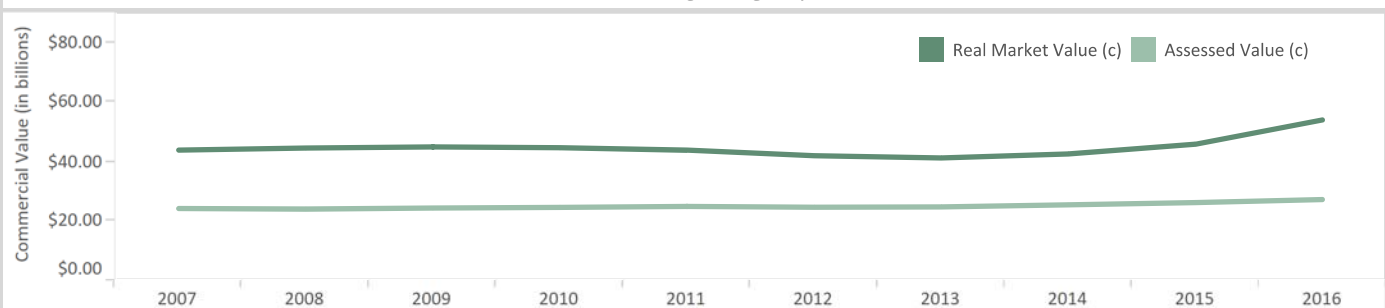
Tax Year beginning July 1



Commercial Properties

The decline in the value of the commercial industrial property was not nearly as severe as the impact on the residential properties. These properties only declined about 6% from FY08 to FY12. From FY12 to FY16 real market values have increased by 29%.

Tax Year beginning July 1



Source: County Assessor's Office at <https://multco.us/assessment-taxation>

Economy

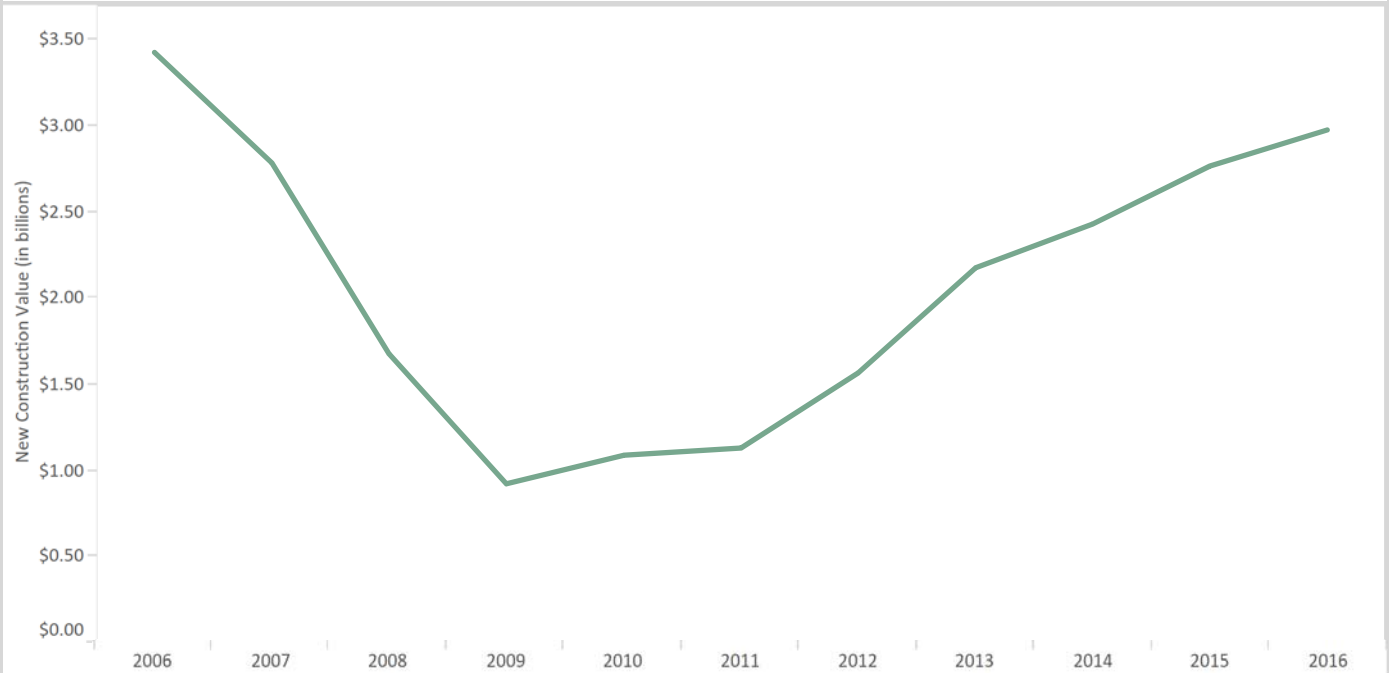
Click arrows below at left & right to navigate through this section

Property Values	New Residential Construction	Number of Businesses	Unemployment Rate with comparisons to State and National	Number of Jobs	Per Capita Income
-----------------	-------------------------------------	----------------------	--	----------------	-------------------

New Residential Construction

New construction figures are based on building permits in the Portland Metropolitan Statistical Area* (PMSA). The inflation adjusted value of new construction units decreased \$2.5 billion or 73% from calendar year 2006 to 2009. From 2009 to 2016 the value increased by \$2.06 billion (adjusted for inflation) or 224% as the economy has experienced some recovery from the recession.

New Construction
Portland Metropolitan Statistical Area* (PMSA)
Calendar Year ended December 31



Adjust for Inflation?

Yes

Source: U.S. Census Bureau, Building Permits Survey

*The Portland Area MSA code number is 38900 "Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area". The counties that are included: Clackamas, Columbia, Multnomah, Washington, Yamhill, all in Oregon; and Clark and Skamania in Washington State

Economy

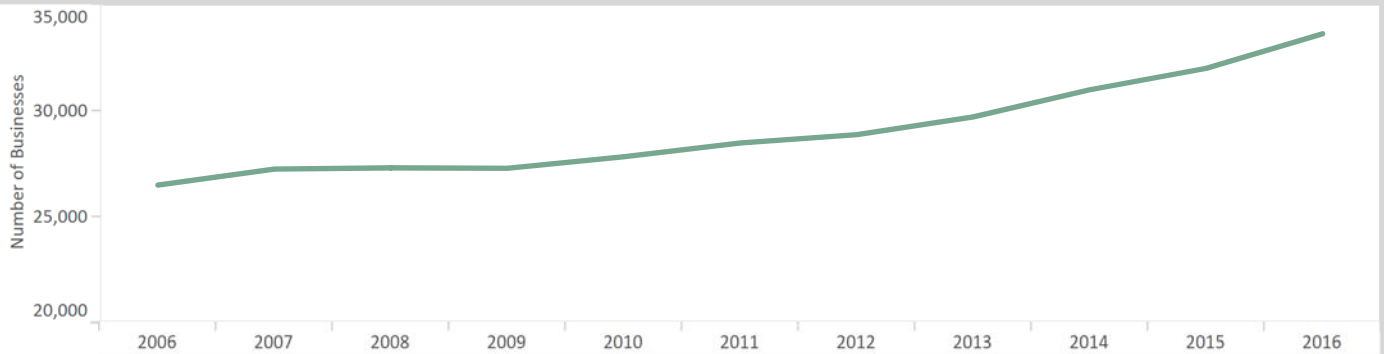
Click arrows below at left & right to navigate through this section

Property Values	New Residential Construction	Number of Businesses	Unemployment Rate with comparisons to State and National	Number of Jobs	Per Capita Income
-----------------	------------------------------	-----------------------------	--	----------------	-------------------

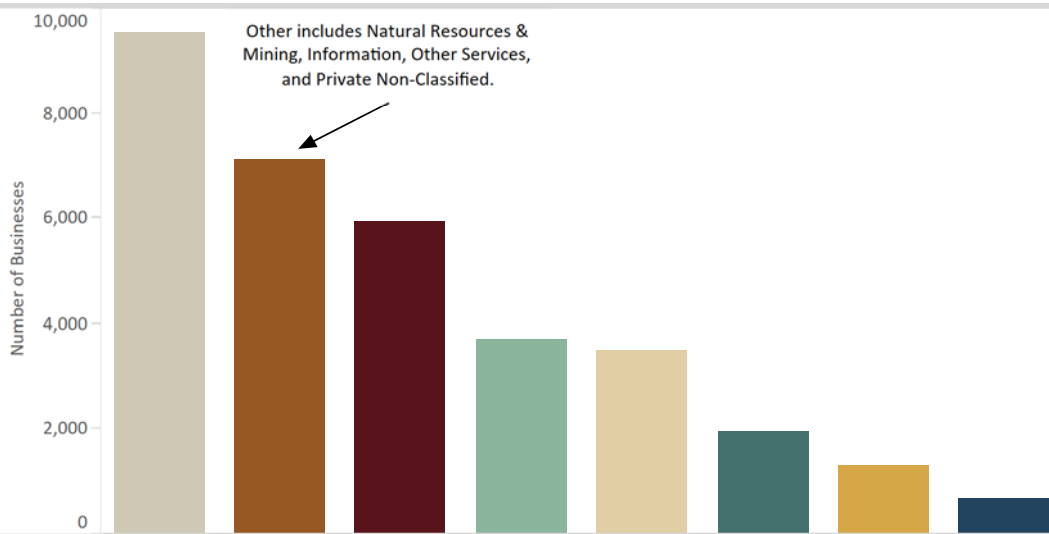
Number of Businesses

The number of businesses in the County is another indicator of economic health related to the County's revenue base.

Number of Businesses in Multnomah County
Calendar Year ended December 31



Number of Businesses in Multnomah County by Industry
Calendar Year ended December 31, 2016



Select a Calendar Year to display in the graph to the left 2016

Industry

- Financial & Professional Services
- Other
- Trade, Transportation & Utilities
- Education & Health Services
- Leisure & Hospitality
- Construction
- Manufacturing
- All Government

Source: State of Oregon Employment Department

Economy

Click arrows below at left & right to navigate through this section

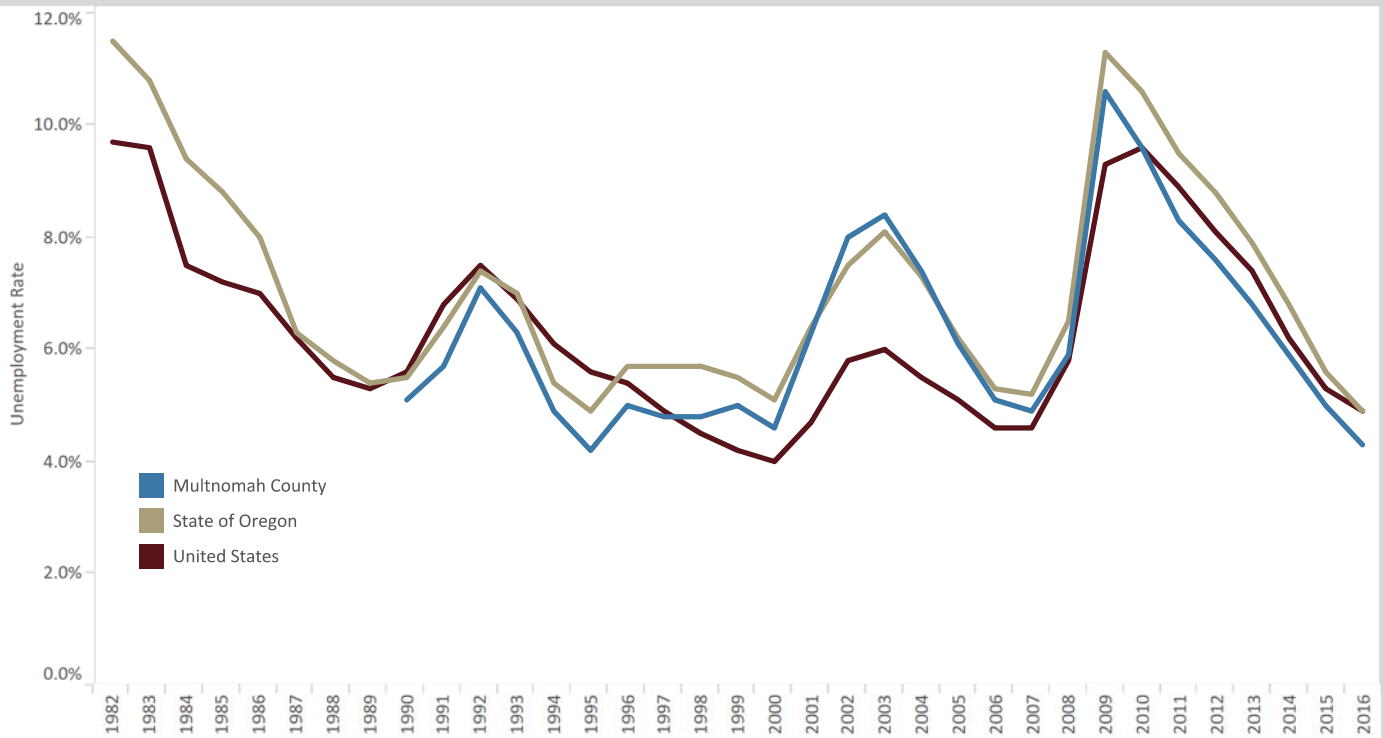
Property Val..	New Residential Construction	Number of Businesses	Unemployment Rate with comparisons to State and National	Number of Jobs	Per Capita Income with comparisons to State and National
----------------	------------------------------	----------------------	---	----------------	--

Unemployment Rate

The unemployment rate is considered a major indicator of economic health and reflects the economic climate for the County. Both the County and the State had just recovered from the recession of the early 2000's, when they were hit by the national economic downturn in 2009. Unemployment rates have been decreasing from the 2009 high and have just begun to reach the pre-recession unemployment rates.

Note: the County's rate is captured starting with June 30, 1990, while the State and U.S. is captured prior to this.

Unemployment Rates Annualized



Fiscal Year Range
1982 to 2016

Source: State of Oregon Employment Department (seasonally adjusted rates)

Economy

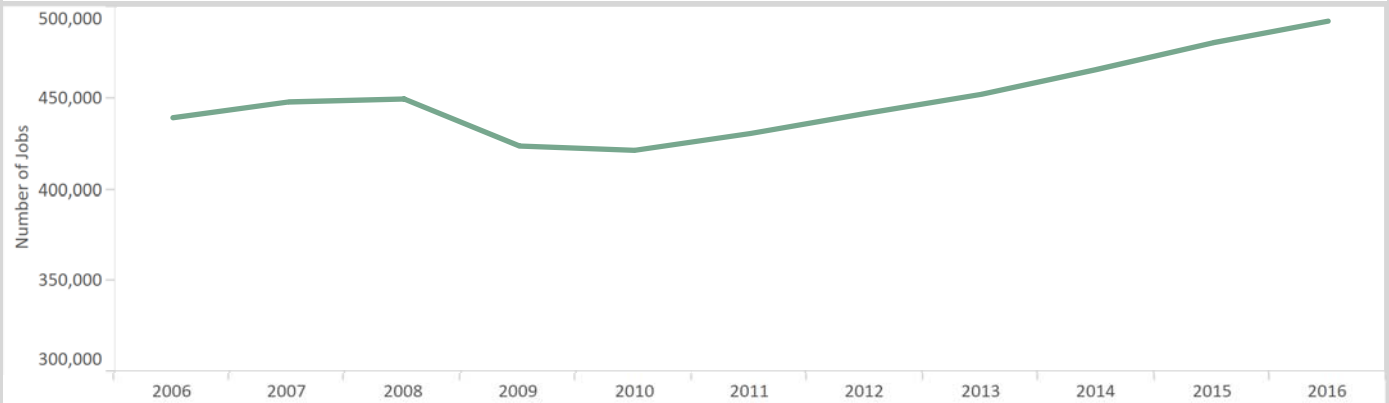
Click arrows below at left & right to navigate through this section

Property Val..	New Residential Construction	Number of Businesses	Unemployment Rate with comparisons to State and National	Number of Jobs	Per Capita Income with comparisons to State and National
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Number of Jobs

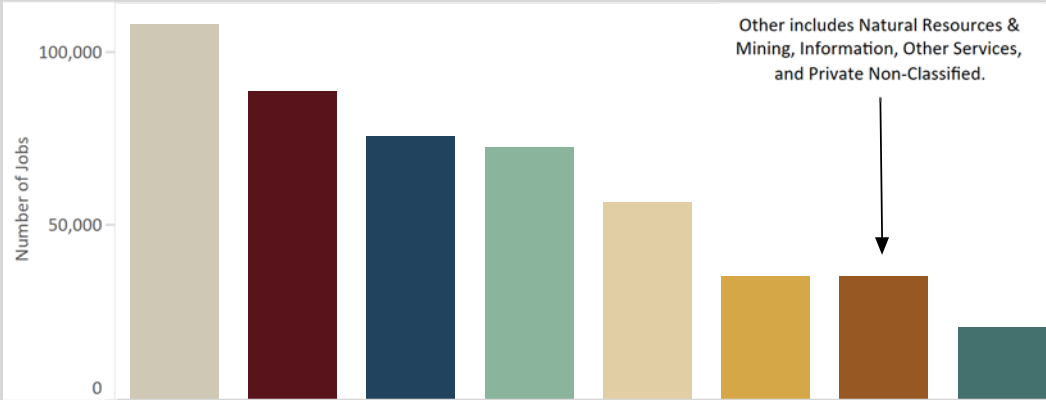
The number of jobs (including full-time, part-time, and temporary positions) provided by employers in Multnomah County is considered an indicator of economic health. From calendar year 2008 to 2009 the number of jobs decreased sharply with the loss of nearly 25,800 (or 6%) due to the economic downturn. The indicator also reflects recent improvements with the addition of over 68,000 jobs (or 16%) from calendar year 2009 to 2016.

Number of Jobs in Multnomah County
Calendar Year ended December 31



Number of Jobs Provided by Employer in Multnomah County by Industry
As of December 31, 2016

Select a Calendar Year to display in the graph to the left 2016



- Industry**
- Financial & Professional Services
 - Trade, Transportation & Utilities
 - All Government
 - Education & Health Services
 - Leisure & Hospitality
 - Manufacturing
 - Other
 - Construction

Source: State of Oregon Employment Department

Economy

Click arrows below at left & right to navigate through this section

Property Val..	New Residential Construction	Number of Businesses	Unemployment Rate with comparisons to State and National	Number of Jobs	Per Capita Income with comparisons to State and National
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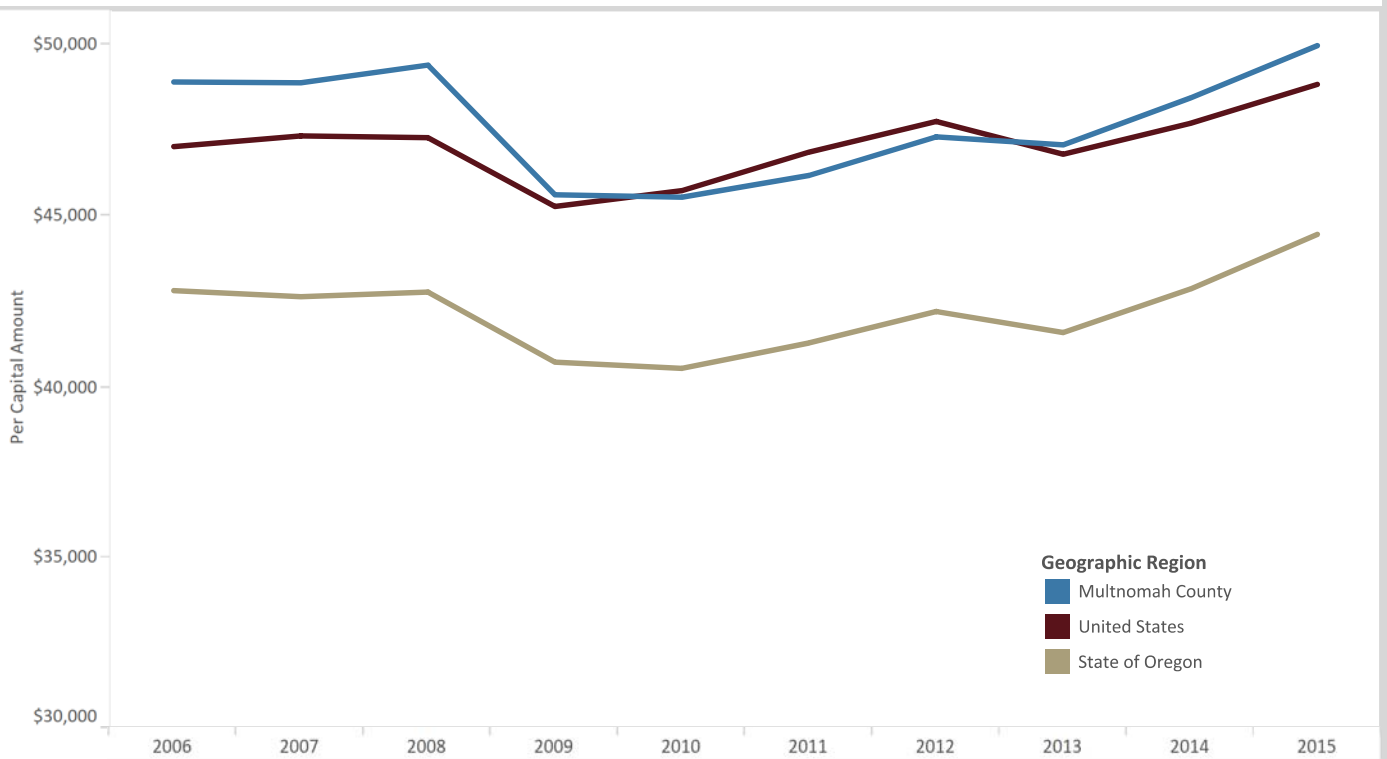
Per Capita Income

Per capita income is considered a major indicator of economic health. The average annual per capita income in Multnomah County decreased approximately 7% from 2006 to 2010 (adjusted for inflation) due to the recession then recovered nearly 10% from 2010 to 2015.

Per capita income in Multnomah County is higher than in the state of Oregon, but the gap has narrowed in the last several years.

Note: 2016 data is not available at time of report issuance.

Average Annual Per Capita Income



Adjust for Inflation?

Yes

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Demographics

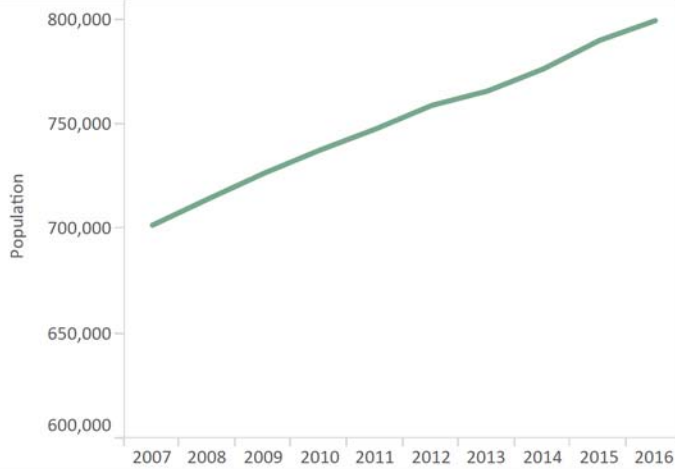
Click arrows below at left & right to navigate through this section

County Population	County Poverty	County Poverty - by Race - 2015	Residents without Health Insurance	Residents without Health Insurance - by Race	Number of U..
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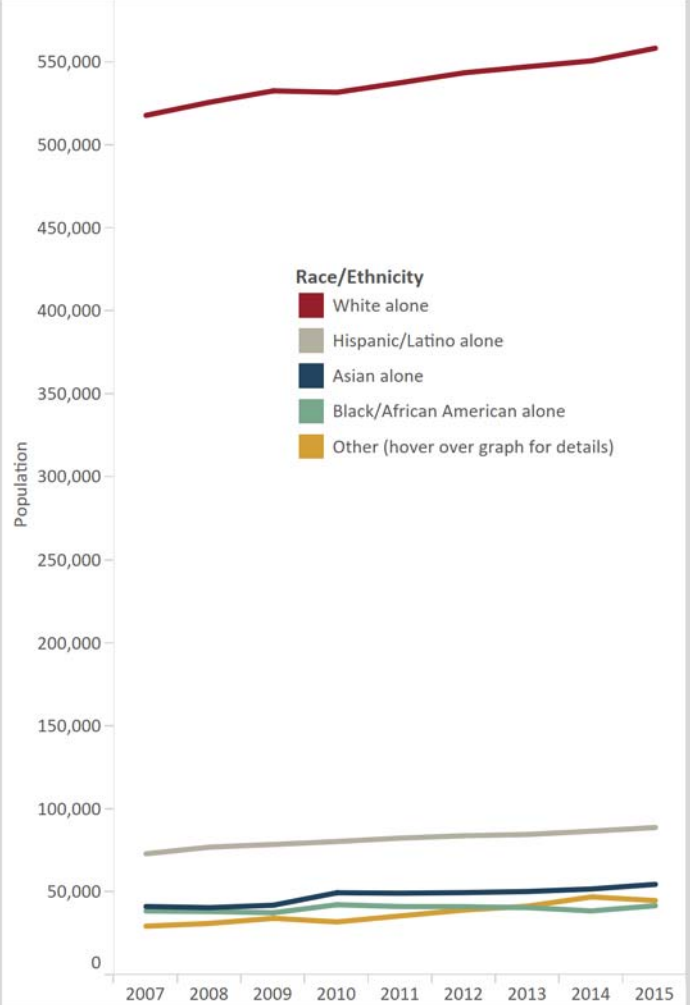
Multnomah County Population

Note: 2016 data is not available by Age or Race/Ethnicity at time of report issuance.

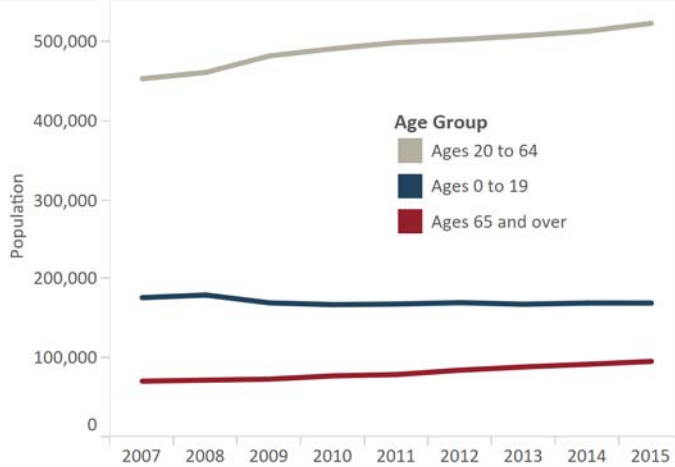
Total County Population



Population by Race/Ethnicity



Population by Age Group



Source: U.S. Census Bureau, American Community Survey (ACS) 1-Year Estimates

2016 estimate for total population from ACS's Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2016

Demographics

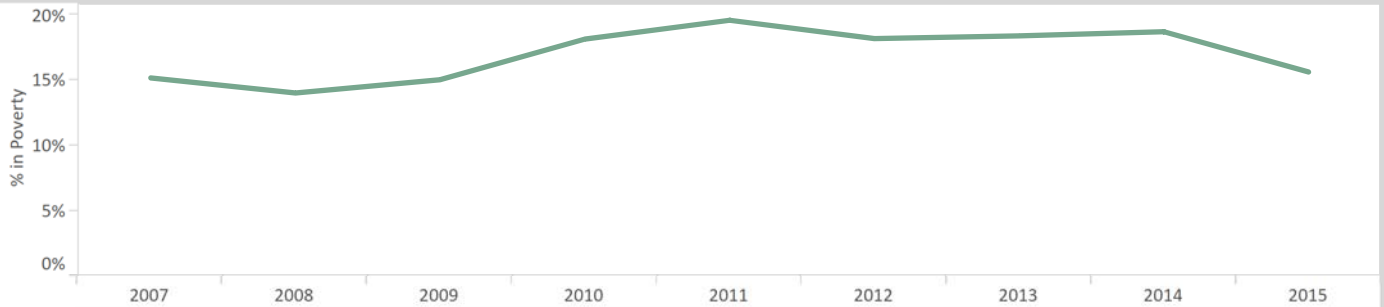
Click arrows below at left & right to navigate through this section

County Population	County Poverty	County Poverty - by Race - 2015	Residents without Health Insurance	Residents without Health Insurance - by Race	Number of U..
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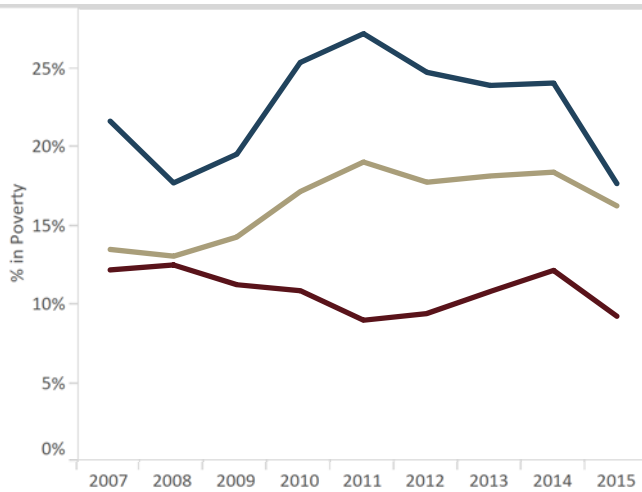
Residents in Poverty

This indicator provides some measure of the number of low income residents who might utilize County human services and health programs.
 Note: 2016 data is not available at time of report issuance.

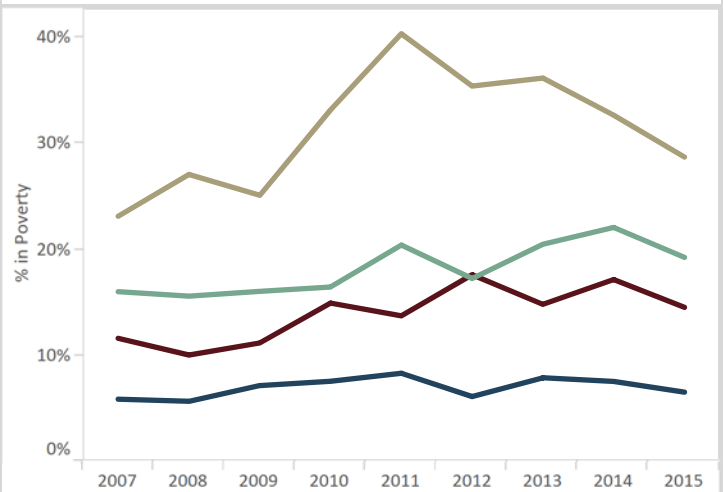
Percentage of Multnomah County Residents in Poverty



Percentage of Multnomah County Residents in Poverty - by Age Group



Percentage of Multnomah County Residents in Poverty - by Level of Education



Age Group

- Ages 0 to 17
- Ages 65 and over
- Ages 18 to 64

Level of Education

- Less than high school graduate
- Some college, associate's degree
- High school graduate (or equivalent)
- Bachelor's degree or higher

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates at 100% of the Poverty Level

Demographics

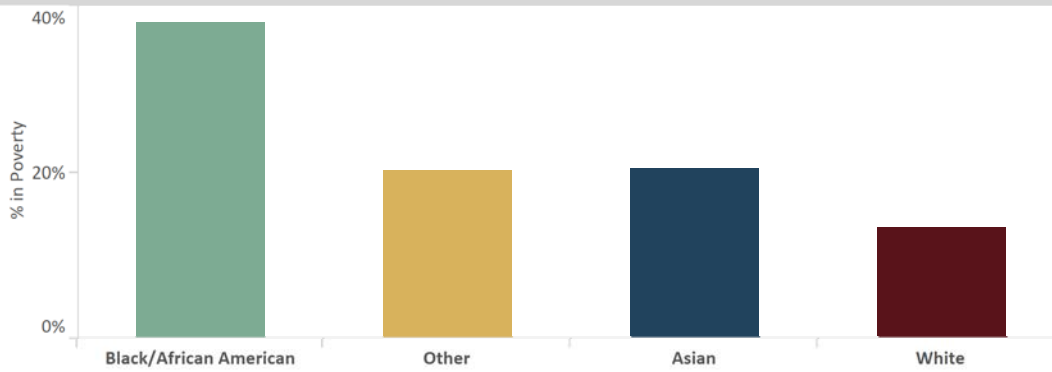
Click arrows below at left & right to navigate through this section

County Population	County Poverty	County Poverty - by Race - 2015	Residents without Health Insurance	Residents without Health Insurance - by Race	Number of U..
-------------------	----------------	---------------------------------	------------------------------------	--	---------------

Residents in Poverty - by Race/Ethnicity

Note: 2016 data is not available at time of report issuance.

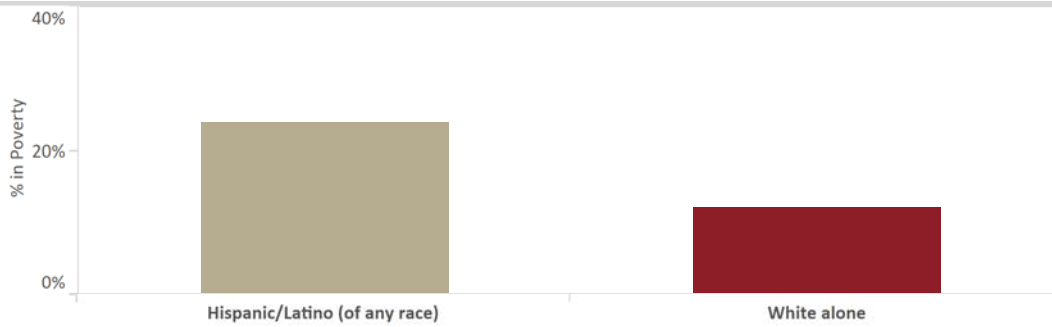
Percentage of Multnomah County Residents in Poverty - by Race
(Hispanic/Latino origins are inclusive with the races presented)
For 2015



Note: The *other* category represents all other race and ethnic groups, including two or more races, Native American/Alaska Native, Native Hawaiian/Other Pacific Islander, and some other race.

Data is only presented for one year due to limited sample size.

Percentage of Multnomah County Residents in Poverty Hispanic/Latino origin only compared to White alone
For 2015



Note: U.S. Census Bureau considers persons of Hispanic/Latino origin to be an ethnicity and not a race. The data for poverty shows Hispanic/Latino persons - but does not break it out for each race group - therefore, we are showing Hispanic/Latino group on its own compared to the White alone.

In the race graph above the Hispanic/Latino group is part of the data presented.

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates at 100% of the Poverty Level

Demographics

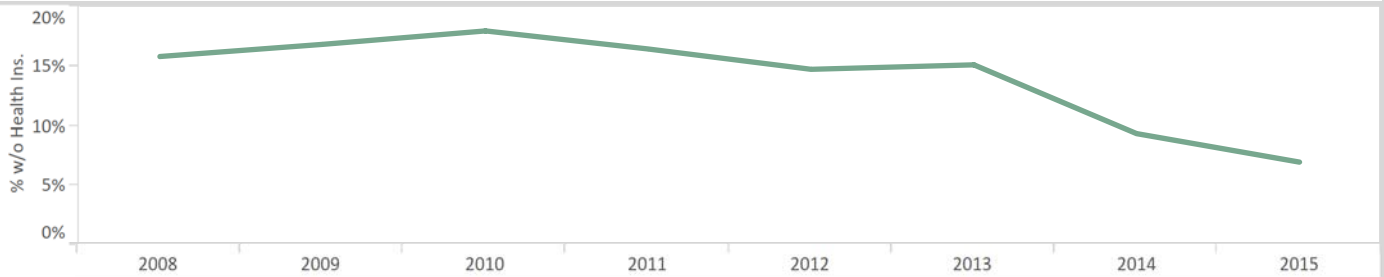
Click arrows below at left & right to navigate through this section

County Poverty	County Poverty - by Race - 2015	Residents without Health Insurance	Residents without Health Insurance - by Race	Number of Unsheltered Persons	Percentage..
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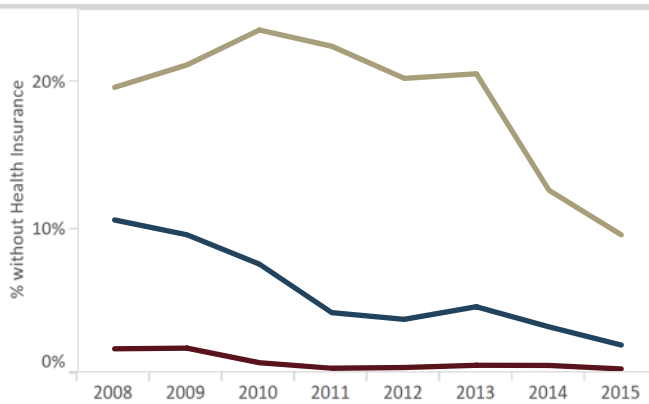
Residents without Health Insurance

The County provides low-cost health care to underserved, low-income and uninsured residents of Multnomah County.
*Notes: The population being considered is the civilian non-institutionalized population.
 2016 data is not available at time of report issuance.*

Percentage of Multnomah County Residents without Health Insurance



Percentage of Multnomah County Residents without Health Insurance - by Age Group

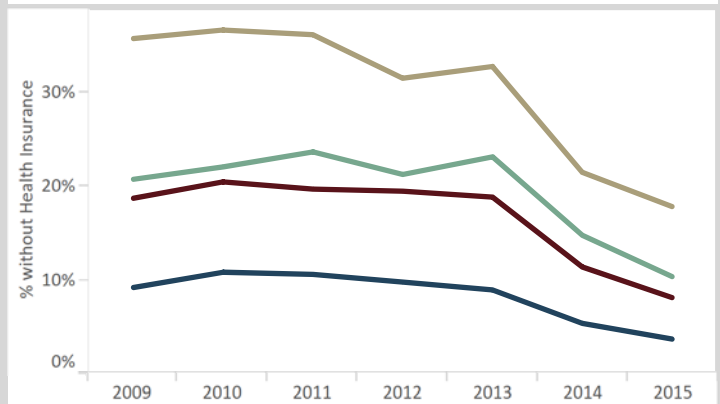


Age Group

- Ages 18 to 64
- Ages 0 to 17
- Ages 65 and over

Note: data presented for this indicator by Age starting with 2008.

Percentage of Multnomah County Residents without Health Insurance - by Level of Education



Level of Education

- Less than high school graduate
- Bachelor's degree or higher
- Some college, associate's degree
- High school graduate (or equivalent)

Note: data presented for this indicator by Level of Education starting with 2009.

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates

Demographics

Click arrows below at left & right to navigate through this section

County Poverty	County Poverty - by Race - 2015	Residents without Health Insurance	Residents without Health Insurance - by Race	Number of Unsheltered Persons	Percentage of Unsheltered Persons - by Race - 2015
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Residents without Health Insurance - by Race/Ethnicity

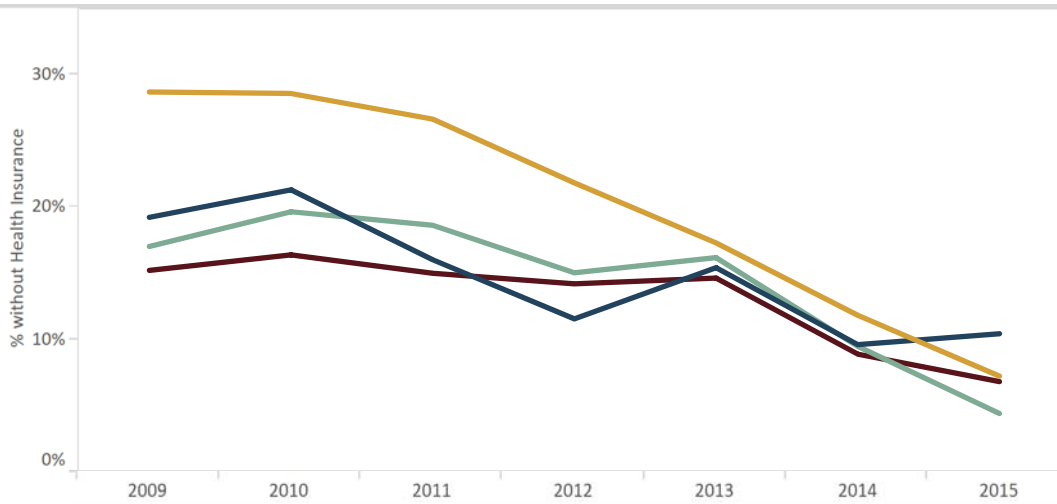
The County provides low-cost health care to underserved, low-income and uninsured residents of Multnomah County.

Notes: The population being considered is the civilian noninstitutionalized population.

Data collection by Race/Ethnicity for this indicator started in 2009.

2016 data is not available at time of report issuance.

Percentage of Multnomah County Residents without Health Insurance - by Race

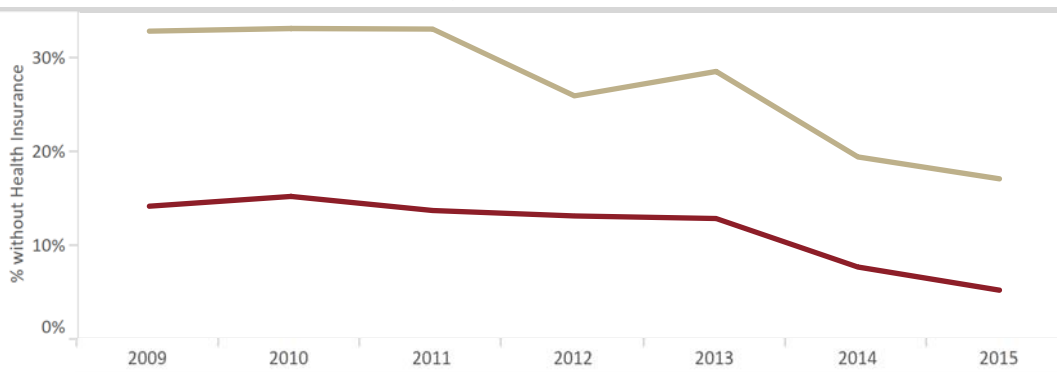


Race

- Other
- Asian
- Black/African American
- White

Note: The *other* category represents all other race and ethnic groups, including two or more races, Native American/Alaska Native, Native Hawaiian/Other Pacific Islander, and some other race. For some years data is not available for one or more of the groups due to the small number of sample cases. Also note, data collection for this indicator by Race started in 2009.

Percentage of Multnomah County Residents without Health Insurance Hispanic/Latino origin only compared to White alone



- Hispanic/Latino (of any race)
- White alone

Note: U.S. Census Bureau considers persons of Hispanic/Latino origin to be an ethnicity and not a race. The data shows Hispanic/Latino persons - but does not break it out for each race group - therefore, we are showing Hispanic/Latino group on its own compared to the White alone. In the race graph above the Hispanic/Latino group is part of the data presented.

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates

Demographics

Click arrows below at left & right to navigate through this section

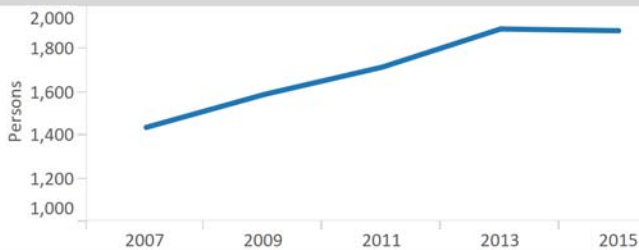
County Poverty	County Poverty - by Race - 2015	Residents without Health Insurance	Residents without Health Insurance - by Race	Number of Unsheltered Persons	Percentage of Unsheltered Persons - by Race - 2015
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Unsheltered Persons

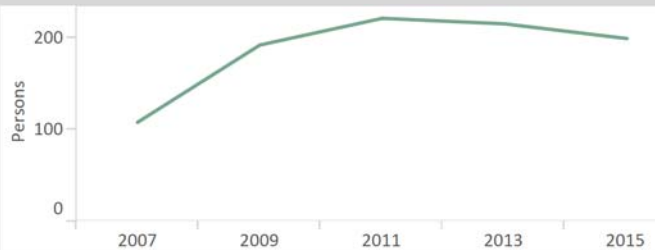
The federally required Point-In-Time count is a snapshot of homeless individuals in Multnomah County on one night in January once every two years. The graphs below only reflect those reported as "Unsheltered" (people who are sleeping outside, in a vehicle, or an abandoned building).

Due to several limitations as noted in the report "the point-in-time count represents a detailed estimate rather than a comprehensive enumeration of homelessness in Multnomah County. The actual number of people who are homeless in our community on a given night is probably higher than the number documented in this report."

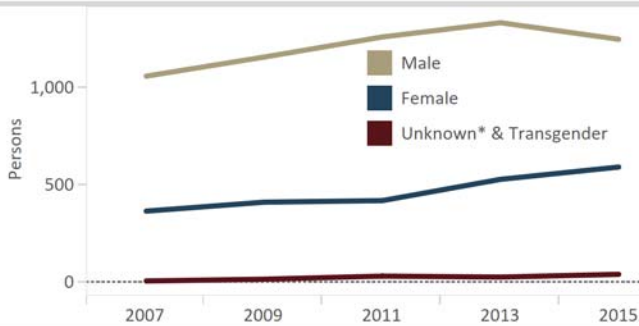
Total Unsheltered Persons
On the count night in January



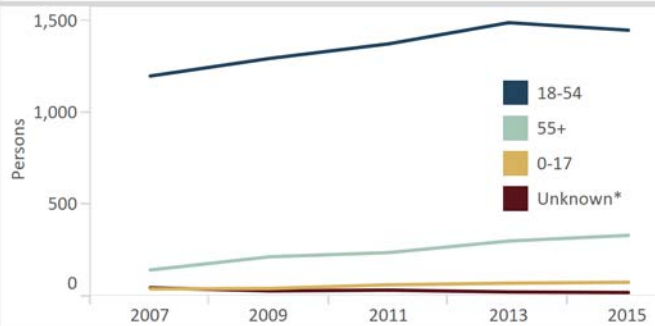
Unsheltered Veterans
On the count night in January



Unsheltered Persons by Gender
On the count night in January



Unsheltered Persons by Age Group
On the count night in January



* The survey is based on self-reporting. Persons who elect not to report for a specific question have been grouped as "unknown".

Source: Point-In-Time Counts of Homelessness in Portland/Gresham/Multnomah County, Oregon reports by Kristina Smock Consulting for Multnomah County and the cities of Portland and Gresham <https://multco.us/housing-and-homelessness/data-and-reports>

Demographics

Click arrows below at left & right to navigate through this section

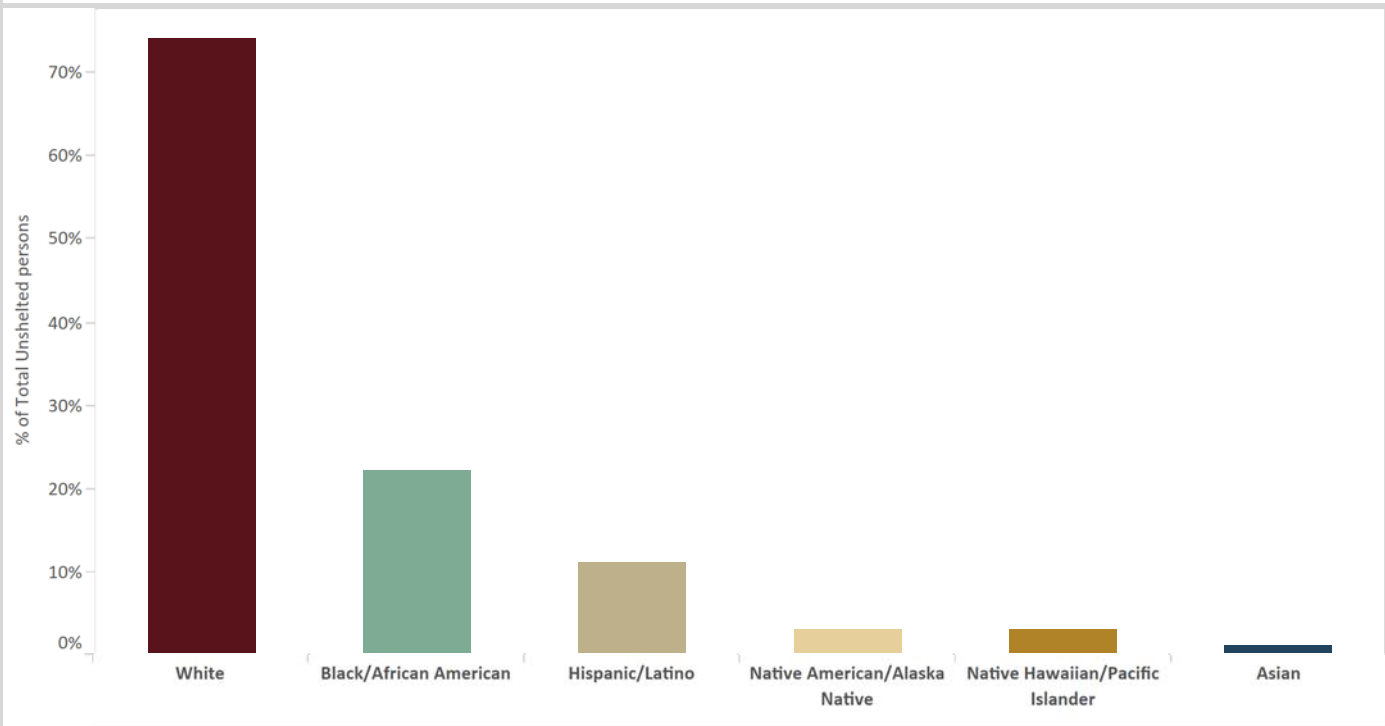
County Poverty	County Poverty - by Race - 2015	Residents without Health Insurance	Residents without Health Insurance - by Race	Number of Unsheltered Persons	Percentage of Unsheltered Persons - by Race - 2015
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Percentage of Unsheltered Persons - by Race

Per the Point-In-Time count report: "All race data in this report are presented as an over-count, which means that individuals were encouraged to select as many categories of race, ethnicity, or national origin as apply and they were counted within each category. For that reason, the percentages often add up to more than 100."

Limitations of data on race and ethnicity per the report: "Due to limitations in collecting accurate data on race and ethnicity, the point-in-time count may under report people of color experiencing homelessness." Please see the report for additional information about the limitations.

**% of Persons by Race/Ethnicity within the Total Unsheltered Count
January 2015**



Source: 2015 Point-In-Time Count of Homelessness in Portland/Gresham/Multnomah County, Oregon
 report by Kristina Smock Consulting
 for Multnomah County and the cities of Portland & Gresham
<https://multco.us/housing-and-homelessness/data-and-reports>

Financial Condition Report – Multnomah County Oregon 2017

Objectives, Scope, and Methodology

The objective of this report was to evaluate the financial condition of Multnomah County using the Financial Trend Monitoring System developed by the International City/County Management Association (ICMA) and the indicators suggested by the Government Accounting Standards Board (GASB). In developing and analyzing the indicators of financial condition, we interviewed personnel in Finance and Budget and various other County offices and departments.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The prior reports covered the years FY93 through FY14 and are available on the [County Auditor's web page](#). Earlier reports are available upon request.

Throughout this report, we included state payments to developmental disability (DD) service providers. In FY08, the state began paying community service providers directly, where in prior years these funds passed through the County. Though the County no longer receives these funds directly, the shift was an accounting change only and did not impact services. In FY16, this amounted to over \$92 million paid directly to DD service providers.

We expressed all indicators in constant dollars with the option to turn off the inflation adjustment. These adjustments for inflation convert dollar amounts to the equivalent of the purchasing power of money in fiscal year ending June 30, 2016 (or calendar year ending December 31, 2016 where applicable). The adjustments are based on the Portland-Salem Consumer Price Index for all urban consumers.

For More Information

The County's financial policy is adopted and published annually in its adopted budget. The County's financial statements and budget can be accessed at multco.us.

Additional economic information can be obtained through the State of Oregon for the [State Employment Department](#) or the [Office of Economic Analysis](#).

For information about the County's property tax structure and limitations, see the [Tax Supervising & Conservation Commission](#) web page.

Financial Condition Report Staff

Audit team

Steve March, CIA, PhD, Multnomah County Auditor

Annamarie McNiel, CPA, Senior Management Auditor