

OFFICIAL STATEMENT DATED JANUARY 7, 2021

\$89,580,000

Multnomah County, Oregon

Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable)

DATED: January 21, 2021 (estimated "Date of Delivery")

DUE: June 1, as shown on the inside cover

PURPOSE— The \$89,580,000 Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable) (the "Obligations") are being issued by Multnomah County, Oregon (the "County"). The Obligations are being issued to refinance outstanding full faith and credit backed borrowings that financed real and personal property purchases, and to pay the costs of issuance of the Obligations. See "Purpose and Use of Proceeds" herein.

MOODY'S AND S&P GLOBAL RATINGS — "Aaa" and "AAA". See "Rating" herein.

BOOK-ENTRY ONLY SYSTEM— The Obligations will be issued, executed and delivered in fully registered form under a book-entry only system and registered in the name of Cede & Co., as owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Obligations. Individual purchases of the Obligations will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Obligations purchased.

PRINCIPAL AND INTEREST PAYMENTS— The Obligations evidence and represent undivided proportionate interests of the Beneficial Owners thereof (as hereinafter defined) in the Financing Payments to be made by the County pursuant to the Financing Agreement (as hereinafter defined). The interest component of the Financing Payments evidenced and represented by the Obligations is payable on June 1, 2021 and semiannually thereafter on June 1 and December 1 of each year to the maturity or earlier prepayment of the Obligations. The principal and interest components of the Financing Payments evidenced and represented by the Obligations will be payable by the County's paying agent, registrar and escrow agent, initially U.S. Bank National Association (the "Paying Agent"), to DTC which, in turn, will remit such principal and interest components to the DTC participants for subsequent disbursement to the beneficial owners of the Obligations at the address appearing upon the registration books on the 15th day (the "Record Date") of the month preceding a payment date.

MATURITY SCHEDULE— See inside front cover.

REDEMPTION— The Obligations are subject to optional redemption prior to their stated maturities as further described herein.

SECURITY— Pursuant to the terms of a financing agreement (the "Financing Agreement") the County's payment obligations (the "Financing Payments") are to be secured by and payable from all legally available funds of the County. Pursuant to ORS 287A.315, the County has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b, Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under the Financing Agreement. The obligation of the County to make payments is a full faith and credit obligation of the County, and is not subject to appropriation. The Beneficial Owners of the Obligations do not have a lien or security interest on the property financed with the proceeds of the Financing Agreement, or any specific properties or revenues of the County. The Obligations do not constitute a debt or indebtedness of the State of Oregon, or any political subdivision thereof other than the County.

TAX MATTERS— In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the County ("Special Counsel"), the portion of the payments made under the Financing Agreement designated and constituting interest ("Interest") is not excludable from gross income for federal income tax purposes under existing law. In the opinion of Special Counsel, Interest is exempt from State of Oregon personal income tax under existing law. See "Tax Matters" herein for a discussion of the opinion of Special Counsel.

DELIVERY— The Obligations are offered for sale to the original purchaser subject to the final approving legal opinion of Special Counsel. It is expected that the Obligations will be available for delivery to the Paying Agent for Fast Automated Securities Transfer on behalf of DTC, on or about the Date of Delivery.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Multnomah County, Oregon

Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable)

DATED: Date of Delivery

DUE: June 1, as shown below

MATURITY SCHEDULE –

Due June 1					Due June 1				
Amounts	Interest Rates	Yields	CUSIP® 625506	Amounts	Interest Rates	Yields	CUSIP® 625506		
\$ 960,000	2.000%	0.150%	PT1	\$7,900,000	1.050%	1.050%	QA1		
1,375,000	2.000	0.181	PU8	7,980,000	1.300	1.300	QB9		
7,495,000	1.250	0.231	PV6	8,085,000	1.450	1.450	QC7		
7,590,000	1.000	0.353	PW4	8,200,000	1.500	1.500	QD5		
7,665,000	1.000	0.510	PX2	8,320,000	1.500	1.600	QE3		
7,740,000	1.000	0.660	PY0	8,450,000	1.600	1.700	QF0		
7,820,000	1.000	0.900	PZ7						

The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Capital IQ, a division of S&P Global Inc. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the County nor the Purchaser take any responsibility for the accuracy of such CUSIP numbers.

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the Obligations. Any references to any website mentioned in this Official Statement are not hyperlinks and do not incorporate such websites by reference.

No dealer, broker, salesman or other person has been authorized by the County or Piper Sandler & Co. (the “Municipal Advisor”) to give information or to make any representations with respect to the Obligations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Obligations have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Obligations in accordance with applicable provisions of securities laws of the States in which the Obligations have been registered or qualified and the exemption from the registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these States nor any of their agencies have passed upon the merits of the Obligations or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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Board of Commissioners

Deborah Kafoury	Chair
Sharon Meieran	Commissioner, District 1
Susheela Jayapal	Commissioner, District 2
Jessica Vega Pederson	Commissioner, District 3
Lori Stegmann	Commissioner, District 4

Administrative Staff

Eric Arellano	Chief Financial Officer
Peggy Brey	Interim Chief Operating Officer
Christian Elkin	Budget Officer

Special Counsel

Hawkins Delafield & Wood LLP
Portland, Oregon
(503) 402-1320

Municipal Advisor

Piper Sandler & Co.
Portland, Oregon
(503) 275-8300

Paying Agent, Registrar and Escrow Agent

U.S. Bank National Association
Global Corporate Trust Services
Portland, Oregon
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Table of Contents

	<u>Page</u>
Description of the Obligations	1
Authorization for Issuance	1
Financing Amount, Date, Interest Rates and Maturities	2
Disbursement Features	2
Redemption Provisions	2
Defeasance	3
Events of Default	3
Remedies	3
Purpose and Use of Proceeds	4
Purpose	4
Refunding Procedure	4
Verification of Mathematical Calculations	4
Sources and Uses of Funds	5
Security for the Obligations	5
General	5
Global Health Emergency	6
Bonded Indebtedness	8
Debt Limitation	8
Outstanding Long-Term Debt	9
Projected Debt Service Requirements	10
Summary of Overlapping Debt	11
Debt Ratios	12
Debt Payment Record	12
Future Financings	12
The County	13
General Description	13
Component Units	13
Key Administrative Officials	13
Staff	14
Revenue Sources	14
Property Taxes	15
Taxable Property Values	17
Fiscal Year 2021 Representative Levy Rate	18
Tax Collection Record	18
Major Taxpayers	19
Federal Funding	19
Other Taxes	19
Local Government Fees	20
Vehicle Registration Fee	20
Grants and Contributions	21
State of Oregon Funding	21
Financial Factors	21
Financial Reporting and Accounting Policies	21
Auditing	21
Statement of Net Position	22
Statement of Net Position, Continued.	23
Statement of Activities	24
General Fund Balance Sheet	25
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	26
Budgetary Process	26
General Fund Adopted Budget	28
Investments	28
Pension System	29
Other Postemployment Benefits	35
Risk Management	36
Demographic Information	37
The Initiative and Referendum Process	42
Referendum	42
Initiative Process	42
Home Rule Charter	43
Legal Matters and Litigation	43
Legal Matters	43
Litigation	43

Table of Contents, Continued

	<u>Page</u>
Tax Matters	44
Opinion of Special Counsel	44
Original Issue Discount	44
Acquisition Discount on Short-Term Obligations	45
Bond Premium	45
Disposition and Defeasance	45
Information Reporting and Backup Withholding	45
U.S. Holders	46
Miscellaneous	46
Continuing Disclosure	46
Municipal Advisor	47
Ratings	47
Purchaser of the Obligations	47
Certificate with Respect to Official Statement	47
Appendices:	
Form of Special Counsel Opinion	Appendix A
Financial Statements	Appendix B
Book-Entry Only System	Appendix C
Form of Continuing Disclosure Certificate	Appendix D
Form of Financing Agreement and Form of Escrow Agreement	Appendix E

OFFICIAL STATEMENT

Multnomah County, Oregon

\$89,580,000

Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable)

Multnomah County, Oregon (the "County"), a political subdivision duly organized and existing under and by virtue of the laws of the State of Oregon (the "State") furnishes this Official Statement in connection with the offering of \$89,580,000 aggregate principal amount of Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable) (the "Obligations"), dated the Date of Delivery. This Official Statement, which includes the cover page, inside cover page, and appendices, provides information concerning the County and the Obligations.

Certain statements contained in this Official Statement do not reflect historical facts, but are forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as "estimated," "projected," "anticipate," "expect," "intend," "plan," "believe" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements, including risks and uncertainties related to COVID-19 (see "Global Health Emergency" herein). All projections, assumptions and other forward-looking statements are expressly qualified in the entirety by the cautionary statements set forth in this Official Statement.

Capitalized terms used and not defined herein shall have the meanings assigned to such terms in "Appendix E—Form of Financing Agreement and Form of Escrow Agreement," which is attached hereto and incorporated by reference herein.

Description of the Obligations

The Obligations evidence and represent undivided proportionate interests of the Beneficial Owners thereof in payments (the "Financing Payments") to be made by the County pursuant to the Financing Agreement dated as of the Date of Delivery (the "Financing Agreement"), between the County and U.S. Bank National Association, as paying agent, registrar and escrow agent (the "Escrow Agent" and "Paying Agent"). The Obligations are executed and delivered pursuant to an escrow agreement (the "Escrow Agreement") dated as of the Date of Delivery, between the County and the Escrow Agent.

Authorization for Issuance

The County is authorized pursuant to the Constitution and laws of the State, namely, Oregon Revised Statutes ("ORS") Section 271.390, to enter into financing agreements, lease-purchase agreements or other contracts of purchase to finance or refinance real or personal property and to authorize certificates of participation in the payment obligations of the County under such financing agreements, lease-purchase agreements or other contracts of purchase.

The Obligations are being issued pursuant to Resolution No. 2020-092 (the "Resolution") adopted by the County's Board of Commissioners (the "Board") on October 22, 2020 that authorized the County to enter into the Financing Agreement, Escrow Agreement and a purchase agreement for the execution and delivery of the Obligations. Such execution and delivery of the Obligations does not require a vote of the people.

Pursuant to the Resolution, the County has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon ("Article XI, Sections 11 and 11b") to make the Financing Payments.

The County previously issued its Full Faith and Credit Obligations, Series 2012, dated December 13, 2012, in the original aggregate principal amount of \$128,000,000 (the "Series 2012 Obligations") pursuant to a resolution adopted by the County's Board on October 18, 2012. The Series 2012 Obligations were issued to finance and refinance the costs of real and personal property for the County, and to pay costs of issuance of the Series 2012 Obligations.

The proceeds of the Obligations will be used to refund all or a portion of the outstanding Series 2012 Obligations (the "Refunded Obligations") and to pay the costs of issuance of the Obligations. The advance refunding of the Series 2012 Obligations is subject to market conditions and contingent upon the advance refunding plan approval by the State Treasurer.

Financing Amount, Date, Interest Rates and Maturities

The sum of the principal components of the Financing Payments evidenced and represented by the Obligations will be issued in the aggregate principal amount posted on the inside cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The principal components of the Financing Payments will mature on the dates and in the amounts set forth on the inside cover of this Official Statement. The interest components of the Financing Payments ("Interest") are payable semiannually on June 1 and December 1 of each year, commencing June 1, 2021, until the maturity or earlier redemption of the Obligations and will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Disbursement Features

Financing Payments. The Financing Payments will be payable by the Escrow Agent to the Depository Trust Company ("DTC"), which, in turn, is obligated to remit such principal and interest components to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Obligations are registered (the "Beneficial Owners") as further described in Appendix C attached hereto.

Book-Entry System. The Obligations will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as owner and as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Obligations. Individual purchases and sales of the Obligations may be made in book-entry form only in minimum denominations of \$5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Obligations. See "Appendix C - Book Entry Only System" for additional information.

Procedure in the Event of Revisions of Book-Entry Transfer System. If DTC ceases to act as depository for the Obligations, the County will request the Escrow Agent to, and the Escrow Agent and the County shall, amend the Escrow Agreement to provide for an alternative system of registration and payment for the Obligations that is of general acceptance in the municipal bond markets. If no better system is then available, the Escrow Agent and the County shall amend the Escrow Agreement to provide that printed, registered Obligations shall be issued to Beneficial Owners of the Obligations and providing the payment, transfer and exchange process, and shall give notice of those amendments to all Owner.

Redemption Provisions

Optional Redemption. The County reserves the right to redeem all or any portion of the Obligations maturing on or after June 1, 2032 at the option of the County on June 1, 2031 and on any date thereafter in whole or in part, in any order of maturity with maturities selected by the County, at a price of par, plus accrued interest to the date of redemption.

For as long as the Obligations are in book-entry only form, if fewer than all of the Obligations of a maturity are called for redemption, the selection of Obligations within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Obligations are no longer held in book-entry only form, then the Paying Agent would select Obligations for redemption by lot.

Notice of Redemption (Book-Entry). So long as the Obligations are in book-entry only form and unless DTC consents to a shorter period, the Escrow Agent shall notify DTC of an early redemption not less than 20 days and

not more than 60 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by a letter of representation submitted to DTC. Unless waived by the Escrow Agent, official written notice of redemption will be given by the County to the Escrow Agent at least five calendar days prior to the date the notice is scheduled to be sent to DTC. The County reserves the right to rescind any redemption notice as allowed in the Financing Agreement.

Notice of Redemption (No Book-Entry). During any period in which the Obligations are not in book-entry only form, unless waived by any Owner of the Obligations to be redeemed, official notice of any redemption of Obligations shall be given by the Escrow Agent on behalf of the County by mailing a copy of an official redemption notice in a form generally accepted in the municipal markets by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to the Owners of the Obligations to be redeemed at the address shown on the Bond register or at such other address as is furnished in writing by such Owner to the Escrow Agent. Unless waived by the Escrow Agent, official written notice of redemption will be given by the County to the Escrow Agent at least five calendar days prior to the date the notice is scheduled to be sent to Owners of the Obligations. The County reserves the right to rescind any redemption notice as allowed in the Financing Agreement.

Conditional Notice. Any notice of optional redemption to the Paying Agent or to the Owners may state that the optional redemption is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price of such Obligations or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Paying Agent to affected Owners of Obligations as promptly as practicable.

Defeasance

The County may defease the Obligations as described in the Escrow Agreement, including by irrevocably depositing with the Escrow Agent or an independent escrow agent, Defeasance Obligations in such amount which will, together with the interest to accrue thereon, be sufficient to pay all Financing Payments attributable to such Obligations, as and when the same become due and payable, as evidenced by a verification report. Obligations which have been defeased shall cease and terminate, except for the obligation of the County to pay the Additional Charges specified in the Financing Agreement and to pay Financing Payments from the amount so deposited, and of the Escrow Agent to apply amounts on deposit to the payment of the Financing Payments. For the purposes of this section, "Defeasance Obligations" means non-callable direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

Events of Default

The occurrence of one or more of the following shall constitute an Event of Default under the Agreements:

- a. Failure by the County to pay the Financing Payments, when due;
- b. Failure by the County to comply with any other covenant, condition or agreement of the County under the Agreements for a period of sixty (60) days after written notice from the Escrow Agent absent an extension of time by the Escrow Agent; or
- c. The commencement by the County of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or an assignment by the County for the benefit of its creditors, or the entry by the County for the benefit of its creditors, or the entry by the County into an agreement of composition with creditors or the taking of any action by the County in furtherance of any of the foregoing.

Remedies

Upon the occurrence and continuance of any Event of Default, the Escrow Agent may proceed, and upon written request the Owners of not less than a majority in aggregate principal amount of Obligations then Outstanding

shall proceed to take whatever action may appear necessary or desirable to enforce the Financing Agreement or to protect any of the rights vested in the Escrow Agent or the Owners of Obligations by the Escrow Agreement or by the Obligations, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Escrow Agreement or in aid of the exercise of any power granted in the Escrow Agent or for the enforcement of any other legal or equitable right vested in the Escrow Agent by the Escrow Agreement or by law. However, the Financing Amount and the Financing Payments shall not be subject to acceleration.

Purpose and Use of Proceeds

Purpose

The Obligations are being issued so that the County can obtain a benefit of a savings in total debt service requirements.

Refunding Procedure

A portion of the proceeds of the Obligations will be used to provide funds to establish an irrevocable trust escrow pursuant to an escrow deposit agreement (the "Escrow Deposit Agreement") between the County and U.S. Bank National Association, as escrow agent thereunder (the "Escrow Agent") to refund all or a portion of the Refunded Obligations, as shown below:

Refunded Obligations

Series	Total Amount Outstanding	Refunded Maturities	Amount Refunded	Call Date	Call Price ⁽¹⁾
2012 Obligation	\$95,855,000	6/1/2023-2033	\$ 84,520,000	06/01/22	100%
Refunded Maturities	Amount Refunded	CUSIP 625506	Refunded Maturities	Amount Refunded	CUSIP 625506
6/1/2023	\$ 6,095,000	MY3	6/1/2029	\$ 8,015,000	NE6
6/1/2024	6,400,000	MZ0	6/1/2030	8,335,000	NF3
6/1/2025	6,720,000	NA4	6/1/2031	8,665,000	NG1
6/1/2026	7,055,000	NB2	6/1/2032	8,925,000	NH9
6/1/2027	7,410,000	NC0	6/1/2033	9,195,000	NJ5
6/1/2028	7,705,000	ND8			

(1) Call price is expressed as a percentage of the principal amount.

From the proceeds of the Obligations, the County will purchase certain direct United States government obligations (referred to herein as "Government Obligations"). These Government Obligations will be deposited in the custody of the Escrow Agent. The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, if any, will provide payment of interest on the Refunded Bonds, and provide funds sufficient to redeem all remaining principal on June 1, 2022.

The Government Obligations, interest earned thereon, and necessary cash balance, if any, will irrevocably be pledged to and held in trust for the benefit of the Owners of the Refunded Obligations by the Escrow Agent, pursuant to the Escrow Deposit Agreement.

Verification of Mathematical Calculations

Causey Demgen & Moore P.C., a firm of independent certified public accountants, will deliver to the County, on or before the settlement date of the Obligations, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations.

Causey Demgen & Moore P.C. will rely on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the County. In addition, Causey Demgen & Moore P.C. will rely on any information provided to it by the County's retained advisors, consultants or legal counsel. Causey Demgen & Moore P.C. was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

Sources and Uses of Funds

The proceeds of the Obligations are estimated to be applied as follows:

Estimated Sources and Uses of Funds

Sources of Funds	
Par Amount of Obligations	\$ 89,580,000
Original Issue Premium/(Discount), net	551,960
Total Sources of Funds	<u>\$ 90,131,960</u>
Uses of Funds	
Escrow Requirements	\$ 89,452,704
Underwriting and Issuance Costs	679,255
Total Uses of Funds	<u>\$ 90,131,960</u>

Security for the Obligations

General

The Obligations evidence and represent undivided proportionate ownership interests in the installment payments of principal and interest due (the "Financing Payments") from the County under the Financing Agreement.

In the Financing Agreement the County has covenanted that the Financing Payments are payable from all legally available funds of the County. Pursuant to ORS 287A.315, the County has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon to make the Financing Payments. The obligation of the County to make the Financing Payments is a full faith and credit obligation of the County and is not subject to appropriation.

The Financing Agreement is not a general obligation of the State of Oregon or any other political subdivision. The Obligations are secured solely by the Financing Payments and any sums realized in connection with the remedies available upon the occurrence of an Event of Default all as provided in the Financing Agreement.

THE OBLIGATION OF THE COUNTY TO MAKE THE FINANCING PAYMENTS AND ADDITIONAL CHARGES IS ABSOLUTE AND UNCONDITIONAL, AND SHALL NOT BE SUBJECT TO ANNUAL APPROPRIATION. THE REGISTERED OWNERS OF THE OBLIGATIONS DO NOT HAVE A LIEN OR SECURITY INTEREST IN THE PROJECT REFINANCED WITH THE PROCEEDS OF THE OBLIGATIONS

The County's obligation to make Financing Payments and Additional Charges is not subject to any of the following:

- (1) any setoff, counterclaim, recoupment, defense or other right which the County may have against the Escrow Agent, any contractor or anyone else for any reason whatsoever;
- (2) any insolvency, bankruptcy, reorganization or similar proceedings by the County;
- (3) abatement through damage, destruction or nonavailability of the projects refinanced with the Obligations; or
- (4) any other event or circumstance whatsoever, whether or not similar to any of the foregoing.

The County's obligation to make Financing Payments is binding for the term of the Financing Agreement.

Each Obligation owner is entitled proportionately to the principal component of Financing Payments due on the payment date, which is the same as the maturity date of the Obligations. In addition, each Obligation owner is entitled proportionately to receipt of an amount of the interest component of Financing Payments on each payment date attributable to the interest accruing on the principal component attributable to such Obligations at the interest rate set forth for said principal component.

Global Health Emergency

The COVID-19 pandemic and related restrictions on travel, social activities, gathering sizes and business operations have had negative effects on both the national and local economy. In Oregon, Governor Kate Brown has issued executive orders establishing requirements for all State residents and businesses to follow in attempting to minimize the spread of the virus. Effective December 3, 2020, all Counties have been assigned a "Risk Level" that allows for different levels of activity based on the disease metrics within its boundaries as of November 30, 2020. Extreme Risk limits gatherings to maximum of six people and prohibits indoor dining/fitness/entertainment establishments. High Risk limits indoor gatherings to six people and outdoor gatherings to eight people, while indoor dining/fitness/entertainment establishments are allowed to operate at 25% capacity. Moderate Risk limits indoor gatherings to eight people and outdoor gatherings to ten people, while indoor dining/fitness/entertainment establishments are allowed to operate at 50% capacity. Lower Risk limits indoor gatherings to ten people and outdoor gatherings to twelve people, while indoor dining/fitness/entertainment establishments are allowed to operate at 50% capacity. The State's detailed guidance by activity for Risk Level are posted on the State's website.

In each subsequent two week period following December 3, 2020, all Counties will have their disease metrics published weekly and have their Risk Level reevaluated based on the second week's disease metrics. Multnomah County is currently in Extreme Risk.

Many insurance providers, including the County's, do not cover damages related to a communicable disease. Businesses, governments and other organizations have asked Oregon lawmakers to extend COVID-19 limited liability protection to entities following health guidance, however, the most recent special session of the Legislature did not address this issue.

Impact on County Operations. In response to COVID-19 all non-essential employees have moved to a work from home environment and various non-essential direct service delivery facilities have been temporarily closed to the public (e.g. libraries). Facilities delivering essential services had periods of partial closure (March-April 2020) but have since re-opened with proper safety protocols.

The County has taken rapid and unprecedented action to provide enhanced programmatic services to the community. The County's response, which has been entirely funded by federal funding, has been focused in three main areas: public and behavioral health services, shelter services, and economic assistance (food access and rental assistance). The County's COVID-19 response has been entirely funded by federal funding. The County received a direct allocation from Coronavirus Aid, Relief, and Economic Security (CARES) Act in the amount of \$28 million. The County's fiscal year 2021 COVID-19 response budget totals over \$100 million. Although the County's response is primarily supported by CARES Act funding, the County has also received some enhanced or new funding from non-CARES federal grants.

Impact on County Finances. The COVID-19 pandemic may have adverse effects on the County revenues, although these impacts are not expected to be material in the short term. Impacts may include the following:

- Reductions to tax revenues that primarily support the County General Fund
 - Property Tax delinquencies may increase slightly. Property taxes account for approximately 60 percent of County General Fund revenues. Statutory limits on assessed value growth restrict growth in tax revenues but create some level of stability during an economic recession See "Revenue Sources - Property Taxes" herein). The County's November general fund forecast reduced its Fiscal Year 2021 budgeted property tax revenues by \$1.08 million anticipating

slightly higher delinquency and compression. Overall property taxes are forecasted to be up 2.5% in Fiscal Year 2021 which includes the recent general fund adjustment.

- Business Income Tax (BIT) is highly susceptible to economic recessions. In fiscal year 2020 BIT collections were at their highest historical level but the County is forecasting a decline of 3 percent in fiscal year 2021 net of a recent tax rate increase. To safeguard against BIT volatility the County has a policy requirement to maintain an annual 10% contingency reserve See “Revenue Sources – Other Taxes” herein.
- Motor Vehicle Rental Tax (MVRT) collections have seen a significant decline. Tax collections were down 23 percent in fiscal year 2020 and the County expects an additional decline of 31 percent in fiscal year 2021. MVRT accounts for about 5 percent of County General Fund revenues.
- State of Oregon reductions in funding to Multnomah County. Though the County has not experienced any significant cuts to State funding to this point, COVID-19 related revenue declines at the State level may impact future budget cycle funding.
- A continued need for Multnomah County to deliver additional services in response to COVID-19 into fiscal 2022 without additional direct federal assistance.

State funding: The County receives funding from the State for certain specific uses, including roads, transportation, mental health services, health services, and public safety. The County currently expects a decrease in State funding of \$3.6 million in fiscal year 2021. State revenues only comprise approximately 30% of the County’s total funding. The State is generally not obligated to continue to provide any of these revenues to the County. See “Revenue Sources - State Revenues” herein.

Federal Funding. As a result of the COVID 19 pandemic, the County has received additional federal funding of approximately \$14 million in Fiscal Year 2020 and over \$100 million in Fiscal Year 2021 (direct federal, federal through state, and federal through other) dedicated to public health services, behavioral health services, shelter and safety services, economic assistance, and personal protective equipment. Federal funding is generally restricted to specific purposes and is not available to make payments on the Obligations. See “Revenue Sources - Federal Revenues” herein.

The COVID-19 pandemic is ongoing, is altering the behavior of businesses and people in a manner that has negative effects on economic activity, and the duration and severity of the crisis is uncertain. Restrictions may be re-imposed at the Governor’s discretion and the State’s guidance is expected to continue to evolve. There can be no assurances that COVID-19 will not materially affect the County or have a material adverse impact upon the County’s revenues, and therefore adversely affect its financial condition. The County cannot predict the effects of such events. Further, there will be other developments related to the COVID-19 pandemic. The County does not expect to supplement this Official Statement based on those changes.

Bonded Indebtedness

Debt Limitation

Full Faith and Credit Obligations/Limited Tax Obligations. Local governments may pledge their full faith and credit for “limited tax bonded indebtedness” or “full faith and credit obligations” in addition to pledging the full faith and credit for voter approved general obligation bonds. Except for pension bonds, unless a county charter provides a lesser limitation, a county may not have limited tax full faith and credit obligations outstanding in an amount that exceeds one percent of the Real Market Value of all taxable properties within the county. The County Charter does not provide a lesser limitation. **The Obligations are limited tax obligations.**

Measure 5 Real Market Value (Fiscal Year 2021) ⁽¹⁾ : <u>\$ 184,073,899,287</u>					
	Debt Limit (% of RMV)	Total Debt Capacity	Outstanding Debt Subject to Limit	Remaining Legal Capacity	Percent of Capacity Issued
General Obligation Bonds ⁽²⁾	2.0%	\$ 3,681,477,986	\$387,000,000	\$ 3,294,477,986	10.51%
Limited Tax Pension Bonds ⁽³⁾	5.0%	\$ 9,203,694,964	\$ 47,274,202	\$ 9,156,420,762	0.51%
Limited Tax Obligations ⁽⁴⁾	1.0%	\$ 1,840,738,993	\$275,082,807	\$ 1,565,656,186	14.94%

- (1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors. The County’s fiscal year commences July 1 and ends on June 30 of the following year (the “Fiscal Year”). *Source: Multnomah County Department of Assessment and Taxation.*
- (2) Represents voter-approved, unlimited-tax general obligations of the County. Includes the Series 2021 General Obligation Bonds, which are expected to be issued in the aggregate principal amount of \$387 million on January 26, 2021. Preliminary and subject to change.
- (3) Includes the County’s pension bonds.
- (4) Includes the County’s limited-tax obligations, including the Obligations, and assumed refunding of Refunded Obligations.

Source: Multnomah County Audited Financial Reports for the Fiscal Year Ended June 30, 2020, and this issue.

Pension Bonds. ORS 238.694 authorizes counties to issue full faith and credit obligations to finance pension liabilities in an amount that does not exceed five percent of the Real Market Value of all taxable property in the county, unless a county charter provides a lesser limitation. Pension bonds are not general obligations as defined under State law and the County is not authorized to levy additional taxes to make pension bond payments. **The Obligations are not pension bonds.**

Special Fund Obligations. Several Oregon statutes authorize the County to issue special fund obligations that are secured only by specified sources of revenue, such as water revenue bonds secured only by the net revenues. **The Obligations are not special fund obligations.**

Outstanding Long-Term Debt

Governmental Activities	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding ⁽¹⁾
<i>General Obligation Bonds</i> ⁽²⁾ :				
Series 2021A ⁽³⁾	01/26/21	06/01/29	\$ 157,570,000	\$ 157,570,000
Series 2021B ⁽³⁾	01/26/21	06/01/27	229,430,000	<u>229,430,000</u>
Total General Obligation Bonds				<u>387,000,000</u>
<i>Full Faith and Credit Obligations:</i>				
Series 2010B Obligations	12/14/10	06/01/30	15,000,000	15,000,000
Series 2012 Obligations	12/13/12	06/01/22 ⁽⁴⁾	128,000,000	95,855,000
Less: Refunded Bonds				(84,520,000)
Series 2017 Obligations	12/14/17	06/01/47	164,110,000	144,195,000
Series 2019 Obligation	09/12/19	06/01/29	16,075,000	14,972,807
Series 2021 Obligations ⁽⁵⁾	01/21/21	06/01/33	89,580,000	<u>89,580,000</u>
Total Full Faith and Credit Obligations				<u>275,082,807</u>
<i>Limited-Tax Pension Obligations</i> ⁽²⁾ :				
Series 1999	12/01/99	06/01/30	184,548,160	<u>47,274,202</u>
<i>Capital Leases</i> ⁽²⁾ :				
Sellwood Library	01/15/02	12/31/32	1,093,000	755,160
West Gresham Plaza	06/15/16	06/30/23	1,206,564	<u>447,965</u>
				<u>1,203,125</u>
<i>Loans</i> ⁽²⁾ :				
Oregon Transportation Infrastructure Bank	09/01/08	09/01/25	3,200,000	<u>1,299,913</u>
Total Governmental Activities Debt				<u>\$ 711,860,046</u>

(1) As of Date of Delivery

(2) Also secured by the full faith and credit of the County.

(3) Expected to close on January 26, 2021. Preliminary, subject to change.

(4) Final maturity following redemption of the Refunded Obligations.

(5) This issue.

Source: Multnomah County and this issue.

**Full Faith and Credit Obligations
Projected Debt Service Requirements**

Fiscal Year	Outstanding Obligations		Less: Refunded Obligations		The Obligations		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 15,650,000	\$ 10,850,269	\$ -	\$ -	\$ 960,000	\$ 410,027	\$ 27,870,296
2022	16,390,000	10,081,269	-	-	1,375,000	1,116,260	28,962,529
2023	17,175,000	9,272,119	6,095,000	3,375,650	7,495,000	1,088,760	25,560,229
2024	17,985,000	8,420,419	6,400,000	3,070,900	7,590,000	995,073	25,519,591
2025	12,070,000	7,526,929	6,720,000	2,750,900	7,665,000	919,173	18,710,201
2026	12,630,000	6,927,854	7,055,000	2,414,900	7,740,000	842,523	18,670,476
2027	13,225,000	6,295,599	7,410,000	2,062,150	7,820,000	765,123	18,633,571
2028	13,770,000	5,707,676	7,705,000	1,765,750	7,900,000	686,923	18,593,849
2029	14,355,000	5,095,434	8,015,000	1,457,550	7,980,000	603,973	18,561,856
2030	14,950,000	4,457,019	8,335,000	1,136,950	8,085,000	500,233	18,520,301
2031	13,850,000	3,792,031	8,665,000	803,550	8,200,000	383,000	16,756,481
2032	14,375,000	3,272,831	8,925,000	543,600	8,320,000	260,000	16,759,231
2033	14,860,000	2,787,081	9,195,000	275,850	8,450,000	135,200	16,761,431
2034	5,835,000	2,341,281	-	-	-	-	8,176,281
2035	6,015,000	2,166,231	-	-	-	-	8,181,231
2036	6,190,000	1,985,781	-	-	-	-	8,175,781
2037	6,375,000	1,800,081	-	-	-	-	8,175,081
2038	3,305,000	1,545,081	-	-	-	-	4,850,081
2039	3,405,000	1,441,800	-	-	-	-	4,846,800
2040	3,545,000	1,305,600	-	-	-	-	4,850,600
2041	3,685,000	1,163,800	-	-	-	-	4,848,800
2042	3,830,000	1,016,400	-	-	-	-	4,846,400
2043	3,985,000	863,200	-	-	-	-	4,848,200
2044	4,145,000	703,800	-	-	-	-	4,848,800
2045	4,310,000	538,000	-	-	-	-	4,848,000
2046	4,480,000	365,600	-	-	-	-	4,845,600
2047	4,660,000	186,400	-	-	-	-	4,846,400
	<u>\$ 255,050,000</u>	<u>\$ 101,909,585</u>	<u>\$ 84,520,000</u>	<u>\$ 19,657,750</u>	<u>\$ 89,580,000</u>	<u>\$ 8,706,265</u>	<u>\$ 351,068,100</u>

**Summary of Overlapping Debt
(As of November 13, 2020)**

Overlapping Issuer Name	Percent Overlapping	Gross Direct Debt ⁽¹⁾	Net Direct Debt ⁽²⁾
City of Gresham	100.00%	\$ 1,203,474	\$ 1,203,474
Multnomah Cty SD 7 (Reynolds)	100.00%	6,761,607	6,761,607
Multnomah Cty SD 3 (Parkrose)	100.00%	82,823,411	54,622,411
Multnomah Cty SD 40 (David Douglas)	100.00%	11,873,048	4,417,163
Rockwood Water PUD	100.00%	306,931	284,374
City of Troutdale	100.00%	838,618,039	462,161,549
City of Fairview	100.00%	10,570,000	10,570,000
Multnomah Cty RFPD 10	100.00%	3,435,000	3,435,000
Multnomah Cty SD 39 (Corbett)	100.00%	10,195	10,195
City of Wood Village	100.00%	44,311	29,676
Corbett Water District	100.00%	786,979	786,979
Valley View Water District	100.00%	4,791,643	4,791,643
Multnomah Cty Drainage District 1	100.00%	687,091	687,091
Lusted Water District	100.00%	605,000	605,000
Burlington Water District	100.00%	507,136,268	499,019,392
City of Portland	99.70%	41,280,873	16,034,084
Multnomah Cty SD 1J (Portland)	99.46%	9,641,000	9,641,000
Multnomah ESD	98.13%	1,679,672	1,679,672
Multnomah Cty SD 51J (Riverdale)	95.10%	270,532,235	270,532,235
Pleasant Home Water District	93.40%	1,172,477,823	1,172,477,823
Multnomah Cty SD 28J (Centennial)	91.56%	63,054,643	63,054,643
Mt.Hood Community College	82.88%	71,148,571	71,148,571
Multnomah Cty SD 10J (Gresham-Barlow)	81.25%	4,626,957	4,626,957
Metro	51.83%	67,042,481	67,042,481
Portland Community College	50.41%	16,124,697	16,124,697
Port of Portland	48.09%	191,389,915	190,247,058
Columbia Cty SD 1J (Scappoose)	20.73%	22,958,403	0
City of Lake Oswego	5.00%	14,845	0
Tualatin Valley Fire & Rescue District	1.39%	1,307,627	1,307,627
City of Milwaukie	0.77%	27,055,392	0
Northwest Regional ESD	0.56%	320,303,149	285,170,817
Washington Cty SD 48J (Beaverton)	0.34%	4,090,000	0
Clackamas Cty SD 7J (Lake Oswego)	0.30%	475,892	331,016
Clackamas Cty RFPD 1	0.11%	1,233,398	1,233,398
Clackamas Cty ESD	0.05%	10	10
Washington Cty SD 1J (Hillsboro)	0.00%	22,340	22,340
Washington Cty SD 1J (Hillsboro 7 Bd)	0.00%	3,421,769	3,421,769
		\$ 3,759,534,689	\$ 3,223,481,752

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

Source: Debt Management Division, The Office of the State Treasurer.

Debt Ratios

The following table presents information regarding the County's direct debt, including the effect of this refunding and the Obligations, and the estimated portion of the debt of overlapping taxing districts allocated to the County's property owners.

Debt Ratios

Total Real Market Value ⁽¹⁾ (Fiscal Year 2021)	\$ 226,697,008,387	
Estimated Population	829,560	
Per Capita Real Market Value	\$ 273,274	
	Gross Direct	Net Direct
Debt Information	Debt⁽²⁾	Debt⁽³⁾
County Direct Debt ⁽⁴⁾	\$ 711,860,046	\$ 711,860,046
Overlapping Direct Debt	3,759,534,689	3,223,481,752
Total Direct Debt ⁽⁴⁾	<u>\$ 4,471,394,735</u>	<u>\$ 3,935,341,798</u>
Bonded Debt Ratios⁽⁴⁾		
County Direct Debt to Real Market Value	0.31%	0.31%
Total Direct Debt to Real Market Value	1.97%	1.74%
Per Capita County Direct Debt	\$ 858	\$ 858
Per Capita Total Direct Debt	\$ 5,390	\$ 4,744

- (1) Value represents the total Real Market Value of taxable properties, without the reduction available to specially assessed properties such as farm and forestland.
- (2) Gross Direct Debt includes all debt with an unlimited (general obligation bonds) and limited (full faith and credit obligations) tax pledge. Limited tax pension obligations are included.
- (3) Net Debt is Gross Direct Debt less any self-supporting obligations which are paid from other revenues sources.
- (4) Includes the Obligations and net of the Refunded Obligations. Also includes the County's general obligations bonds that are expected to close on January 26, 2021. See "Outstanding Long-Term Debt" table herein. Preliminary, subject to change.

Sources: Multnomah County Department of Assessment and Taxation, Portland State University Population Research Center, Debt Management Division, The Office of the State Treasurer as of November 13, 2020 and Multnomah County Audited Financial Reports for the Fiscal Year Ended June 30, 2020.

Debt Payment Record

The County has promptly met principal and interest payments on outstanding bonds and other indebtedness in the past ten years when due.

Future Financings

Long-term Borrowings. In November 2020, the voters approved ballot Measure 26-211 that authorized the County to issue general obligation bonds to expand and modernize certain library facilities and enhance library services across County. The measure authorized the County to issue up to \$387 million in general obligation bonds. The County expects to issue bonds in January 2021. Other than bonds authorized at the 2020 election, the County has no authorized but unissued borrowings, nor does it anticipate issuing additional long-term borrowings within the next twelve months.

Short-term Borrowings. In November 2020, the voters approved ballot Measure 26-214 that approved Multnomah County to establish a new personal income tax on certain high earners in Multnomah County. The new tax is intended to fund universal, tuition free, voluntary, high quality preschool education for certain three and four year olds within Multnomah County. The new tax will be effective January 2021 but the County is projecting most of the tax receipts in year one to be collected late in the tax year. To fund certain ramp up program activities the County plans to establish short term financing in anticipation of tax receipts in the form of a \$15 million bank line of credit backed by a pledge of the County's full-faith and credit. The line of credit is expected to be

established by early February 2021 and any amount drawn is expected to be repaid in full within 13 months using tax receipts. The County does not anticipate issuing any other short-term debt within the next twelve months.

The County

General Description

The 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 an estimated population of 829,560. The cities of Portland and Gresham are the largest incorporated cities in the County.

The 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.

Component Units

Certain sanitary and lighting services are provided as legally separate Service District Authorities, which function, in essence, as departments of the County and are included in the County’s financial statements as component units. The County also maintains a Hospital Facilities Authority whose primary purpose is to issue conduit debt for health care facilities. The Hospital Facilities Authority is also considered a component unit, but is not included in the County’s financial statements.

Form of Government

The County is governed according to its Home Rule Charter, which became effective January 1967 and as subsequently amended. The County is governed by a Board of Commissioners consisting of five non-partisan members elected from designated districts within the County and the Chair of the Board, who is elected at large. The Chair is the chief executive officer of the County, and the Board of Commissioners conducts all legislative business of the County. The current members of the Board of Commissioners follow:

Board of Commissioners

Name	Position	Service Began	Term Expires
Deborah Kafoury	Chair	June 20, 2014	December 31, 2022
Sharon Meieran	Commissioner, District 1	January 1, 2017	December 31, 2024
Susheela Jayapal	Commissioner, District 2	January 1, 2019	December 31, 2022
Jessica Vega Pederson	Commissioner, District 3	January 1, 2017	December 31, 2024
Lori Stegmann	Commissioner, District 4	January 1, 2017	December 31, 2024

Source: *Multnomah County, Oregon.*

Key Administrative Officials

An executive committee of top managers meets regularly to provide coordinated management of all County priorities. The executive committee includes the Chief Operating Officer and Department Directors. Brief biographies of key management employees follow:

Eric Arellano, Chief Financial Officer. Eric Arellano was appointed Chief Financial Officer for the County in May 2019. He has been a member of the County’s finance team for over 14 years, having originally been hired in 2006 as a Budget Analyst in the Health Department. He served as Deputy Chief Financial Officer for 6 years. Previously he served as the Director of Finance for Evergreen Helicopters Inc. (a subsidiary of Evergreen Aviation). Mr. Arellano holds degrees from Linfield College and Portland State University in International Business and Accountancy. He is a member of GFOA (and its Oregon affiliate, OGFOA) and AFP.

Christian Elkin, Budget Officer. Christian Elkin has served as the County's Budget Director since March of 2020. Prior to that, she was the Budget and Finance Manager of the Joint City -County Office of Homeless Services from its inception in 2017 until moving back to the Budget Office as the Director in 2020. She has been a member of the County's budget and finance team for 18 years since joining the County's Budget Office as a Senior Budget Analyst in 2002. Prior to working for the County, she taught high school Government and Economics and worked at Hobson Ferrarini and Associates, a local real estate economic consulting firm. Mrs. Elkin holds a Masters in Public Policy and American Politics from Claremont Graduate University and a Bachelor's degree with Honors in Political Science from the University of Nevada Las Vegas. She is a member of GFOA and its Oregon affiliate. Early in her career, she served as a public member of the Multnomah Bar Association's Judicial Screening Committee.

The current interim Chief Operating Officer Peggy Brey will retire end of 2020. Upon her retirement, duties of Chief Operating Officer will be temporarily covered by the Chair's Chief of Staff Kim Melton and Interim Director of the Department of County Management Travis Graves. The County is actively recruiting for permanent Chief Operating Officer and is expected to make a hire in the month of February.

Staff

The County has budgeted for 5,161.93 full-time equivalent (FTE) positions for Fiscal Year 2021. Including temporary and on-call staffing the total employees of County is approximately 6,000.

Bargaining Units

Bargaining Unit	Current Contract Term	Major Duties	Number of Employees
IUOE Local 701	7/1/17 - 6/30/22	Facilities Maintenance & Repair	16
IUPAT Local 1094	7/1/16 - 6/30/21	Sign Painters	1
MCPAA	7/1/17 - 6/30/21	Prosecuting Attorneys	73
AFSCME Local 88 JCSS	7/1/18 - 6/30/21 ⁽²⁾	Juvenile Custody Workers	114
AFSCME Local 88	7/1/17 - 6/30/21	General Employees	3516
MCCDA	7/1/17 - 6/30/22	Correctional Officers	415
ONA	7/1/18 - 6/30/21	Nurses	260
FOPPO	7/1/17 - 6/30/21 ⁽²⁾	Probation and Parole Officers	113
MCDSA	7/1/18 - 6/30/22	Deputy sheriffs	120
IBEW Local 48	7/1/16 - 6/30/21	Electrical Workers	27
Physicians Local 88-4	7/1/16 - 6/30/21 ⁽²⁾	Physicians	20
Dentists Local 88-5	7/1/18 - 6/30/22	Dentists	26
Mgmt./Executive Employees ⁽¹⁾			706
Tax/Elect Off/El Staff ⁽¹⁾			70

(1) Not subject to collective bargaining and do not have contracts.

(2) Contracts were scheduled to expire on 6/30/20. They were extended by one year by mutually agreement as a result of the COVID-19 pandemics.

Source: Multnomah County.

Revenue Sources

The County derives revenue from three primary sources: grants and contributions, ad valorem property taxes, and charges for services. The following section summarizes certain of the major revenue sources of the County.

The COVID-19 pandemic is ongoing, is altering the behavior of businesses and people in a manner that has negative effects on economic activity, and the duration and severity of the crisis is uncertain. There can be no assurances that COVID-19 will not materially affect the County or have a material adverse impact upon the

County's revenues, and therefore adversely affect its financial condition. The County cannot predict the effects of such events.

Property Taxes

Most local governments, school districts, education service districts and community college districts ("local governments") have permanent authority to levy property taxes for operations ("Permanent Rates") up to a maximum rate (the "Operating Tax Rate Limit"). Local governments that have never levied property taxes may request that the voters approve a new Operating Tax Rate Limit.

Local governments may not increase their Operating Tax Rate Limits; rather they may only request that voters approve limited term levies for operations or capital expenditures ("Local Option Levies") or levies to repay general obligation bonded indebtedness ("General Obligation Bond Levies").

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies that are dedicated to capital expenditures are limited to ten years. Multnomah County does not use Local Option Levies to fund operating expenses.

The County administers a Local Option Levy that funds the Oregon Historical Society, which is not a component unit of the County. The Oregon Historical Society operations levy of \$0.05 per \$1,000 of assessed value was first approved by County voters in November 2010, and renewed by County voters in May 2016. The five year levy will expire in Fiscal Year 2021. The County may not use revenues generated by the Oregon Historical Society to fund the County's operations. Multnomah County plans to renew (5 years) the Local Option Levy that funds the Oregon Historical Society. The local option will be referred for the May 2021 election cycle.

Prior to Fiscal Year 2014, the County used a combination of its general fund resources and a Local Option Levy to fund the operating expenses for the Multnomah County Library (the "Library"). In the five Fiscal Years before 2014, the County transferred between \$13.9 million and \$18.3 million of County general fund resources to the Library. Voters approved the creation of a Library district as a new local government with an Operating Tax Rate Limit of \$1.24 per \$1,000, and the Library began operating as a local government on July 1, 2013. The Library remains a component unit of the County, and the Library's operating expenses are funded entirely by its current Permanent Rate of \$1.21 per \$1,000. The County may not use revenues generated by the Library district to fund the County's operations.

Local governments impose property taxes by certifying their levies to the county assessor of the county in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year. The local government ordinarily must notify the county assessor of its levies by July 15.

Valuation of Property – Real Market Value. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation.

Property used for charitable, religious, fraternal and governmental purposes is exempt from taxation. Special assessments that provide a reduction in the taxable Real Market Value may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The Real Market Value of specially assessed properties is often called the "Taxable Real Market Value" or "Measure 5 Real Market Value." The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

The Real Market Value of property may be negatively affected by the spread of the COVID-19 virus, which may increase compression and therefore adversely affect the financial condition of the County, either directly or indirectly. See "Global Health Emergency" herein.

Valuation of Property – Assessed Value. Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its Taxable Real Market Value, and ordinarily is less than its Taxable Real Market Value. The assessed value of property was initially established in 1997 as a result of a constitutional amendment. That amendment (now Article XI, Section 11, often called “Measure 50”) assigned each property an assessed value and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property.

The Oregon Department of Revenue (“ODR”) appraises and establishes values for utility property, forestland and most large industrial property for county tax rolls. It collects taxes on harvested timber for distribution to schools, county taxing districts, and State programs related to timber. Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity’s operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities’ operations in Oregon, and then to each county the entity operates in and finally to site locations.

Generally speaking, industrial properties are valued using an income approach, but ODR may apply additions or retirements to the property value through a cost of materials approach. Under the income and cost of materials approaches, property values fluctuate from year-to-year.

Tax Rate Limitation – Measure 5. A tax rate limitation was established in 1990 as the result of a constitutional amendment. That amendment (now Article XI, Section 11b, often called “Measure 5”) separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts, collectively, “Education Taxes”) and one to fund government operations other than the public school system (“General Government Taxes”). Education Taxes are limited to \$5 per \$1,000 and General Government taxes are limited to \$10 per \$1,000 of the Taxable Real Market Value of property (the “Measure 5 Limits”). If the taxes on a property exceed the Measure 5 Limit for Education or General Government, then tax rates are compressed to the Measure 5 Limit. Local Option Levy rates compress to zero before there is any compression of Permanent Rates. In Fiscal Year 2021, there was \$14,362,115 of compression of the County’s Permanent Rate due to the tax rate limitation. In addition, there was \$932,596 of compression of the County’s Local Option Levy.

Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonded indebtedness incurred for capital costs approved by the electors of the issuer and bonds issued to refund such bonds. **Property taxes imposed to pay the principal of and interest on the Obligations are subject to the limitations of Article XI, Sections 11 and 11b.**

In 2007 the Oregon Supreme Court determined that taxes levied by general purpose governments (such as cities and counties) may be subject to the \$5 per \$1,000 limit if those taxes are used for educational services provided by public schools.

Property Tax Collections. Each county assessor is required to deliver the tax roll to the county tax collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by a county for all taxing districts within the county are required to be placed in an unsegregated pool, and each taxing district shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing districts within the county. As a result, the tax collection record of each taxing district is a *pro-rata* share of the total tax collection record of all taxing districts within the county combined.

Under the partial payment schedule, taxes are payable in three equal installments on the 15th of November, February and May of the same Fiscal Year. The method of giving notice of taxes due, the county treasurer’s account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, a county may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency. The current spread of the COVID-19 virus may increase property tax delinquencies and therefore

adversely affect property tax collections and the financial condition of the County, either directly or indirectly. See “Global Health Emergency” herein.

A Senior Citizen Property Tax Deferral Program (1963) allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral (2001), which does not have an age limitation.

The following tables represent historical tax information for the County.

Taxable Property Values

Fiscal Year	Total Real Market Value	M5 Real Market Value ⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2021	\$ 226,697,008,387	\$ 184,073,899,287	\$ 89,815,140,110	\$ 8,672,590,819	\$ 81,142,549,291
2020	216,910,834,175	176,570,949,385	85,904,843,880	8,295,865,811	77,608,978,069
2019	212,839,718,420	172,752,206,300	82,320,639,760	7,939,555,685	74,381,084,075
2018	192,936,606,995	158,551,847,377	79,551,601,326	7,438,667,311	72,112,934,015
2017	169,905,432,056	139,355,901,407	75,636,627,007	6,804,941,684	68,831,685,323
2016	145,847,206,241	119,581,740,451	72,222,759,453	6,080,696,726	66,142,062,727
2015	132,783,802,994	108,173,728,101	69,210,609,494	5,690,908,219	63,519,701,275

- (1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.
- (2) Assessed value of property in the County on which the Permanent Rate is applied to derive *ad valorem* property taxes, excluding urban renewal, exempt property within enterprise zones and any other offsets.

Source: Multnomah County Department of Assessment and Taxation.

Property Tax Exemption Programs. Oregon statutes authorize a wide variety of full and partial property tax exemptions, including exemptions for property owned or used by cities, counties, schools and other local governments, property of the federal government, property used by religious and charitable entities, property used for low-income housing, historical property and transit oriented property.

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions for three to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by State statutes and the local sponsor.

The Strategic Investments Program (“SIP”) was authorized by the Legislative Assembly in 1993 to provide tax incentives for capital investments by “traded-sector” businesses, including manufacturing. SIP recipients receive a 15 year property tax exemption on new construction over \$25 million outside of urban areas, and over \$100 million in urban areas. The exemption value (\$25 million or \$100 million) then increases three percent per year. SIP recipients pay an annual Community Service Fee which is equal to 25 percent of the value of the tax break, which is allocated to local governments through local negotiations. The Community Service Fee is not considered a property tax and thus is outside of the Measure 5 Limit. There are no SIP Agreements within the County’s boundaries.

Beginning with the Fiscal Year 2017 financial statements, GASB Statement No. 77 requires local governments to disclose information related to tax abatement programs and amounts abated. Tax abatements result from agreements entered into by the reporting government, as well as those that are initiated by other governments, which reduce the reporting government’s tax revenues. In Fiscal Year 2020, the County reported a loss of \$8,921,000 in tax revenues due to tax abatement programs. Tax abatements reduced property tax revenues by approximately two percent.

Tax Rates and Collections. The following table presents the Fiscal Year 2021 tax rates for the County and other taxing jurisdictions within the County. The County’s Operating Tax Rate Limit is \$4.3434 per \$1,000 of assessed property value. The Operating Tax Rate Limit was calculated in conjunction with the implementation of Measure 50 in 1997. The Permanent Rates shown in the following table are the rates that are actually applied to

the assessed value of the taxing district. The Permanent Rates may be different from the Operating Tax Rate Limit of the taxing district due to the decision by the taxing district to levy less than its Operating Tax Rate Limit.

**Fiscal Year 2021 Representative Levy Rate
(Rates per \$1,000 of Assessed Value)**

General Government	Bond Levy Rate or UR				Urban Renewal Portion of the Consolidated Rate ⁽²⁾
	Permanent Rate	Special Rate	Local Option Rate ⁽¹⁾	Consolidated Rate	
Port of Portland	\$ 0.0701	\$ 0.0000	\$ 0.0000	\$ 0.0701	\$ 0.0074
City of Portland	4.5770	3.1850	0.4026	8.1646	0.8516
East Multnomah Soil and Water	0.1000	0.0000	0.0000	0.1000	0.0088
Metro	0.0966	0.3974	0.0960	0.5900	0.0506
Multnomah County	4.3434	0.0500	0.0000	4.3934	0.4911
Multnomah County Library District	1.2200	0.0000	0.0000	1.2200	0.1239
Portland Urban Renewal Special Levy	0.0000	0.2018	0.0000	0.2018	0.2018
Total General Government	10.4071	3.8342	0.4986	14.7399	1.7352
Education					
Multnomah County ESD	0.4576	0.0000	0.0000	0.4576	0.0500
Portland Community College	0.2828	0.3970	0.0000	0.6798	0.0782
Portland School District	5.2781	2.4017	1.9900	9.6698	0.9108
Total Education	6.0185	2.7987	1.9900	10.8072	1.0390
Total Tax Rate	\$ 16.4256	\$ 6.6329	\$ 2.4886	\$ 25.5471	\$ 2.7742

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).

- (1) Local Option Levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local Option Levy rates compress to zero before there is any compression of overlapping jurisdictions' Permanent Rates (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).
- (2) A portion of a taxing district's consolidated rate is diverted to Prosper Portland through tax increment financing.

Source: Multnomah County Department of Assessment and Taxation. Note that there are 127 tax codes in Multnomah County and Tax Code 201 (represented in the table above) has the highest property value of these tax codes. Total tax levies in the County range from \$7.6597 to \$25.9341 per \$1,000 of assessed property value.

**Multnomah County
Tax Collection Record ⁽¹⁾**

Fiscal Year	Percent Collected as of	
	Levy Year ⁽²⁾	6/30/2020 ⁽³⁾
2020	98.47%	98.47%
2019	98.49%	99.37%
2018	98.48%	99.65%
2017	98.07%	99.85%
2016	97.82%	99.97%
2015	97.65%	99.98%

- (1) Percentage of total tax levy collection in Multnomah County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the "year of the levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2020.

Source: Multnomah County Department of Assessment and Taxation.

Major Taxpayers
(As of Fiscal Year 2021)
Multnomah County

Taxpayer	Business/Service	Assessed Value ⁽¹⁾	Percent of Value	Tax ⁽²⁾
Port of Portland ⁽³⁾	Airport, Marine, Property Mgmt.	\$ 678,524,780	0.76%	\$ 14,136,398
Portland General Electric Co.	Electrical Utility	774,111,480	0.86%	12,608,364
Pacificorp (PP&L)	Electrical Utility	550,828,000	0.61%	8,992,764
Alaska Airlines Inc.	Airline	432,256,400	0.48%	6,818,756
Weston Investment Co LLC	Real Estate	290,995,450	0.32%	6,424,987
CenturyLink	Telecommunications	351,537,000	0.39%	5,713,215
Boeing Company	Manufacturing	343,713,400	0.38%	5,337,451
Comcast Corporation	Telecommunications	261,341,000	0.29%	4,317,605
Fred Meyer Stores Inc.	Retail	198,812,790	0.22%	4,044,018
111 SW 5th Ave Investors LLC	Commercial Office Space	172,979,100	0.19%	3,969,472
Subtotal - ten of County's largest taxpayers		4,055,099,400	4.51%	
All other County's taxpayers		85,760,040,710	95.49%	
Total County		\$ 89,815,140,110	100.00%	

- (1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.
- (2) Tax amount is the total tax paid by the taxpayer within the boundaries of the County. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.
- (3) Established in 1891 by the Oregon Legislature, the Port of Portland owns three airports (Portland International, Hillsboro, and Troutdale) four marine terminals, and five business parks. The Port's industrial land portfolio includes five business parks and over 4,400 acres of land. Source: www2.portofportland.com/Inside/Newsroom.

Source: Multnomah County Department of Assessment and Taxation.

In June 2018, the State announced it had settled a decade long property value appeal with Comcast who agreed to pay \$155 million in back taxes in the counties where it operates, including Multnomah County. Although this figure is \$45 million less than what the State believed was owed by Comcast, the settlement is expected to produce higher property tax payments and more certainty in the amounts due from Comcast in the future.

Federal Funding

Federal Direct Payments. The County issued the Full Faith and Credit Obligations, Series 2010B on December 14, 2010, and elected to receive subsidy payments ("Direct Payments") from the federal government. The Direct Payments are used to pay interest due on the County's Full Faith and Credit Obligations, Series 2010B. The County's Direct Payments in Fiscal Year 2020 were reduced by 5.9 percent due to mandatory sequestration cuts and the County used the General Fund to cover the shortfall. Congress has approved legislation that extends sequestration cuts through federal Fiscal Year 2030 but the annual reduction rate is subject to change and the County cannot predict the amount of future cuts.

Multnomah County has received additional federal funding of approximately \$14 million in fiscal year 2020 and over \$100 million in fiscal year 2021 dedicated to COVID-19 response activities. The funds have been dedicated to the following key areas: public health services, shelter, and safety services, economic assistance, and personal protective equipment. Though the vast majority of the funding has come from Coronavirus Aid, Relief, and Economic Security (CARES) Act, the County received other new and enhanced federal/state grant funding to support the pandemic response. More recently Multnomah County was awarded \$7.6 million from the State of Oregon (CARES funding) to provide additional business relief.

Other Taxes

Oregon cities and counties generally have broad authority to impose taxes on activities within their boundaries. Certain Oregon cities and counties currently impose business license taxes, food and beverage taxes, motor vehicle fuel taxes, transient room taxes and other taxes. Generally these taxes must be either approved by the voters or may be subject to referral by the voters.

The Legislative Assembly generally has the authority to limit or prohibit local governments from imposing taxes, and has limited a number of local government taxes, including transient room taxes and real estate transfer taxes. Each local government has its own mix of taxes, as well as fees and other revenue sources.

The County currently imposes a Business Income Tax (BIT), motor vehicle rental tax, transient lodging tax, and gas tax. In Fiscal Year 2020 the County received \$104.3 million from the BIT, \$72.2 million from the transient lodging tax, \$28.2 million from the motor vehicle rental tax, and \$6.2 million from the gas tax. The County increased its BIT rate from 1.45 percent to 2.0 percent beginning tax year 2020. The last permanent increase occurred in 1987. However, for Fiscal Year 2021, the County is forecasting a 3 percent decline in BIT revenues net of this tax rate increase as a result of the COVID-19 pandemic. The County maintains a business income tax stabilization reserve of 10% of budgeted business income tax revenues to guard against economic volatility. The reserve is \$9.3 million for Fiscal Year 2021.

Additionally, in November of 2020 Multnomah County voters approved Ballot Measure 26-214 Preschool for All Program. This established a new permanent personal income tax (resident and non-residents) within the County. The tax rate will be applied on Oregon taxable income of over \$125,000 for single filers and \$200,000 for joint filers. There is an additional tax of 1.5 percent on taxable income of over \$250,000 for single filers and \$400,000 for joint filers. The new tax will fund universal, tuition free, voluntary, and high quality preschool education for every three and four year old residing in Multnomah County.

These revenue streams may be negatively affected by the spread of the COVID-19 virus, and therefore adversely affect the financial condition of the County, either directly or indirectly. See “Global Health Emergency” herein for a discussion of some of these impacts.

Local Government Fees

Oregon cities and counties generally have broad authority to impose and collect fees for services. Many cities and counties collect sewer, water, electric and other enterprise fees, building permit fees, and surface water management fees.

Other local governments, such as special purpose districts, generally require legislative authorization to impose fees for services. Local governments that are authorized to operate utility systems generally are authorized to impose fees for services that are sufficient to pay for their costs of operating and financing their utility systems.

The Legislative Assembly generally has the authority to limit or prohibit local governments from imposing fees for services. Cities are currently authorized to collect franchise fees from utilities, while other local governments are prohibited from doing so.

Vehicle Registration Fee

The 2009 Legislative Assembly authorized the county to enact a Vehicle Registration Fee (the “VRF”) to be used exclusively to finance the design and construction of the Sellwood Bridge over the Willamette River in the City of Portland.

The Board enacted Ordinance 1151 on January 7, 2010, with an effective date of September 1, 2010, establishing the County’s vehicle registration fee at a rate of \$19 per year for all types of vehicles with the exception of trailers. The County entered into an intergovernmental agreement with the Oregon Department of Motor Vehicles to collect the fee. The County subsequently issued bonds, which are the Refunded Obligations, in December 2012 for \$128 million that are secured by VRF revenues. The construction of the Sellwood Bridge was completed in 2017.

In December of 2019 the Board of County Commissioners passed an Ordinance amending Multnomah County Code § 11.250-11.256 to increase the County’s Vehicle Registration Fee from \$19 to \$56. The change will be effective January 1, 2021. The revenues from the fee increase will be used for the Earthquake Ready Burnside Bridge Project.

Grants and Contributions

Operating grants and contributions represented approximately 32 percent of the County's total governmental activities revenues in Fiscal Year 2020. Grants and contributions are generally dedicated to specific purposes.

In Fiscal Year 2020, grant revenues increased by 2% overall from the prior year with most of the increase occurring in direct federal grant support. In Fiscal Year 2020 the County received approximately \$155 million in federal grants, \$182 million in direct state grants, and \$76 million on other grant funding. The County did see a decline in direct state grant support but that was due to the State's one-time only funding for the County's Central Courthouse Capital project that was completed in early Fiscal Year 2021. Though the County has not seen a decline in grant support as a result of COVID-19 it continues to monitor activity at the State and Federal level.

State of Oregon Funding

Oregon cities and counties receive a share of the revenues the State receives from taxing motor vehicle fuels. The Oregon Constitution requires that these revenues be used only to pay for costs of public roads. Oregon cities and counties also receive a share of the revenues the State of Oregon receives from tobacco taxes and liquor taxes.

The State of Oregon also appropriates money to Oregon counties to operate the justice system, and it provides a wide variety of funding for other purposes.

The State of Oregon is generally not obligated to continue to provide these revenues to local governments.

Financial Factors

Financial Reporting and Accounting Policies

The County's basic financial statements were prepared using modified accrual accounting in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

Additional information on the County's accounting methods is available in the County's audited financial statements. A copy of the County's audited financial report for Fiscal Year 2020 is attached hereto as Appendix B.

Auditing

Each Oregon political subdivision must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Political subdivisions having annual expenditures of less than \$150,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing political subdivisions. Municipal Audit Law, ORS 297.405 to 297.555 and ORS 297.990, requires Oregon local governments to submit annual financial reports to the Secretary of State within six months of the end of the fiscal year.

The County audits for the Fiscal Years 2016 through 2020 ("County Audited Financial Statements") were performed by Moss-Adams LLP, CPAs, Eugene, Oregon (the "Auditor"). The audit report for Fiscal Year 2020 indicates the financial statements, in all material respects, fairly present the County's financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement.

Future financial statements may be obtained from the Electronic Municipal Market Access ("EMMA") system, a centralized repository operated by the Municipal Securities Rulemaking Board ("MSRB"), currently located at: www.emma.msrb.org.

Summaries of the County's Net Position and Changes in Net Position follow:

Statement of Net Position
(Fiscal Years; \$ in Thousands)

Assets	2016	2017	2018	2019	2020
Current assets (unrestricted):					
Cash and investments	\$ 312,035	\$ 281,860	\$ 284,024	\$ 365,459	\$ 332,499
Receivables, net:					
Taxes	28,056	28,269	26,217	23,472	33,063
Accounts	42,994	39,236	49,304	27,374	29,226
Loans	-	4,038	4,238	3,738	139
Interest	937	718	1,460	1,896	2,150
Special assessments	11	11	-	-	-
Contracts	354	186	175	167	8
Inventories	1,540	1,532	1,561	1,870	1,863
Prepaid items	434	4,009	4,781	6,996	7,704
Current assets (restricted):					
Cash and investments	100,640	96,044	76,709	128,104	105,004
Receivables, net:					
Taxes	3,869	5,401	4,405	3,623	4,462
Accounts	50,047	70,012	61,907	78,334	62,152
Loans	629	558	399	399	-
Inventories	575	673	576	536	439
Noncurrent assets (unrestricted):					
Net OPEB asset - RHIA	-	-	1,375	3,710	3,856
Loans receivable	-	-	-	-	3,520
Capital assets:					
Capital asset, not being depreciated	615,743	709,986	471,144	614,964	629,211
Capital asset, net of depreciation	419,915	413,884	676,094	687,649	751,807
Noncurrent assets (restricted):					
Cash and investments	-	-	124,901	198	-
Loans	-	-	-	-	399
Contracts	-	-	-	-	150
Total Assets	<u>1,577,779</u>	<u>1,656,417</u>	<u>1,789,270</u>	<u>1,948,489</u>	<u>1,967,652</u>
Deferred Outflows of Resources					
Unrestricted:					
OPEB - County Plan	-	-	6,290	5,786	14,165
OPEB - RHIA	-	-	1,615	986	1,575
Pension	<u>123,728</u>	<u>297,236</u>	<u>211,615</u>	<u>229,074</u>	<u>261,071</u>
Total Deferred Outflows of Resources	<u>123,728</u>	<u>297,236</u>	<u>219,520</u>	<u>235,846</u>	<u>276,811</u>

Statement of Net Position, Continued.
(Fiscal Years; \$ in Thousands)

Liabilities	2016	2017	2018	2019	2020
Current liabilities (payable unrestricted assets):					
Accounts payable	44,482	40,548	48,768	88,603	57,062
Claims and judgements payable	10,295	-	-	-	-
Accrued salaries and benefits	6,278	14,112	6,916	12,909	14,812
Accrued interest payable	1,286	988	1,537	1,339	2,685
Unearned revenue	563	759	1,145	5,487	2,283
Compensated absences	29,385	30,220	30,847	27,768	29,546
Other accrued liabilities	-	412	-	-	-
Bonds payable	35,755	30,548	42,361	26,320	24,593
Capital leases payable	443	234	200	207	213
Loans payable	1,212	205	-	-	-
Pollution remediation obligation	27	-	-	-	-
Current liabilities (payable restricted assets):					
Accounts payable	38,288	48,062	59,131	61,707	48,192
Accrued salaries and benefits	3,641	8,338	3,526	2,289	2,452
Loans payable	-	-	214	222	231
Unearned revenue	12,967	11,004	15,531	17,886	41,599
Noncurrent liabilities (payable unrestricted assets):					
Compensated absences	1,352	148	228	69	3,309
Bonds payable	252,520	221,972	355,698	329,378	319,758
Capital leases payable	2,034	1,781	1,536	1,329	1,116
Loans payable	2,308	3,084	-	-	-
Incremental lease obligation	-	-	-	-	-
Claims and judgements payable	-	11,089	13,891	12,364	10,579
Other accrued liabilities	1,190	414	410	412	407
Net OPEB liability	128,056	132,784	123,467	107,130	119,110
Net pension liability	203,524	519,470	463,075	498,302	571,703
Noncurrent liabilities (payable restricted assets):					
Loans payable	-	-	3,252	3,136	2,894
Total Liabilities	<u>775,606</u>	<u>1,076,172</u>	<u>1,171,733</u>	<u>1,196,857</u>	<u>1,252,544</u>
Deferred Inflows of Resources					
Unrestricted:					
OPEB - County Plan	-	-	-	18,373	18,008
OPEB - RHIA	-	-	650	1,037	758
Pension	126,765	11,970	9,691	39,554	28,996
Resources received before time req. met	1,054	974	1,546	-	-
Restricted:					
Resources received before time req. met	911	56	-	-	-
Total Deferred Outflows of Resources	<u>128,730</u>	<u>13,000</u>	<u>11,887</u>	<u>58,964</u>	<u>47,762</u>
Net Position					
Net investment in capital assets	850,159	959,484	818,361	1,000,206	1,086,931
Restricted for:					
Nonexpendable - library operations	-	-	26,522	34,115	-
Expendable - library operations	6,696	18,270	-	-	39,069
Capital projects, buildings	40,614	38,738	106,531	41,759	3,471
Capital projects, technology	-	-	23,928	6,590	3,094
Capital support programs	-	-	17,221	21,975	-
Community support programs	10,942	14,831	-	-	19,398
Document storage and retrieval	207	226	186	119	96
Road, bridge, and bike path improvements	22,892	15,492	11,511	9,695	13,128
Debt service	-	586	150	-	-
Unrestricted	<u>(130,430)</u>	<u>(183,146)</u>	<u>(179,240)</u>	<u>(185,945)</u>	<u>(221,030)</u>
Total Net Position	<u>\$ 801,080</u>	<u>\$ 864,481</u>	<u>\$ 825,170</u>	<u>\$ 928,514</u>	<u>\$ 944,157</u>

Source: Multnomah County Audited Financial Statements.

Statement of Activities
(Fiscal Years; \$ in Thousands)

Revenues:	2016	2017	2018	2019	2020
Program Revenues:					
Fees, fines, and charges for services	\$ 217,190	\$ 221,588	\$ 225,101	\$ 262,816	\$ 273,172
Operating grants and contributions	383,728	445,317	466,906	587,246	434,998
Capital grants and contributions	10,364	43,958	23,937	15,474	27,782
General Revenues:					
Property taxes	348,203	360,286	383,074	390,396	406,450
Personal income taxes	15	9	11	5	3
Business income taxes	80,710	84,450	93,400	99,500	104,300
Selective excise and use taxes	74,594	76,163	76,825	84,485	66,258
Payment in lieu of taxes	486	568	786	519	384
State government shared unrestricted revenues	9,998	10,475	13,192	12,668	12,399
Grants and contributions not restricted to programs	13	24	2,958	9	8
Interest and investment earnings	3,016	2,045	6,235	14,954	12,742
Gain/(loss) on investments	-	-	-	-	151
Miscellaneous	2,304	1,559	-	-	6,250
Gain on disposal of capital assets	(2,005)	2,609	29,811	24,595	4
Total Revenues	<u>1,128,616</u>	<u>1,249,051</u>	<u>1,322,236</u>	<u>1,492,667</u>	<u>1,344,901</u>
Expenses:					
General government	271,016	306,755	420,189	269,029	358,021
Health services	242,366	222,213	242,155	278,820	268,679
Social services	227,737	219,884	217,044	193,215	215,204
Public safety and justice	255,904	215,267	221,307	254,494	186,941
Community services	54,495	91,297	94,327	244,965	57,867
Library	63,640	56,932	64,736	70,323	119,455
Roads, bridges, and bike path improvements	64,539	64,730	111,526	68,287	92,592
Interest on long-term debt	18,362	8,572	10,494	10,190	30,499
Total Expenses	<u>1,198,059</u>	<u>1,185,650</u>	<u>1,381,778</u>	<u>1,389,323</u>	<u>1,329,258</u>
Increase (decrease) in net position	(69,443)	63,401	(59,542)	103,344	15,643
Net position- July 1	870,523	801,080	864,481	825,170	928,514
Restatement of Net Position	-	-	20,231 ⁽¹⁾	-	-
Total Net Position	<u>\$ 801,080</u>	<u>\$ 864,481</u>	<u>\$ 825,170</u>	<u>\$ 928,514</u>	<u>\$ 944,157</u>

(1) Restatement in Fiscal Year 2018 due to the implementation of GASB Statements No. 75.

Source: Multnomah County Audited Financial Statements.

A five-year summary of the County's General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance follows.

General Fund Balance Sheet
(Fiscal Years; \$ in Thousands)

Assets	2016	2017	2018	2019	2020
Unrestricted:					
Cash and investments	\$ 89,229	\$ 80,268	\$ 71,778	\$ 147,804	\$ 117,459
Receivables:					
Taxes	23,529	24,245	23,472	20,035	32,361
Accounts, net	41,577	37,569	47,733	26,164	25,486
Loans	-	3,663	3,863	3,363	3,284
Interest	937	718	1,460	1,896	2,150
Special assessments	11	11	-	-	-
Contracts	354	186	175	167	158
Due from other funds	-	4,278	-	10,083	169
Inventories	390	373	298	504	465
Prepays and deposits	229	309	297	475	577
Restricted:					
Cash and investments	176	406	214	139	164
Receivables:					
Accounts, net	3,444	4,759	5,187	7,838	398
Total Assets	<u>159,876</u>	<u>156,785</u>	<u>154,477</u>	<u>218,468</u>	<u>182,671</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances					
Liabilities:					
Payable from unrestricted assets:					
Accounts payable	27,227	24,003	29,442	66,360	27,805
Payroll payable	4,664	11,399	5,138	11,186	12,892
Unearned revenue	509	339	729	5,018	589
Payable from restricted assets:					
Accounts payable	193	13	12	10	9
Total Liabilities:	<u>32,593</u>	<u>35,754</u>	<u>35,321</u>	<u>82,574</u>	<u>41,295</u>
Deferred Inflow of Resources:					
Unrestricted:					
Resources not yet available:					
Clinic fees	37,040	27,905	34,327	26,623	21,775
Property taxes	15,841	16,869	6,730	7,631	7,424
Resources received early	1,054	974	1,546	-	-
Total Deferred Inflow of Resources:	<u>53,935</u>	<u>45,748</u>	<u>42,603</u>	<u>34,254</u>	<u>29,199</u>
Fund Balances:					
Nonspendable	619	682	595	979	883
Restricted	3,427	5,152	5,389	7,967	553
Committed	-	3,802	-	3,412	14,490
Unassigned	69,302	65,647	70,569	89,282	96,250
Total Fund Balances	<u>73,348</u>	<u>75,283</u>	<u>76,553</u>	<u>101,640</u>	<u>112,176</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balance	<u>\$ 159,876</u>	<u>\$ 156,785</u>	<u>\$ 154,477</u>	<u>\$ 218,468</u>	<u>\$ 182,671</u>

Source: Multnomah County Audited Financial Statements.

**General Fund Statement of Revenues, Expenditures and
Changes in Fund Balance**
(Fiscal Years; \$ in Thousands)

Revenues	2016	2017	2018	2019	2020
Taxes	\$ 376,535	\$ 393,601	\$ 422,733	\$ 434,487	\$ 444,011
Payments in lieu of taxes	517	568	601	360	239
Intergovernmental	13,125	13,124	16,261	18,495	16,327
Licenses and permits	12,304	13,906	14,118	13,155	14,873
Charges for services	59,964	62,830	52,247	63,682	58,827
Interest	508	1,127	1,551	3,504	4,005
Other:					
Non-governmental grants	8,897	7,279	6,947	4,078	16,593
Service reimbursements	34,490	28,550	31,014	35,144	35,358
Miscellaneous	1,467	1,357	1,685	4,598	1,324
Total Revenues	<u>507,807</u>	<u>522,342</u>	<u>547,157</u>	<u>577,503</u>	<u>591,557</u>
Expenditures					
Current:					
General government	77,333	103,042	107,473	96,028	103,063
Health services	131,898	140,829	139,906	146,247	149,063
Social services	51,995	45,035	48,469	74,049	75,169
Public safety and justice	198,693	203,140	217,349	227,818	241,088
Community services	-	-	-	673	-
Capital outlay	3,555	1,596	2,321	243	801
Debt service:					
Principal	-	500	-	-	-
Interest	-	29	-	-	11
Total Expenditures	<u>463,474</u>	<u>494,171</u>	<u>515,518</u>	<u>545,058</u>	<u>569,195</u>
Excess (deficiency) of revenues over expenditures	<u>44,333</u>	<u>28,171</u>	<u>31,639</u>	<u>32,445</u>	<u>22,362</u>
Other Financing Sources (Uses)					
Transfers in	1,658	1,657	2,018	2,739	1,764
Transfers out	(36,997)	(31,927)	(37,388)	(28,129)	(13,591)
Proceeds from sale of capital assets	9	3,812	5,001	18,032	-
Proceeds from issuance of new debt	-	123	-	-	-
Proceeds from debt restructuring	-	99	-	-	-
Total Other Financing Sources (Uses)	<u>(35,330)</u>	<u>(26,236)</u>	<u>(30,369)</u>	<u>(7,358)</u>	<u>(11,827)</u>
Change in fund balance	<u>9,003</u>	<u>1,935</u>	<u>1,270</u>	<u>25,087</u>	<u>10,535</u>
Fund balance at beginning of year	<u>64,345</u>	<u>73,348</u>	<u>75,283</u>	<u>76,553</u>	<u>101,640</u>
Ending fund balance	<u>\$ 73,348</u>	<u>\$ 75,283</u>	<u>\$ 76,553</u>	<u>\$ 101,640</u>	<u>\$ 112,175</u>

Source: Multnomah County Audited Financial Statements.

Budgetary Process

The County's budget is prepared in accordance with provisions of the Oregon Local Budget Law which provides standard procedures for preparing, presenting and administering the operating budget for all local governments. The law mandates public involvement in budget preparation and public exposure of its proposed programs. The law also requires that the budget be balanced.

Prior to adoption, the proposed budget must be approved by a budget committee consisting of the County's Board members. In an advertised public meeting, the budget committee reviews the budget and the "budget message," which explains the budget preparation philosophy and significant changes from the prior year.

Following budget approval by the budget committee, a public hearing is held by the Tax Supervising and Conservation Commission of Multnomah County, Oregon. A budget summary and notice of hearing are published prior to the hearing. Publication is governed by strict requirements as to time and mode.

After the budget hearings, the governing body considers citizens' testimony and, if necessary, alters the budget subject to statutory limitations upon increasing taxes or fund allocations without further publication and hearing.

The County levies a tax each year for general operations under its permanent rate limit and under any authorized Local Option Levies. Taxes levied for repayment of general obligation debt are not limited.

After the budget hearing, the governing body prepares a formal resolution which adopts the budget, authorizes taxes to be levied and set out a schedule of appropriations. This resolution must be adopted not later than June 30 and submitted to the county Department of Assessment and Taxation before July 15 so that the taxes may be levied, unless an extension is requested and approved.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10 percent of the fund's original budget may be adopted by the Board at a regular Board meeting. A supplemental budget greater than 10 percent of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund or from the General Fund to any other fund. Such transfers require authorization by an official resolution or ordinance of the Board.

General Fund Adopted Budget
(Fiscal Years)

Resources	2020	2021
Beginning Working Capital	\$ 108,892,071	\$ 103,962,791
Taxes	441,119,766	440,858,532
Intergovernmental	14,736,933	14,706,419
Licenses & Permits	14,375,443	15,400,791
Service Charges	56,917,182	61,752,190
Interest	3,621,600	1,371,600
Other Sources	10,291,811	9,284,911
Service Reimbursement	36,698,623	38,826,471
Cash Transfers	2,007,300	6,386,517
Total Resources	\$ 688,660,729	\$ 692,550,222
Requirements		
Nondepartmental	\$ 65,544,459	\$ 62,445,864
District Attorney	28,393,441	30,854,018
Human Services	54,874,819	55,701,144
Health	151,095,059	159,883,728
Community Justice	73,797,204	76,226,431
Sheriff	140,209,377	146,471,535
County Management	45,812,331	44,998,648
County Assets	8,338,627	8,963,244
Community Services	17,865,812	18,774,376
Cash Transfers	10,510,664	1,248,091
Contingency	30,519,397	32,531,081
Unappropriated Balance	61,699,539	54,452,062
Total Requirements	\$ 688,660,729	\$ 692,550,222

Source: Multnomah County Adopted Fiscal Year 2020 and 2021 Budgets.

Investments

ORS 294.035 authorizes Oregon political subdivisions to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon political subdivisions to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent. The County has its own investment policy, which is reviewed and approved annually by the Board of County Commissioners. Policy available upon request.

Political subdivisions are also authorized to invest approximately \$51.8 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State Treasury website under "Other OSTF Reports - OSTF Detailed Monthly Reports" at [http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx).

Pension System

General. The County participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System (“PERS” or the “System”). After six full months of employment, all County employees are required to participate in PERS. Employer contribution rates are calculated as a percentage of covered payroll. Employees are required to contribute six percent of their annual salary as well; however, employers are allowed to pay the employees’ contribution in addition to the required employers’ contribution. See “Employer Contribution Rates” herein.

T1/T2 Pension Programs. Employees hired before August 29, 2003 participate in the “Tier 1” or “Tier 2” pension programs (the “T1/T2 Pension Programs”). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Effective January 1, 2004, six percent of each employee’s salary has been contributed to fund individual retirement accounts under a separate defined contribution program known as the Individual Account Program (the “IAP”). Effective July 1, 2020, pursuant to legislation approved by the 2019 Legislature (see “2019 Legislation” herein), the six percent contribution for employees that earn in excess of \$2,500 per month is split in two, with two-and-one-half percent of the employee’s salary deposited in the “Employee Pension Stability Account” (“EPSA”) and 3.50% of salary sent to the IAP.

OPSRP. Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan (“OPSRP”) unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a defined benefit pension plan, but also provides access to the IAP. Effective July 1, 2020, the six percent contribution for employees that earn in excess of \$2,500 per month is split in two, with 0.75% of the employee’s salary deposited in the EPSA and 5.25% of salary sent to the IAP.

RHIA/RHIPA. The Oregon PERS Health Insurance Program offers optional medical, dental, and long-term care insurance plans to eligible T1/T2 retirees, their spouses, and dependents. See “Other Postemployment Benefits, Retirement Health Insurance Account” herein.

Actuarial Valuation. Actuarial valuations are performed annually as of December 31 of each year and are designed to measure the liabilities, assets and funded status of the System and for each employer, as well as determine employer contribution rates. The valuations are based on complex models which utilize assumptions on rates of return, payroll growth rates and demographic trends. The valuations as of December 31 of odd-number years are used by the Oregon Public Employees Retirement System Board (the “PERB”) to set employer contribution rates; valuations as of even-numbered years are used for advisory purposes only. Should the assumptions used in the actuarial model prove inaccurate, liabilities of the System may be higher or lower than estimated. Any increases or decreases in liabilities will be absorbed into future contribution rates assessed against employer payrolls. An employer’s unfunded actuarial liability (“UAL”) is equal to the excess of the actuarially determined present value of the employer’s benefit obligations to employees over the existing assets available to pay those benefits. PERS’ current actuary is Milliman, Inc. (“Milliman,” or the “Actuary”).

Actuarial valuations are performed for the entire System (the “System Valuation”), and for most participating employers, including the County (the “County Valuation”). Valuations are released nine to eleven months after the valuation date. Current payroll rates are based on the System’s actuarial valuation report as of December 31, 2017 (the “2017 System Valuation”), and those rates will extend through June 30, 2021. The System Valuation, as well as information on the actuarial pool in which the County participates, as of December 31, 2019 (the “2019 System Valuation”) was released on September 23, 2020. Individual valuation reports as of December 31, 2019 were released in October 2020. These reports provide rates to be paid from July 1, 2021 through June 30, 2023 (see “Employer Contribution Rates” herein).

Valuation Date	Release Date	Rates Effective
December 31, 2015	September 2016	July 1, 2017 – June 30, 2019
December 31, 2016	December 2017	Advisory only for July 1, 2019 – June 30, 2021
December 31, 2017	October 2018	July 1, 2019 - June 30, 2021
December 31, 2018	December 2019	Advisory only for July 1, 2021- June 30, 2023
December 31, 2019	October 2020	July 1, 2021 - June 30, 2023

System Actuarial Organization. An employer participates in PERS either on an independent basis, or through an actuarial pool, as follows:

T1/T2 Pension Programs

- *Independents:* An Independent Employer is one for whom its T1/T2 Pension Programs assets and liabilities are based on an actuarial analysis performed on its employee base. The County is not an independent employer.
- *School District Pool:* All kindergarten through grade 12 public school district and education service district public employers are pooled for actuarial purposes for the T1/T2 pension programs (the “School District Pool”). Each School District Pool member’s allocated share of the pool’s assets and liabilities is based on the member’s proportionate share of the School District Pool’s pooled payroll, which share may shift in the future due to relative growth in payroll. Further, a school districts’ Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. The County is not a member of the School District Pool.
- *State and Local Government Rate Pool:* For the T1/T2 Pension Programs, all State agencies, certain Oregon local governments and all community college public employers are pooled (the “State and Local Government Rate Pool” or “SLGRP”). Each SLGRP member’s allocated share of the pool’s assets and liabilities is based on the member’s proportionate share of the SLGRP’s pooled payroll which share may shift in the future due to relative growth in payroll. Further, the County’s Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. **The County is a member of the SLGRP.**

OPSRP

- *OPSRP’s* assets and liabilities are pooled on a System-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The County’s allocated share of OPSRP’s assets and liabilities is based on the County’s proportionate share of OPSRP’s pooled payroll.

Actuarial Assumptions. Actuarial assumptions are set each biennium and are applied to the System’s valuations. Significant actuarial assumptions and methods used in the 2017 System Valuation included (a) the Entry Age Normal method, (b) asset valuation method based on market value, (c) the assumed earnings rate (the “Assumed Rate”) on the investment of present and future assets of 7.20 percent, (d) payroll growth rate of 3.50 percent, (e) consumer price inflation of 2.75 percent per year, (f) UAL amortization method of a level percentage of payroll over 20 years (fixed) for all T1/T2 UALs derived from the 2013 System Valuation and thereafter, and through 2033 for all T1/T2 UALs derived from the 2007, 2009 and 2011 valuations, and 16 years (fixed) from the date of the first rate-setting valuation at which the UAL is recognized for OPSRP, and (g) a rate collar to limit increases or decreases in employer contribution rates from biennium to biennium (the “Rate Collar”) (see “Rate Collar” herein). Actuarial assumptions used for the 2018 and 2019 System Valuations are largely unchanged from the 2017 valuation, except for the amortization of the 2018 UAL attributable to the Tier 1 and Tier 2 pension programs, which, in accordance with recently approved legislation, will be re-amortized over a 22 year period on a one time basis. In subsequent valuations, the amortization is expected to revert to the 20- year amortization for any new UALs attributable to Tier 1 and Tier 2. Additionally, the redirection of a portion of the IAP to the EPSA will result in a direct offset and reduction of Employer contribution rates. (See “2019 Legislation” herein.)

Employer Contribution Rates. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the Oregon Public Employees Retirement Fund (“OPERF”), including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations, litigation, decisions by the PERB and changes in benefits resulting from legislative modifications. Pursuant to ORS 238.225, all participating employers are required to make their contribution to PERS based on the employer contribution rates set by the PERB. Employees are required to contribute six percent of their annual salary to the IAP and, if applicable, the EPSA. Employers are allowed to pay the employees’ contribution in addition to the required employers’ contribution. The County has elected to make the employee contribution.

Rate Collar. The PERB uses a rate collar (the “Rate Collar”) to limit increases (or decreases) in employer contribution rates from biennium to biennium in order to smooth the impact of significant increases or decreases from one valuation to the next. The Rate Collar is applied and calculated as follows:

- The uncollared base rate, which is the actuarially determined rate which would need to be contributed to fully fund future benefits for current employees and to amortize the UAL over the specified amortization period, is calculated first.
- Should the anticipated increase or decrease necessary to impose the uncollared base rate be in excess of certain limits, then the Rate Collar is applied. Any excess increase or decrease is deferred to future rate cycles.
- If the funded status of the employer or the pool in which the employer participates is above 70 percent or below 130 percent (the “Base Case Rate Collar”), the Rate Collar is the greater of three percent of payroll (the “3% parameter”) or 20 percent of the current base rate (the “20% parameter”).
- If the funded status of an employer or the pool in which the employer participates is below 70 percent or above 130 percent, the Rate Collar increases by 0.3 percent of payroll if under the 3% parameter, or two percent of the current base rate if under the 20 percent parameter, for every percentage point under the 70 percent (or above 130 percent) funded level (the “Collar Ramp”) until it reaches six percent of payroll, or 40 percent of the current base rate at the 60 percent (or above 140 percent) funded level (the “Double Rate Collar”).

The PERS Board has been considering potential changes to the Rate Collar. Changes under consideration may include converting the application of the collar to a fixed percentage of payroll, and/or eliminating the double collar provision. The Board is not expected to make a decision on any such modifications until the Summer of 2021.

According to the 2019 System Valuation Report, the UAL for the System was \$24.6 billion and the funded status, excluding employer Side Accounts, for the SLGRP is (71%), above the 70% funded status level.

System Funded Status & UAL. The funded status of PERS and of the County, as reported by Milliman, will change over time depending on a variety of factors, including the market performance of the investments in which the OPERF is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members, methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS, legislative or judicial actions, and other actions taken by the PERB. As of October 31, 2020, the rate of return on the OPERF was (0.02%), which is below assumption. Should this trend continue, it could cause increases in the System-wide and County UAL. Under current PERS policies, any modification to contribution rates would not occur until the 2023-25 biennium. See “Global Health Emergency” herein for additional information.

The table below includes the UAL and funded status for the System and the pool in which the County participates from the five most recent actuarial valuations.

Unfunded Actuarial Liability and Funded Status⁽¹⁾
(\$ in millions)

Valuation Date	System ⁽²⁾		SLGRP	
	UAL	Funded Status	UAL	Funded Status
12/31/19	\$ 24,600.0	72.0%	\$ 12,700.0	71.0%
12/31/18	27,000.0	69.0%	13,800.0	68.0%
12/31/17	22,291.2	73.5%	11,251.0	73.3%
12/31/16	25,300.1	68.8%	12,318.7	69.5%
12/31/15	21,830.8	71.3%	10,714.1	72.1%

(1) Does not take into account offsets for deposits made by individual employers from pension bond proceeds or cash on hand in side accounts (see "Side Accounts and Pension Bonds" herein).

(2) System UAL includes total of SLGRP, School District Pool, Independent Employers, and OPSRP.

Source: System Valuations and PERS.

Side Accounts and Pension Bonds. In December 1999 the County issued pension bonds to make a \$180,000,000 lump-sum payment to PERS. The payment was deposited in the PERS fund to reduce or payoff the County's transition liability and all or a portion of the County Allocated T1/T2 UAL and County Allocated OPSRP UAL, reducing the County's contribution rates, although debt service payments are also due on the pension bonds. As of December 31, 2019 the County's side account balance had a value of \$111,471,661. As of the dated date the County has \$47,274,202 of outstanding pension obligations.

The County has established a debt service reserve for the pension bonds in order to smooth the annual impact to the County of the pension bond's escalating payments. Because the pension bonds are not subject to early prepayment, the County used a portion of the excess reserves to make a \$25,000,000 lump-sum payment to PERS to create side accounts beginning in January 2017. Over a four year period the County established four \$25,000,000 side accounts (last one established in November 2019) for a total of \$100,000,000. The County participated in the PERS Employer Incentive Fund (EIF) match program. The County received a full match of 25% on a qualifying side account totaling \$6,250,000. The payments were deposited in the PERS fund to reduce a portion of the County Allocated T1/T2 UAL and County Allocated OPSRP UAL over the period beginning July 1, 2017, and ending December 31, 2035. Debt service is due on the Pension Bonds as follows.

Multnomah County
Projected Pension Bond Debt Service

Fiscal Year	Outstanding Pension Bonds		Total Debt Service
	Principal	Interest	
2021	\$ 5,208,023	\$ 21,406,977	\$ 26,615,000
2022	5,098,310	23,011,690	28,110,000
2023	4,988,665	24,686,335	29,675,000
2024	4,881,062	26,443,938	31,325,000
2025	4,774,526	28,285,474	33,060,000
2026	4,669,707	30,215,293	34,885,000
2027	4,565,776	32,234,224	36,800,000
2028	4,463,150	34,346,850	38,810,000
2029	4,362,195	36,562,805	40,925,000
2030	4,262,788	38,887,212	43,150,000
	<u>\$ 47,274,202</u>	<u>\$ 296,080,798</u>	<u>\$ 343,355,000</u>

Source: Multnomah County

Net Unfunded Actuarial Liability. The County’s net unfunded pension UAL is the total of the County Allocated T1/T2 UAL and County Allocated OPSRP UAL, less the balance in the County’s Side Account, if any. The County’s net unfunded pension UAL as reported in the County’s actuarial valuation reports as of December 31, 2015 (the “2015 County Valuation”), December 31, 2016 (the “2016 County Valuation”), December 31, 2017 (the “2017 County Valuation”), December 31, 2018 (the “2018 County Valuation”) and as of December 31, 2019 (the “2019 County Valuation”) is shown in the following table.

Multnomah County Net Unfunded Pension Liability

	2015 Valuation	2016 Valuation	2017 Valuation	2018 Valuation	2019 Valuation
Allocated pooled T1/T2 UAL	\$ 632,950,824	\$ 734,440,379	\$ 653,867,766	\$813,344,687	\$ 734,836,639
Allocated pre-SLGRP pooled liability/(surplus)	(54,327,615)	(51,539,153)	(47,857,561)	(44,534,732)	(39,807,857)
Transition liability/(surplus)	(85,758,014)	(81,345,141)	(76,436,713)	(71,192,464)	(65,163,460)
Allocated pooled OPSRP UAL	46,983,751	58,650,410	51,650,439	67,704,442	64,193,820
County Side Account	<u>-</u>	<u>-</u>	<u>(27,753,728)</u>	<u>(75,497,870)</u>	<u>(111,471,661)</u>
Net unfunded pension actuarial accrued liability	<u>\$ 539,848,946</u>	<u>\$ 660,206,495</u>	<u>\$ 553,470,203</u>	<u>\$ 689,824,063</u>	<u>\$ 582,587,481</u>

Note: The pre-SLGRP pooled liability/(surplus) is the liability or surplus that existed when the State pool and the LGRP were discontinued and the SLGRP was formed. These are pooled liabilities/surpluses. The transition liability/(surplus) is the liability or surplus that was created when the individual employer joined the SLGRP and is solely the individual employer’s.

Source: *Multnomah County Valuations.*

Actuarial Projections. Each year at the December PERB meeting, the Actuary presents financial projections of System payroll rates, funded status and UAL over the following 20 years using both a “Steady Return” methodology, whereby a consistent level of returns is assumed each year, and a “Variable Return” methodology, whereby stochastic modelling of 10,000 iterations is utilized. According to the Board Packet for the December 4, 2020 Board meeting, the Actuary has projected that under the majority of scenarios, average employer rates for the 2023-2025 biennium are projected to increase due to the effect of asset underperformance through September, 2020, in which the annual rate of return was 0.14%, relative to the assumed rate of 7.20%. Under the Variable Return methodology, at the 50th percentile, average rates are projected to increase from 24.5% in the 2021-23 biennium to 27.0% in the 2023-25 biennium. The System’s funded status has also declined in 2020 due to the low investment returns, and the UAL has increased. At the 50th percentile under the Variable Return methodology, the UAL is projected to be \$28.3 billion at year-end 2020 and grow to \$31 billion at the end of 2025, then decline to \$12.9 billion by the end of 2039. All of these trends are despite the passage of legislation by the 2019 Legislature which extended the amortization of the UAL to 22 years, among other things. (See “2019 Legislation” herein.)

County Contribution Rates. The County’s contribution rates for the 2017-19 biennium under the 2015 County Valuation, contribution rates for the 2019-21 biennium under the 2017 County Valuation, and contribution rates for the 2021-23 biennium under the 2019 County Valuation are provided in the following table. The projected rates under the County’s 2019 Valuation include the impact of 2018 and 2019 returns on the PERS fund and the impact of legislation approved by the 2019 Legislature (See “2019 Legislation” herein.)

Multnomah County
Pension Contribution Rates (Percent of Covered Payroll)

	<u>2017-19 Biennium</u>			<u>2019-21 Biennium</u>			<u>2021-23 Biennium</u>		
	T1/T2	OPSRP General	OPSRP P&F	T1/T2	OPSRP General	OPSRP P&F	T1/T2	OPSRP General	OPSRP P&F
Normal cost rate	16.21	8.02	12.79	16.36	8.40	13.03	15.99	8.64	13.00
T1/T2 UAL rate	6.03	6.03	6.03	10.36	10.36	10.36	12.60	12.60	12.60
OPSRP UAL rate	1.27	1.27	1.27	1.45	1.45	1.45	1.69	1.69	1.69
Pre-SLGRP pooled liability rate	(1.73)	(1.73)	(1.73)	(1.68)	(1.68)	(1.68)	(1.48)	(1.48)	(1.48)
Transition liability/(surplus) rate	(2.73)	(2.73)	(2.73)	(2.68)	(2.68)	(2.68)	(2.43)	(2.43)	(2.43)
Side account rate relief	-	-	-	(0.62)	(0.62)	(0.62)	(3.06)	(3.06)	(3.06)
Member redirect offset ⁽¹⁾	-	-	-	-	-	-	(2.45)	(0.70)	(0.70)
Retiree Healthcare rate (RHIA) ⁽²⁾	0.50	0.43	0.43	0.06	-	-	0.05	-	-
Total net contribution rate (%)	19.55	11.29	16.06	23.25	15.23	19.86	20.91	15.26	19.62

- (1) Redirected member contributions under Senate Bill 1049 (2.50% of payroll for Tier 1/Tier 2 and 0.75% of payroll for OPSRP) will be used to offset employer contribution rates. The redirect of the IAP does not apply to members with monthly pay below a threshold. The values shown in the table incorporate an estimate of the effect of this limitation. (See "2019 Legislation" herein).
- (2) Contribution rates to fund RHIA benefits are included in the total County employer contribution rate, but are not a pension cost. See "Other Postemployment Benefits - Retirement Health Insurance Account" below.

Source: 2015 County Valuation, 2017 County Valuation, and 2019 County Valuation.

County Contributions. The County's historical and projected annual contributions to PERS and pension bond debt service are provided in the following table.

Multnomah County Pension Contributions

Fiscal Year	County Contribution ⁽¹⁾	Pension Bond Debt Service	Total
2021 ⁽²⁾	\$ 89,000	\$ 28,110	\$ 117,110
2020 ⁽³⁾	122,932	25,195	148,127
2019	55,347	23,849	79,196
2018	75,244	22,566	97,810
2017	62,962	21,343	84,305
2016	36,661	20,187	56,848
2015	29,772	19,087	48,859

- (1) County's contribution to PERS which includes the employee contribution paid by the County and is net of the side account rate credit draw.
- (2) Budgeted.
- (3) A mid-year ERP conversion in fiscal year 2019 resulted in PERS payments getting delayed into fiscal year 2020.

Source: Multnomah County and County Audited Financial Statements.

2019 Legislation. In 2019, the Legislature adopted and the Governor signed Senate Bill 1049 ("SB 1049"), which makes certain modifications to the amortization of the UAL and benefits provided to employees retiring after December 31, 2019. Such modifications include: re-amortizing the UAL associated with Tier 1 and Tier 2 benefits that is measured as of December 31, 2019 and extending that amortization to 22 years; redirecting a portion of the 6% contributions currently made to the IAP to an "Employee Pension Stability Account" ("EPSA") within the PERS fund when an employee's salary exceeds \$2,500 per month (indexed annually); removing all current hourly limitations on retirees who work for a PERS employer after retirement, while mandating that such employer shall continue to make pension contributions at the previous employer rate to the PERS Fund; and capping the annual salary used in the calculation of certain retirement packages for all tiers to \$195,000 (indexed annually).

GASB 67 and GASB 68. GASB Statements No. 67 and No. 68 modify the accounting and financial reporting of pensions by state and local governments and pension plans. Statement No. 67 ("GASB 67"), Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans. Statement No. 68

("GASB 68"), Accounting and Financial Reporting for Pensions, establishes accounting and financial reporting requirements for governments that provide their employees with pensions. The PERS System is subject to GASB 67; each participating employer, including the County is subject to GASB 68. GASB 68 was incorporated in the County's financial statements beginning in Fiscal Year 2015. PERS contracted with Milliman to provide information for local governments to use in their financial statements.

The County's proportionate share of the System's net pension liability and pension expense follows.

**Multnomah County
Pension Amounts under GASB 68**

Measurement Date	County's Proportionate Share	County's Share of Net Pension Liability	Pension Expense
06/30/19	3.36123181%	\$581,412,607	\$148,687,838
06/30/18	3.35168179%	507,735,645	104,164,846
06/30/17	3.49209546%	470,735,788	104,362,989
06/30/16	3.50898973%	526,780,834	92,172,411
06/30/15	3.59015899%	206,127,590	201,154,476

Source: Oregon Public Employees Retirement System- GASB 68 Exhibits prepared by Milliman.

Other Postemployment Benefits

Retirement Health Insurance Account. PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2019 System Valuation, this program had a surplus of approximately \$240.3 million as of December 31, 2019. The County's allocated share of the RHIA program's assets and liabilities is based on the County's proportionate share of the program's pooled payroll. According to the 2019 County Valuation, the County's allocated share of the RHIA program's surplus was \$8,133,867.

Medical Benefits - Implicit Subsidy. Under ORS 243.303 the County is required to offer the same healthcare benefits for current County employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. GASB Statement No. 75 refers to this as an "implicit subsidy" and requires that the corresponding liability be determined and reported.

Single Employer Defined Benefit Healthcare - 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 percent of the monthly medical insurance premium on behalf of a County retiree and his/her eligible dependents from the retiree's 58th birthday or date of retirement, whichever is later, until the retiree's 65th birthday, death or eligibility for Medicare, whichever is earlier, if the retiree has: five years of continuous County service immediately preceding retirement at or after age fifty-eight years; or ten years of continuous County service immediately preceding retirement prior to age 58. The County's postemployment medical plan does not issue a publicly available financial report.

The County is contractually obligated by collective bargaining agreements to cover 50 percent of the annual premium costs which is 2 percent of annual covered payroll to fund the retiree benefit. For Fiscal Year 2020, the County contributed \$5.921 million to the plan. Of this amount, \$2.587 million was explicitly contributed as part of the contractual obligation described above. The remaining \$3.334 million represents the implicit subsidy derived from active employee contributions.

Life Insurance - All County employees, who at the time of separation from the County are eligible for Oregon PERS/OPSRP pension benefits, and satisfy the years of County service requirement, in accordance with the County Personnel Ruse Section 4-30-060, or their bargaining unit agreement, are enrolled in the County Retiree Life Insurance Program. The life insurance amount is generally \$2,000; certain groups of employees receive

\$5,000. The County pays the monthly premium on the County Retirement Life Insurance Policy. The premium payment represents an explicit subsidy.

The County within its risk management fund maintains a reserve balance to fund its outstanding OPEB liability. As of 6/30/20 the risk fund had a fund balance of \$70 million, \$56m is reserved for OPEB liability (funding level approximately 47%) and the remaining balance is reserved for other self-insured programs.

The County's total liability for its OPEB liability for its postretirement medical and life insurance plan as valued under GASB No. 75 is as follows:

**Total OPEB Liability
(\$ in Thousands)**

	2018	2019	2020
Total Liability Beginning of Fiscal Year	\$ 116,512	\$ 125,473	\$ 109,250
Changes for the year:			
Service cost	6,815	7,519	5,965
Interest on total OPEB liability	4,419	4,338	4,480
Effect of changes to benefit terms	-	-	(98)
Difference between expected and actual experience	831	(15,208)	(3,143)
Changes of assumptions	2,889	(6,651)	10,558
Benefit payments	(5,993)	(6,221)	(5,921)
Balance end of Fiscal Year	<u>\$ 125,473</u>	<u>\$ 109,250</u>	<u>\$ 121,091</u>

Source: Multnomah County Audited Financial Statements.

Prior to the adoption of GASB No. 75, the County's OPEB cost was calculated based on the annual required contribution, an amount actuarially determined in accordance with the parameters of GASB 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 over a period of 30 years with an assumed four percent rate of return. The following table details the County's historic ARC and Net OPEB Obligation.

**Annual Required Contribution
(\$ in Thousands)**

	2016	2017
Annual required contribution	\$ 14,413	\$ 10,728
Interest on prior net OPEB obligation	4,263	4,841
Adjustment to annual required contribution	(4,060)	(4,438)
Annual OPEB cost	14,616	11,131
Contributions ⁽¹⁾	(8,354)	(6,288)
Increase in net obligation	6,262	4,843
Net OPEB obligation - beginning of Fiscal Year	121,794	128,056
Net OPEB obligation - end of Fiscal Year	<u>\$ 128,056</u>	<u>\$ 132,899</u>
% of Annual OPEB Cost Contributed	57%	56%

(1) Includes County contributions related to implicit and explicit subsidies (both Medical and Insurance Premiums).

Source: Multnomah County Audited Financial Statements.

See Note C "Postemployment benefits other than pensions" of the County's audited financial statements for Fiscal Year 2020 for more information on the County's liability under GASB 75.

Risk Management

The County is exposed to various risks of loss. A description of the risks is provided in the County's audited financial statements. The audited financial statement for Fiscal Year 2020 is attached hereto as Appendix B.

Cybersecurity. The County, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the County’s information technology systems to misappropriate assets or information or to cause operational disruption and damage. The County has not experienced any cyber security incidents, but has a policy in place in case it does.

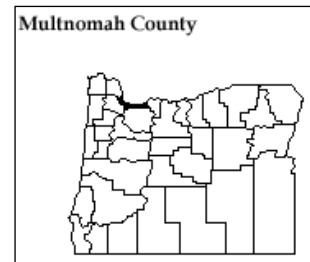
Natural and Economic Forces. Natural and economic forces can affect the assessed value of taxable property in the County and the County’s collection of revenues. The County is located in the Pacific Northwest, a region subject to periodic significant earthquakes. Such an earthquake and/or tsunami could cause extensive damage to structures and infrastructure along the Pacific coast and could disrupt transportation, communications, water and sewer systems, power and gas delivery and fuel supplies along the Pacific coast and within the County. The County cannot predict how such seismic activity could impact its revenue sources, including property taxes. Other natural or man-made disasters, such as flood, fire, toxic dumping or acts of terrorism, could also cause a reduction in the assessed value of taxable property within the County or adversely affect the County’s revenues. Economic and market forces, such as a downturn in the economy generally, can also affect assessed values. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). The current spread of COVID-19 is altering the behavior of businesses and people in a manner that has negative effects on local, state, national and global economic activity, and therefore adversely affect the financial condition of the County, either directly or indirectly. See “Global Health Emergency” herein.

Demographic Information

General

The County is located in the northwestern part of the State and is included in the Portland-Beaverton-Vancouver Primary Metropolitan Statistical Area (hereinafter, the “Portland PMSA”). The City of Portland, with an estimated population of 664,675, is the County seat and the largest city in Oregon.

The Portland PMSA includes Multnomah, Washington, Clackamas, Columbia and Yamhill counties in Oregon, and Clark and Skamania County in the state of Washington.



Historical data has been collected from generally accepted standard sources, usually from public bodies. This section includes information on the County and the Portland PMS.

Population

The following table shows the historical population for the State, the County and the Cities of Portland and Gresham:

Population				
July 1 ⁽¹⁾	State of Oregon	Multnomah County	City of Portland	City of Gresham
2020	4,268,055	829,560	664,675	112,660
2019	4,236,400	821,730	657,100	111,810
2018	4,195,300	813,300	648,740	110,505
2017	4,141,100	803,000	639,100	109,820
2016	4,076,350	790,670	627,395	108,150
April 1 ⁽²⁾				
2010	3,831,074	735,334	583,776	105,594
2000	3,421,399	660,486	529,121	90,205
1990	2,842,321	583,887	438,802	68,249

(1) Source: Center for Population Research and Census, Portland State University.

(2) Source: U.S. Census Count on April 1.

Economic Overview

The current spread of COVID-19 is altering the behavior of businesses and people in a manner that has negative effects on local, state, national and global economic activity, and therefore adversely affect the financial condition of the County, either directly or indirectly. Certain historical economic information presented herein that predates the pandemic does not reflect the impacts of the pandemic. See “Global Health Emergency” herein.

The economy of the Portland metropolitan area is broad and widely diversified. The Portland PMSA includes the State’s largest employers, including Intel, Providence Health System, Safeway, Oregon Health & Sciences University, Fred Meyer, Kaiser Foundation Health Plan, Legacy Health System, and Nike.

Currently, transportation and utilities accounts for 20.7 percent of the total non-farm employment in the County, while professional and business services accounts for 16.7 percent, education and health services 16.3 percent, government jobs 15.7 percent, manufacturing 6.2 percent, and leisure and hospitality 6.5 percent.

Income. Historical personal income and per capita income levels for the County and the State are shown below:

Multnomah County and State of Oregon Total Personal and Per Capita Income

Year	Multnomah County				State of Oregon			
	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2020 ⁽¹⁾	N/A	N/A	N/A	N/A	\$ 252,884,633	\$ 46,669,576	\$ 59,512	\$ 10,983
2019	\$ 49,399,774	\$ 10,604,813	\$ 60,773	\$ 13,046	224,346,429	47,225,659	53,191	11,197
2018	47,505,650	10,476,151	58,716	12,948	215,365,405	46,576,084	51,500	11,138
2017	44,595,249	9,651,240	55,200	11,946	202,051,500	43,456,647	48,762	10,488
2016	41,900,565	8,835,358	52,166	11,000	190,534,203	39,791,014	46,586	9,729
2015	40,248,776	8,277,277	50,947	10,477	181,367,038	37,382,851	45,163	9,309

Note: Dollar estimates are in current dollars (not adjusted for inflation).

(1) As of Second Quarter, annualized, seasonally adjusted.

Source: U.S. Department of Commerce, Bureau of Economic Analysis. County data as of November 17, 2020; State data as of September 24, 2020.

Employment. Non-farm employment within the County is described in the following tables:

**Multnomah County
Labor Force Summary ⁽¹⁾
(by place of residence)**

	2015	2016	2017	2018	2019	2020 ⁽²⁾	2020 Change from				
							2015	2016	2017	2018	2019
Civilian Labor Force	427,659	446,379	457,151	452,492	455,189	429,021	1,362	-17,358	-28,130	-23,471	-26,168
Unemployment	21,350	19,128	16,606	16,298	14,878	33,387	12,037	14,259	16,781	17,089	18,509
Percent of Labor Force	5.0%	4.3%	3.6%	3.6%	3.3%	7.8%	---	---	---	---	---
Total Employment	406,309	427,251	440,545	436,194	440,311	395,634	-10,675	-31,617	-44,911	-40,560	-44,677

Non-Agricultural Wage & Salary Employment ⁽³⁾

	2015	2016	2017	2018	2019	2020 ⁽²⁾	2020 Change from				
							2015	2016	2017	2018	2019
Total Nonfarm Payroll Employment	487,200	500,300	509,100	519,400	527,600	475,200	-12,000	-25,100	-33,900	-44,200	-52,400
Total Private	409,200	420,400	430,300	442,800	450,300	400,400	-8,800	-20,000	-29,900	-42,400	-49,900
Mining, logging, and construction	19,300	20,900	23,100	24,500	25,500	24,500	5,200	3,600	1,400	0	-1,000
Manufacturing	35,800	35,400	34,600	35,200	35,600	29,600	-6,200	-5,800	-5,000	-5,600	-6,000
Trade, transportation, and utilities	87,900	89,500	91,600	93,400	96,400	98,400	10,500	8,900	6,800	5,000	2,000
Information	10,900	11,400	11,800	11,900	12,300	10,700	-200	-700	-1,100	-1,200	-1,600
Financial activities	31,400	32,600	34,300	34,500	35,100	32,900	1,500	300	-1,400	-1,600	-2,200
Professional and business services	77,500	79,000	81,700	83,600	85,100	79,200	1,700	200	-2,500	-4,400	-5,900
Educational and health services	72,900	75,100	74,100	81,600	81,600	77,500	4,600	2,400	3,400	-4,100	-4,100
Leisure and hospitality	54,900	56,700	59,500	58,700	59,100	31,000	-23,900	-25,700	-28,500	-27,700	-28,100
Other services	18,700	19,900	19,600	19,600	19,700	16,600	-2,100	-3,300	-3,000	-3,000	-3,100
Government	78,000	79,900	78,800	76,600	77,300	74,800	-3,200	-5,100	-4,000	-1,800	-2,500

- (1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.
- (2) Data for month of November 2020; preliminary and subject to change.
- (3) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department, Retrieved December 2020.

Major Employers in the Portland PMSA

Company	Service	Location	No. Employees
Intel Corporation	Semiconductor integrated circuits	Hillsboro	21,394
Providence Health System	Health care services	Portland	19,326
Oregon Health & Science University	Education and health care	Portland	17,441
Legacy Health System	Health care	Portland	12,896
Kaiser Permanente	Health care	Portland	12,074
Nike, Inc.	Sports shoes and apparel	Beaverton	12,000
Fred Meyer Stores	Grocery/retail	Portland	8,163
City of Portland	Government	Portland	7,409
Portland Public Schools	Education	Portland	7,005
Beaverton School District	Education	Beaverton	5,646
Multnomah County	Government	Portland	5,070
Vancouver Public Schools	Education	Vancouver	4,609
PeaceHealth	Health care	Vancouver	4,482
Walmart Inc.	Retail	Regional	4,425
Wells Fargo	Finance	Portland	3,900
U.S. Bank	Finance	Portland	3,820
U.S. Postal Service	Mail delivery	Portland	3,818
U.S. Dept of Veterans Affairs	Federal agency	Portland	3,698
Portland Community College	Education	Portland	3,628
Tri-Met	Mass Transit	Portland	3,304
Precision Castparts Corp.	Manufacturing	Portland	3,300
Portland State University	Education	Portland	3,229
Portland General Electric	Utility	Portland	2,500
Oregon Dept of Human Services	State agency	Portland	2,427
Hillsboro School District	Education	Hillsboro	2,426
Clackamas County	Government	Oregon City	2,382
North Clackamas Schools	Education	Milwaukie	2,248
Daimler Trucks North America	Heavy duty trucks	Portland	2,159
The Standard	Insurance	Portland	2,131
Washington County	Government	Hillsboro	2,102
Adidas America Inc.	Sports shoes and apparel	Portland	2,017
Adventist Health Portland	Health care services	Portland	1,876
Fisher Investments	Investment advice	Portland	1,772
Cambia Health Solutions	Health care services	Portland	1,767
Ilani	Casino	Ridgefield	1,725
The DPI Group	Employment services	Portland	1,671
Moda Center	Indoor arena	Portland	1,546
KinderCare Education	Early education	Portland	1,500
Metro	Government	Portland	1,472
David Douglas School District	Education	Portland	1,447
Comcast	Telecommunications	Beaverton	1,430
Moda	Health insurance	Portland	1,325
Pacific Power	Electric utility	Regional	1,325
Tigard-Tualatin School District	Education	Tigard	1,324
West-Linn Wilsonville School District	Education	Tualatin	1,310
Lewis & Clark College	Education	Portland	1,301
Banfield Pet Hospital	Veterinarian	Vancouver	1,241
Reynolds School District	Education	Fairview	1,209
Dutch Bros Coffee	Coffee	Regional	1,200
NW Natural	Natural Gas	Portland	1,190

Note: The above list of employers may not reflect most recent layoffs or furloughs that may have occurred due to the impacts of the current pandemic. Total number of employees may include full, part-time, temporary and seasonal employment.

Source: Source: Portland Business Journal "The List: Largest Metro-Area Employers" published June 19, 2020.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in Multnomah County are listed below:

**Multnomah County
Residential Building Permits**

Year	<u>New Single Family</u>		<u>New Multi Family</u>			<u>Total</u>
	Number	Construction Cost	Number	Units	Construction Cost	Construction Cost
2020 ⁽¹⁾	626	\$ 173,043,898	82	1,934	\$ 232,242,993	\$ 405,286,891
2019	933	251,465,603	242	5,165	674,897,388	926,362,991
2018	1,035	259,108,279	98	5,047	678,888,422	937,996,701
2017	838	209,960,627	189	6,217	889,646,496	1,099,607,123
2016	1,109	303,000,628	182	4,079	581,205,212	884,205,840
2015	1,082	286,826,925	150	3,750	481,613,371	768,440,296

(1) As of November.

Source: U.S. Census Bureau.

Transportation. The Portland area is a major transportation hub of the Pacific Northwest. Located at the confluence of the Columbia and Willamette rivers, Portland is approximately 110 river miles from the Pacific Ocean at Astoria. Major north-south (I-5) and east-west (I-84) highways connect the area with other major metropolitan areas of the western states. BNSF Railway Company (Burlington Northern Santa Fe) and Union Pacific railroads provide rail freight service to the area and Amtrak provides rail passenger service. Interstate bus transportation is available through Greyhound and local bus service is provided by the Tri-County Metropolitan Transportation District (Tri-Met).

Commercial air transportation is available at Portland International Airport (“PDX”). PDX, operated by the Port of Portland (the “Port”), is served by 17 scheduled passenger air carriers and three charter services. Fourteen cargo carriers service PDX. The Port also operates three general aviation airports in Troutdale, Hillsboro and Mulino. The Hillsboro Airport, 29 miles west of the City of Portland, is the State’s second busiest general aviation site and maintains the largest corporate jet fleet in the state.

Higher Education. Institutions of higher learning in the area include independent institutions such as Reed College, Lewis and Clark College, Pacific University, and church-affiliated institutions such as the University of Portland, Warner Pacific College, Concordia University, and Columbia Pacific College. Portland State University, which is part of the Oregon University System of Higher Education, and the Oregon Health and Science University are also located in the County. Portland Community College, Mt. Hood Community College, and Clackamas Community College are part of the State’s community college system.

Colleges and universities may move to full or partial remote learning as the COVID-19 pandemic continues. Long-term facility closures could have a negative financial impact on the colleges and universities themselves and a negative economic impact on the cities and regions in which they operate. See “Global Health Emergency” herein.

Superfund. Superfund sites are listed on the National Priorities List (“NPL”) upon completion of hazard ranking system screening, public solicitation of comments about the proposed site, and after all comments have been addressed. The identification of a site for the NPL is intended primarily to guide the U.S. Environmental Protection Agency (EPA) in determining which sites warrant further investigation, identifying remedial actions, notifying the public, and serving notice to potentially responsible parties. Inclusion of a site on the NPL does not in itself reflect a judgment of the activities of its owner or operator. There are two superfund sites inside the County.

Additional information pertaining to the superfund sites is available at local libraries, the Oregon Department of Environmental Quality or the EPA Region 10 Superfund Records Center.

The Initiative and Referendum Process

Article IV, Section 1 of the Oregon Constitution reserves to the people of the State the initiative power to amend the State Constitution or to enact legislation by placing measures on the statewide general election ballot for consideration by the voters. Oregon law therefore permits any registered Oregon voter to file a proposed initiative with the Oregon Secretary of State's office without payment of fees or other burdensome requirements. Consequently, a large number of initiative measures are submitted to the Oregon Secretary of State's office, and a much smaller number of petitions obtain sufficient signatures to be placed on the ballot.

Because many proposed statewide initiative measures are submitted to the Oregon Secretary of State's office that do not qualify for the ballot, the County does not formally or systematically monitor the impact of those measures or estimate their financial effect prior to the time the measures qualify for the ballot. The County also does not formally or systematically monitor efforts to qualify measures for the ballot that would initiate new provisions for, or amend, the County's charter and ordinances. Consequently, the County does not ordinarily disclose information about proposed initiative measures that have not qualified for the ballot.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voters' pamphlet and on the ballot.

Referendum

"Referendum" generally means measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure's effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election.

Initiative Process

To place a proposed statewide initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote. Statewide initiatives may only be filed for general elections in even-numbered years.

A statewide initiative petition must be submitted to the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition. Once an initiative measure has gathered a sufficient number of signatures and qualified for placement on the ballot, the State is required to prepare a formal estimate of the measure's financial impact. Typically, this estimate is limited to an evaluation of the direct dollar impact.

Historical Initiative Petitions. Historically, a larger number of initiative measures have qualified for the ballot than have been approved by the electors. According to the Elections Division of the Secretary of State, the total number of initiative petitions that qualified for the ballot and the numbers that passed in recent general elections are as follows:

Recent Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2008	8	0
2010	4	2
2012	7	2
2014	4	2
2016	4	3
2018	4	0
2020	2	2

Source: Elections Division, Oregon Secretary of State, Initiative, Referendum and Referral Log, Elections Division.

Measure 110 (M110), Drug Decriminalization and Addiction Treatment Initiative (2020), was approved by the voters at the November 2020 general election. The measure creates the Drug Treatment and Recovery Services Fund (DTRSF), and redistributes state marijuana tax revenue above \$11.25 million per quarter from existing recipients to the DTRSF, reducing revenue previously allocated to the State School Fund (SSF), the State Police, mental health programs and local governments. According to the Oregon Secretary of State, the initiative reduces the marijuana revenue distribution to cities and counties. The estimated reduction is \$8.6 million in 2019-21 biennium and \$36.4 million in 2021-23 biennium. Regardless, the County does not anticipate a material impact to its finances as a result of the measure.

Home Rule Charter

In addition to statutory and constitutional changes by the Legislative Assembly and the initiative and referendum process, nine of Oregon’s counties, including the County have adopted “home rule” charters. County charters may provide for the exercise by the county of authority over matters of county concern. The County adopted its charter in 1967. A copy of the County Charter is available upon request from the County.

Legal Matters and Litigation

Legal Matters

Legal matters incident to the authorization, issuance and sale of Obligations are subject to the approving legal opinion of Special Counsel, substantially in the form attached hereto as Appendix A. Special Counsel has reviewed this document only to confirm that the portions of it describing the Obligations and the authority to issue them conform to the Obligations and the applicable laws under which they are issued.

Litigation

There is no litigation pending questioning the validity of the Obligations nor the power and authority of the County to issue the Obligations. There is no litigation pending which would materially affect the finances of the County or affect the County’s ability to meet debt service requirements on the Obligations.

Under the Oregon law local public bodies, such as the County, are subject to the following limits on liability. The State of Oregon is subject to different limits.

Personal Injury and Death Claim. The liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any single claimant for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed \$769,200, for causes of

action arising on or after July 1, 2020, and before July 1, 2021. The liability limits to all claimants for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence may not exceed \$1,538,300 for causes of action arising on or after July 1, 2020, and before July 1, 2021.

Property Damage or Destruction Claim. The liability limits of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2020: (a) \$126,200, adjusted as described below, to any single claimant, and (b) \$630,800, adjusted as described below, to all claimants.

For causes of action arising on or after July 1, 2021, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the statutory formula. The adjustment may not exceed three percent for any year.

Tax Matters

Opinion of Special Counsel

In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the County (“Special Counsel”), the portion of the payments made under the Financing Agreement designated and constituting interest (“Interest”) (i) is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of Oregon.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Obligations by original purchasers of the Obligations who are “U.S. Holders”, as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Obligations will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Obligations as a position in a “hedge” or “straddle”, U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Obligations in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Obligations at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of Obligations should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Obligations as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined *de minimis* amount, a U.S. Holder of an Obligation having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Obligation) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price”. For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Obligation is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest”, provided by such Obligation;

“qualified stated interest” is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and “*de minimis* amount” is an amount equal to 0.25 percent of the Obligation’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on an Obligation using the constant-yield method, subject to certain modifications.

Acquisition Discount on Short-Term Obligations

Each U.S. Holder of an Obligation with a maturity not longer than one year (a “Short-Term Obligation”) is subject to rules of Sections 1281 through 1283 of the Code, if such U.S. Holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Obligation is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and “acquisition discount” with respect to, the Short-Term Obligation accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant-interest-rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Short-Term Obligation at maturity over the U.S. Holder’s tax basis therefor.

A U.S. Holder of a Short-Term Obligation not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the U.S. Holder’s regular method of tax accounting, unless such U.S. Holder irrevocably elects to accrue acquisition discount currently.

Bond Premium

In general, if an Obligation is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Obligation other than “qualified stated interest” (a “Taxable Premium Bond”), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such obligation), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder’s basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder’s original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of an Obligation, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Obligation.

The County may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Obligations to be deemed to be no longer outstanding (a “defeasance”). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Obligations subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders of the Obligations with respect to payments of principal, payments of interest, and the accrual of OID on an Obligation and the proceeds of the sale of an Obligation before maturity within the United States. Backup withholding may apply to U.S.

Holders of Obligations under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of an Obligation that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of Interest under state law and could affect the market price or marketability of the Obligations.

Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

Continuing Disclosure

The Securities and Exchange Commission Rule 15c2-12 (the "Rule") requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Obligations. Pursuant to the Rule, the County has agreed to provide audited financial information and certain financial information or operating data at least annually, and timely notice of certain events (collectively, "Continuing Disclosure") to the MSRB through its EMMA system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes).

Prior Undertakings. During the last five fiscal years, the County was obligated to provide Continuing Disclosure filings for its General Obligation Refunding Bonds, Series 2010; Full Faith and Credit Obligations, Series 2010A; Full Faith and Credit Obligations, Series 2010B; Full Faith and Credit Obligations, Series 2012; Full Faith and Credit Refunding Obligations, Series 2014; Full Faith and Credit Obligations, Series 2017; and Limited Tax Pension Obligation Revenue Bonds, Series 1999 (Federally Taxable) ("Outstanding Debt"). The County's Full Faith and Credit Obligations, Series 2017 require its annual financial information filed within 9 months of the end of the Fiscal Year. The County's other undertakings require its annual financial information filing within 270 days of the end of the Fiscal Year (usually March 27). Other than as noted below, the County has complied in all material respects with its continuing disclosure requirements under the Rule in the past five years.

Failure to File - Material Events. The County agreed to provide timely notice of certain material events related to each issue. The County failed to provide timely notice of a rating upgrade by S&P from AA+ to AAA on November 17, 2017. The County subsequently filed notice on EMMA of the upgrade on January 26, 2018, and a failure to file notice on December 3, 2020.

The County has implemented procedures to maintain compliance with its obligations under the Rule. The County maintains an internal debt matrix document as a guide to track debt issues and compliance.

A copy of the form of the County's Continuing Disclosure Certificate for the Obligations is attached hereto as Appendix D.

Municipal Advisor

In connection with the authorization and issuance of the Obligations, the County has retained Piper Sandler & Co., Portland, Oregon, as its Municipal Advisor (the "Municipal Advisor").

The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement.

Ratings

As noted on the cover page of this Official Statement, Moody's Investors Service and S&P Global Ratings, a Division of Standard & Poor's Financial Services LLC, have assigned their underlying ratings of "Aaa" and "AAA," respectively, to the Obligations. There is no assurance that the ratings will be retained for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating will be likely to have an adverse effect on the market price of the Obligations.

Purchaser of the Obligations

The Obligations are being purchased by Wells Fargo Bank NA and they will receive compensation of \$449,077.98. The purchaser of the Obligations may offer and sell the Obligations to certain dealers (including dealers depositing the Obligations into investment trusts) and others at prices lower than the initial offering prices corresponding to the yields set forth on page i of this Official Statement, and such initial offering prices may be changed from time to time by such purchaser. After the initial public offering, the public offering prices may be varied from time to time.

In connection with the offering of the Obligations, the purchaser of the Bonds may overallocate or effect transactions which stabilize or maintain the market price of the Obligations at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued or recommenced at any time.

Certificate with Respect to Official Statement

At the time of the original delivery of and payment for the Obligations, the County will deliver a certificate of its authorized representative to the effect that the representative has examined this Official Statement and the financial and other data concerning the County contained herein and that to the best of the representative's knowledge and belief, (i) the Official Statement, both as of its date and as of the date of delivery of the Obligations, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Obligations, no event affecting the County has occurred which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading.

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Appendix A

Form of Special Counsel Opinion

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January 21, 2021

Multnomah County
501 SE Hawthorne Blvd.
Portland, OR 97214

Re: *Multnomah County, Oregon*
\$89,580,000 Full Faith and Credit Refunding Obligations, Series 2021 (Federally
Taxable)

Ladies and Gentlemen:

We have acted as special counsel to Multnomah County, Oregon (the “County”) in connection with the Financing Agreement (the “Financing Agreement”) by and between the County and U.S. Bank National Association as escrow agent (the “Escrow Agent”), dated as of January 21, 2021. The Financing Agreement and an Escrow Agreement (the “Escrow Agreement”) by and between the County and the Escrow Agent, dated as of January 21, 2021 authorize the Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable) (the “Obligations”), which are dated January 21, 2021, and which are in the aggregate principal amount of \$89,580,000. The Obligations represent undivided proportional interests in the Financing Payments to be made by the County pursuant to the Financing Agreement. The Financing Agreement is issued pursuant to Oregon Revised Statutes (“ORS”) Sections 271.390 and 287A.365 and other applicable provisions of ORS Chapter 287A, and Resolution No. 2020-092 adopted by the County Board of Commissioners on October 22, 2020 (the “Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Escrow Agreement.

We have examined the applicable law, a duly certified transcript of proceedings of the County, prepared in part by us, and other documents which we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied on representations of the County contained in the Resolution, the Financing Agreement, the Escrow Agreement and other certified proceedings and certifications of officials of the County and others furnished to us without undertaking to verify such representations and certifications by independent investigation.

On the basis of the foregoing examination, and in reliance thereon, and on the basis of our examination of such other matters of fact and questions of law as we deem relevant under the circumstances, and subject to the limitations expressed herein, we are of the opinion, under existing law, as follows:

A. The Financing Agreement and the Escrow Agreement have been legally authorized, executed and delivered by the County under and pursuant to the constitution and statutes of the State of Oregon and the Resolution, and are valid and legally binding obligations of the County enforceable against the County in accordance with their terms, subject to: (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally (whether now or hereafter in existence); (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting, or limiting the enforcement of rights or remedies against governmental entities such as the County.

B. The Obligations represent proportional ownership interests in financing payments to be made by the County pursuant to the Financing Agreement (the "Financing Payments"). The Financing Payments are payable from and secured by all legally available funds of the County. Pursuant to ORS 287A.315, the County has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to make the Financing Payments. The pledge of the County's full faith and credit and taxing power does not entitle the owners or purchasers of the Obligations to any lien on specific properties or revenues of the County.

C. The portion of the Financing Payments designated as and constituting interest received by the holders of the Obligations ("Interest") is not excludable from gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

D. Interest is exempt from State of Oregon personal income tax.

We express no opinion as to any federal, state or local tax consequences arising with respect to the Obligations, or the ownership or disposition thereof, except as stated in paragraphs C and D above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on the opinions expressed.

We have acted solely as special counsel to the County regarding the sale and issuance of the

Obligations and have not represented any other party in connection with the Obligations.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the official statement or other offering materials relating to the Obligations, and we express no opinion relating thereto. We express no opinion as to the creditworthiness of the County, the investment quality of the Obligations or the adequacy of the security for the Obligations.

The opinions expressed herein are solely for your benefit in connection with the above referenced financing and may not be relied on in any manner or for any purpose by any person or entity other than the County and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion, nor may copies be furnished to any other person or entity, without the prior written consent of Hawkins Delafield & Wood LLP.

Very truly yours,

Appendix B

Financial Statements

The County's Auditor has not performed any further review of the County's financial statements since the date of the audit contained herein. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2020 Fiscal Year.

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FISCAL YEAR ENDED JUNE 30, 2020

About the Cover

A shelter worker at the Mount Scott Community Center sets up a bed while properly wearing a mask and social distancing to protect the most vulnerable population in the County. Many people and businesses are facing tough challenges due to the global pandemic. This shelter is operated by the City of Portland and Multnomah County's Joint Office of Homeless Services (JOHS), which has set a national standard for how local governments can work cross-jurisdictionally to use resources more effectively and demonstrate that every member of their community is valued and sustained by local leaders, especially during a time of crisis.

The Joint Office of Homeless Services has vastly increased its provision of shelter and outreach services to assist with Multnomah County's COVID-19 response. The JOHS has established three new congregate shelters, six physical distancing motel shelters, and two voluntary isolation motel shelters to allow for physical distancing and adherence to other public health guidance in its existing congregate shelter system. Adam Brown, the Business Services Manager for the JOHS, stated, "We have an existing shelter system that we fund in non-COVID times. This additional capacity has allowed us to decompress that system, ensure proper physical distancing, and keep people safe."

If you would like to get involved and be a part of the effort to strengthen the community, please visit the website <http://ahomeforeveryone.net/> and click on GET INVOLVED at the top.

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
Table of Contents

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020



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

INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	16
Elected Officials	17
Principal Officers	18
Organizational Charts	19
FINANCIAL SECTION	
Report of Independent Auditors	23
Management's Discussion and Analysis	26
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	43
Statement of Activities	45
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	46
Reconciliation of the Balance Sheet to the Statement of Net Position	47
Statement of Revenues, Expenditures, and Changes in Fund Balances	48
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	49
Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	50
Federal/State Program Fund	51
Proprietary Funds:	
Statement of Fund Net Position	52
Statement of Revenues, Expenses, and Changes in Fund Net Position	53
Statement of Cash Flows	54
Fiduciary Funds:	
Statement of Fiduciary Net Position	55
Statement of Changes in Fiduciary Net Position	56

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
Table of Contents (continued)

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
Table of Contents (continued)

<p>Notes to Basic Financial Statements:</p> <p>I. Summary of significant accounting policies 57</p> <p>II. Stewardship, compliance, and accountability 74</p> <p>III. Detailed notes 76</p> <p>IV. Other information 100</p> <p>Required Supplementary Information:</p> <p>I. Postemployment benefits other than pensions:</p> <p style="padding-left: 20px;">Retirement Health Insurance Account – Schedule of Proportionate Share (Asset) Liability 132</p> <p style="padding-left: 20px;">Schedule of Contributions 132</p> <p style="padding-left: 20px;">Multnomah County Postretirement Medical and Life Insurance Plan – Schedule of Changes in Total OPEB Liability and Related Ratios and Notes to the Schedule 133</p> <p>II. Employee retirement systems, pension plan:</p> <p style="padding-left: 20px;">Schedule of Proportionate Share of Net Pension (Asset) Liability 134</p> <p style="padding-left: 20px;">Schedule of Pension Contributions 134</p> <p>III. Notes to required supplementary information 135</p> <p>Combining and Individual Fund Statements and Schedules -</p> <p>Governmental Funds:</p> <p>Nonmajor Governmental Funds:</p> <p style="padding-left: 20px;">Combining Balance Sheet 137</p> <p style="padding-left: 20px;">Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 138</p> <p>Nonmajor Special Revenue Funds:</p> <p style="padding-left: 20px;">Combining Balance Sheet 139</p> <p style="padding-left: 20px;">Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 142</p> <p style="padding-left: 20px;">Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:</p> <p style="padding-left: 40px;">Road Fund 145</p> <p style="padding-left: 40px;">Bicycle Path Construction Fund 146</p> <p style="padding-left: 40px;">Recreation Fund 147</p> <p style="padding-left: 40px;">County School Fund 148</p> <p style="padding-left: 40px;">Animal Control Fund 149</p> <p style="padding-left: 40px;">Willamette River Bridges Fund 150</p> <p style="padding-left: 40px;">Library Fund 151</p> <p style="padding-left: 40px;">Special Excise Tax Fund 152</p>	<p style="padding-left: 20px;">Land Corner Preservation Fund 153</p> <p style="padding-left: 20px;">Inmate Welfare Fund 154</p> <p style="padding-left: 20px;">CARES Act Local Government Fund 155</p> <p style="padding-left: 20px;">Justice Services Special Operations Fund 156</p> <p style="padding-left: 20px;">Oregon Historical Society Levy Fund 157</p> <p style="padding-left: 20px;">Video Lottery Fund 158</p> <p style="padding-left: 20px;">Library District Fund 159</p> <p style="padding-left: 20px;">Supportive Housing Fund 160</p> <p>Debt Service Funds:</p> <p style="padding-left: 20px;">Combining Balance Sheet 161</p> <p style="padding-left: 20px;">Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 162</p> <p style="padding-left: 20px;">Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:</p> <p style="padding-left: 40px;">Capital Debt Retirement Fund 163</p> <p style="padding-left: 40px;">PERS Pension Bond Sinking Fund 164</p> <p>Capital Projects Funds:</p> <p style="padding-left: 20px;">Combining Balance Sheet 165</p> <p style="padding-left: 20px;">Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 168</p> <p style="padding-left: 20px;">Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:</p> <p style="padding-left: 40px;">Downtown Courthouse Capital Project Fund 171</p> <p style="padding-left: 40px;">Asset Replacement Revolving Fund 172</p> <p style="padding-left: 40px;">Financed Projects Fund 173</p> <p style="padding-left: 40px;">Library Capital Construction Fund 174</p> <p style="padding-left: 40px;">Capital Improvement Fund 175</p> <p style="padding-left: 40px;">Information Technology Capital Fund 176</p> <p style="padding-left: 40px;">Asset Preservation Fund 177</p> <p style="padding-left: 40px;">Health Headquarters Capital Fund 178</p> <p style="padding-left: 40px;">Sellwood Bridge Replacement Fund 179</p> <p style="padding-left: 40px;">Hansen Building Replacement Fund 180</p> <p style="padding-left: 40px;">Enterprise Resource Planning Project Fund 181</p> <p style="padding-left: 40px;">Library District Capital Fund 182</p> <p style="padding-left: 40px;">Burnside Bridge Fund 183</p> <p style="padding-left: 40px;">Behavioral Health Resource Center Capital Fund 184</p>
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MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
Table of Contents (continued)

Combining and Individual Fund Statements and Schedules -	
Proprietary Funds:	
Enterprise Funds:	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Dunthorpe-Riverdale Service District No. 1 Fund	185
Mid County Service District No. 14 Fund	186
Behavioral Health Managed Care Fund	187
Internal Service Funds:	
Combining Statement of Net Position	188
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	190
Combining Statement of Cash Flows	192
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Risk Management Fund	196
Fleet Management Fund	197
Fleet Asset Replacement Fund	198
Information Technology Fund	199
Mail Distribution Fund	200
Facilities Management Fund	201
Combining and Individual Fund Statements and Schedules -	
Fiduciary Funds:	
Custodial Funds:	
Statement of Fiduciary Net Position	202
Statement of Changes in Fiduciary Net Position	204
Other Financial Schedules:	
Property Tax Collections and Outstanding Balances	206
Capitalized Lease Obligations	207
Loans Payable Outstanding	208
Full Faith and Credit Bonds Outstanding	209
STATISTICAL INFORMATION SECTION	
Financial Trends:	
Net Position by Component	211
Changes in Net Position	213
Fund Balances, Governmental Funds	217

MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
Table of Contents (continued)

Changes in Fund Balances, Governmental Funds	219
Revenue Capacity:	
Program Revenues by Function/Program	221
Tax Revenues by Source, Governmental Funds	223
Assessed Valuation and Actual Values of Taxable Property	224
Property Tax Levies and Collections	225
Property Tax Rates - Direct and Overlapping Governments	226
Principal Taxpayers	227
Debt Capacity:	
Ratio of Outstanding Debt by Type	228
Ratios of General Bonded Debt Outstanding	229
Pledged-Revenue Coverage	230
Legal Debt Margin Information	231
Computation of Direct and Overlapping Debt	233
Demographic and Economic Information:	
Demographic and Economic Statistics	234
Principal Employers	235
Full Time Equivalent County Employees by Function/Program and Bargaining Unit	236
Operating Information:	
Operating Indicators by Function/Program	238
Capital Asset and Infrastructure Statistics by Function/Program	242
AUDIT COMMENTS AND DISCLOSURES	
Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Oregon Minimum Audit Standards</i>	244
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 <i>Government Auditing Standards</i>	246

December 23, 2020

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Multnomah County, Oregon, (the County) for the fiscal year ended June 30, 2020, together with the unmodified opinion of our independent certified public accountants, Moss Adams LLP.

The CAFR is published to provide the Board of County Commissioners, County staff, our residents, and other interested readers with detailed financial information that presents the County's financial position and activities of County departments. The Department of County Management is responsible for the preparation of this report as required by Oregon Revised Statutes (ORS 297.425). Also included are Audit Comments and Disclosures required under the *Minimum Standards for Audits of Oregon Municipal Corporations* of the Oregon Administrative Rules (OAR).

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Office of Management and Budget (OMB) 2 CFR Part 200 (Uniform Administrative Guidance) 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 OMB 2 CFR Part 200 will be included in a subsequent report. The County is waiting on an OMB compliance supplement for Coronavirus Aid, Relief, and Economic Security (CARES) funding.

This report presents fairly the financial position of the various funds of the County at June 30, 2020, and the operations of the various funds in conformance of accounting principles generally accepted in the United States of America (US GAAP). It is prepared under the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada (GFOA) and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

County Profile

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 an estimated population as of July 1, 2019 of 812,855 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.

INTRODUCTORY SECTION

INTRODUCTORY SECTION

PROFILE OF MULTNOMAH COUNTY, OREGON

Multnomah County provides a full range of services including, but not limited to:

- Law Enforcement
- Elections
- Adult and Juvenile Corrections
- Animal Control
- Public Health
- Construction and Maintenance of Roads, Bridges, and Other Infrastructure
- Parole and Probation
- Aging and Disability Services
- Health Services (Clinical and Dental Services)
- Mental Health and Addictions Services
- Homeless Services
- Internal Business Support

In November 2012, the voters of Multnomah County approved the creation of the Multnomah County Library District. The Library District formed in fiscal year 2014 and is supported by a dedicated Property Tax levy. It is legally separate from Multnomah County, although the Board of County Commissioners also serves as the Library District Board. The Library District is 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.

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 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 I. *Summary of Significant Accounting Policies* of the *Notes to the Basic Financial Statements*.

Accounting System and Budget Control

This report consists of management's representations concerning the finances of the County. 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, 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.

PROFILE OF MULTNOMAH COUNTY, OREGON

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except custodial 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 unanticipated 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. Appropriation transfers must be approved by the Board of County Commissioners in public meetings prior to the related expenditures. During the fiscal year, two supplemental budgets were 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 50-51 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 137.

Economic Conditions and Financial Outlook

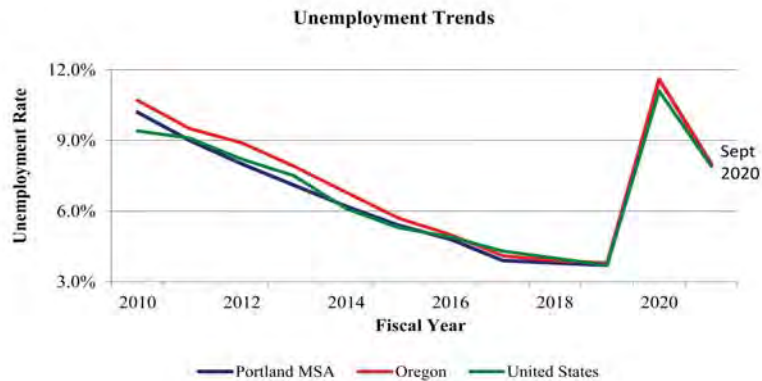
Local Economy: Multnomah County is in the "Greater Portland" metropolitan area, which include cities on both sides of the Columbia River. This metropolitan area is the financial, trade, transportation and service center for Oregon, southwest Washington and the Columbia River Basin. Its manufacturing base includes electronics, machinery, transportation equipment, and fabricated metals.

The unemployment rate in the Portland metropolitan area in February 2020 was near historic lows at 3.2 percent, the Multnomah County unemployment rate was 2.9 percent vs 3.6 percent a year earlier, and nonfarm employment in Multnomah County was at 527,800, one percent higher than last year. With the State-instituted shut down of broad sectors of the economy in order to slow the spread COVID-19, we have seen an unprecedented increase in unemployment claims. In the first four weeks of the shutdown Oregon saw over 333,000 filed unemployment claims and the unemployment rate peaked at nearly 15 percent in April 2020 for the State. At the national level, Gross Domestic Product (GDP) decreased at an annual rate of 4.8 and 32.9 percent in quarters one and two of 2020, after real GDP increased by 2.1 percent in the last quarter of 2019.

The Federal government has taken extraordinary measures to respond to the economic decline, the Federal Reserve undertook two emergency interest rate decreases in March 2020, and on March 27th the United States Congress passed a \$2 trillion economic relief package, Coronavirus Aid, Relief, and Economic Security (CARES) Act. The relief package provided direct economic assistance to workers and small businesses, in addition to providing financial support to local governments in combating the spread of COVID-19. Multnomah County received a direct allocation of \$28 million from CARES Act in fiscal year 2020. Though great uncertainty remains around the economic recovery, we have seen better than expected improvements in employment due to federal relief and the slow easing of COVID-19 shut down measures; the national unemployment rate dropped to 7.9 percent by September 2020 and GDP increased at an annual rate of 33.1 percent in the third quarter of 2020. The pace of economic recovery in Multnomah County will continue to be impacted by the country's ability to mitigate COVID-19, the presidential transition, further federal financial relief, changes in consumer behaviors, and the long-term impacts of this severe economic depression.

PROFILE OF MULTNOMAH COUNTY, OREGON

The chart below displays how unemployment rates have steadily declined since the great recession of 2008, with the local rates being slightly below the national average. The economic impact of the global pandemic has resulted in the local unemployment rates being slightly higher than the national average (June 2020 – 11.6 vs 11.1 percent and September 2020 – 8.0 vs 7.9 percent).



Locally, the residential real estate market has experienced continued slow growth in comparison to the last several years, matching activity across major western cities. The combination of wage growth caused by low unemployment and slowdown in housing price increases has helped to improve housing affordability in the region, but Portland remains an expensive place to live. As measured by S&P Case-Shiller Home Price Index for Portland metro area, home prices increased by 3.7 percent during 2019 and 3.8 percent through August of 2020.

The Oregon Economic and Revenue Forecast (dated September 2020) shows stronger economic growth in recent months despite the substantial economic gap caused by the COVID-19 pandemic. State collections of Personal Income Taxes and Corporate Taxes set record highs over the post-shutdown period. High-income households being less impacted by economic decline, better than expected consumer spending, and strong federal financial relief has resulted in a slightly more favorable financial forecast at the State level. The economic shock is expected to slowly begin impacting primary State revenues. The State's base model forecasts employment growth at 0.4 percent and 2.8 percent in 2021 and 2022, respectively, and personal income growth of -6.5 percent in 2021 and 5.2 percent in 2022.

The pace of economic decline has had a substantial effect on inflation. Through the first six months of 2020, the inflation average was about 1.2 percent and 1.6 percent through September. This has been a significant decrease from pre-pandemic rates of 2.9 percent. Inflation is important because County labor contracts have wage escalators that are based on the Consumer Price Index (CPI-W). Current contracts cap the cost-of-living adjustment at 4 percent and the financial forecast assumes wage growth at approximately 2.5 percent over the next few years.

FACTORS AFFECTING FINANCIAL CONDITION

Financial Outlook: 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 actions by the Board of County Commissioners 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. Property taxes on individual properties generally cannot grow by more than 3 percent a year. Since property taxes make up a significant percentage of General Fund revenues, the property tax limits have the effect of constraining overall revenue growth. The volatility of the Business Income Tax (BIT) is also a constraint on revenues, but the past few years have seen record levels of tax collections. On the expenditure side, the cost of providing benefits – healthcare and pension payments – to employees typically grows faster than revenues.

At the beginning of March 2020, the Board of County Commissioners, facing a \$7.8 million General Fund budget deficit for fiscal year 2021, approved an amendment to the County Business Income Tax (BIT) code that increased the BIT rate beginning with tax year 2020 from 1.45 percent to 2 percent. In addition, the change included an increase to the BIT gross receipt exemption and owner compensation deduction to provide relief to small businesses. At the time it was estimated this rate increase would generate an additional \$29.6 million in fiscal year 2021 and solve the structural deficit issues over the next 5 years. The global pandemic has quickly and significantly changed the County's financial picture by reducing forecasted revenues and created a need for additional resources to respond to the pandemic (public health, shelter services, economic support, etc.). Fortunately for the County, when the pandemic hit in Mid-March a majority of property tax receipts had been received and tax year 2019 was complete which helped keep Business Income Tax stable for fiscal year 2020.

The pandemic created an estimated general fund budget deficit of \$57.7 million in fiscal year 2021. The deficit was balanced with Business Income Tax rate increase (approved prior to COVID-19 outbreak), a two percent constraint applied to department current service levels, COLA and merit freeze for non-represented staff, and one-time only resources. The County was able to fund its fiscal year 2021 COVID-19 response (\$89 million) with external funding (see below).

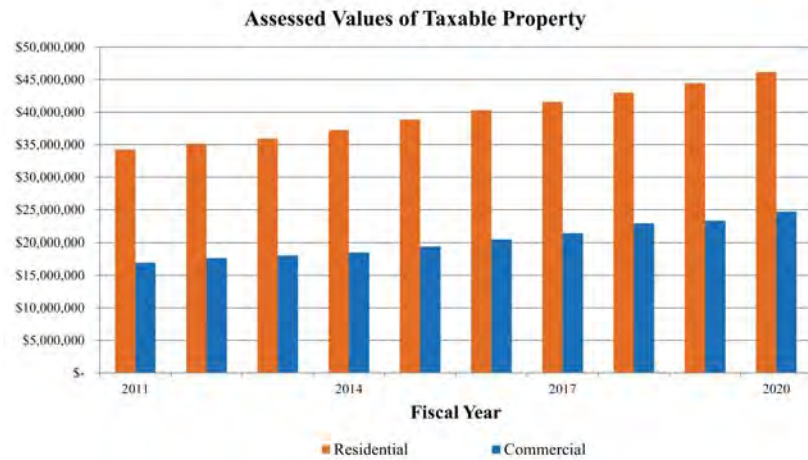
- \$21 million direct County CARES Act funding (carryover from original allocation of \$28 million)
- \$31.5 million City of Portland CARES Act Funding
- \$20 million of State of Oregon CARES Act Funding
- \$17 million other Federal COVID-19 funding

The financial outlook remains very uncertain during the pandemic but having identified the financial gap, the County has taken a very conservative approach in financial planning. The current forecast assumes slow but continued growth. Barring unexpected reductions in State or Federal funding, the General Fund is forecasted to have \$9.1 million deficit at current service levels in fiscal year 2022, before any decisions are made by the County Board. In fiscal year 2023 the County is forecasting a surplus near \$10 million. These forecasts do not include any continued resource needs in response to COVID-19 beyond fiscal year 2021.

FACTORS AFFECTING FINANCIAL CONDITION

General Fund Revenues: As noted previously, property taxes are the largest single source of revenue in the County’s General Fund. Property taxes account for approximately 60 percent of General Fund revenues and have seen a consistent, slow increase over the past ten years despite significant increases in 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 fiscal 2020, property taxes collections were up 3.97 percent and the forecasted growth is expected to decrease to about 2.5 percent as a result of higher compression and expected higher delinquency in collections.

The following charts highlight the County’s residential and commercial assessed values (AV) over the past ten years. Residential property has experienced a 34.7 percent increase in AV over a ten-year period compared to a 45.6 percent increase for commercial AV over the same period.



FACTORS AFFECTING FINANCIAL CONDITION

The following chart highlights an interesting feature of Oregon’s tax system. All new construction is placed on the tax rolls using what is known as a Changed Property Ratio (CPR). The CPR indexes all taxable property values to what they would have been in 1995, the effective year of Measure 50. As an example, a new house that sold in Multnomah County for \$500,000 would have an AV of about \$250,000 which could then only grow by 3 percent annually. A separate CPR is calculated for each class of properties. While the statutory limits on AV growth tend to restrict the growth in tax revenues, applying the CPR ensures that revenues are buffered somewhat during economic downturns.

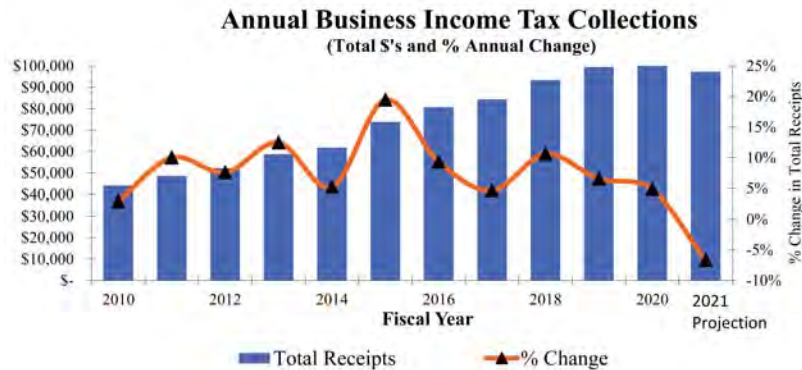


FACTORS AFFECTING FINANCIAL CONDITION

Business income tax (BIT) is the second largest source of revenue in the General Fund and is set at a rate of 2 percent of net income. In March of 2020, the Board of County Commissioners approved an increase to the tax rate from 1.45 percent to 2 percent beginning with tax year 2020. The board also approved an increase to the gross receipts exemption from \$50,000 to \$100,000 and an increase to owner’s compensation deduction from \$108,000 to \$127,000 to provide relief to small businesses. At the time of tax rate increase it was estimated to generate an additional \$29.7 million in revenue for fiscal year 2021. The last permanent tax rate increase occurred in 1987. Unlike the State of Oregon’s corporate income tax, the BIT is assessed against all types of business entities. There are approximately 112,000 active business income accounts in Multnomah County. Tax collections generally parallel economic cycles. In fiscal year 2020, collections were \$104.3 million, a 4.8 percent increase over fiscal year 2019 and the highest level of BIT collections ever received. Since the end of the “great recession” BIT revenues have grown, on average, by nearly 9 percent annually.

The global pandemic is expected to significantly impact our BIT collections in fiscal year 2021 as business activity has slowed significantly in many sectors of the economy. In March of 2020 the BIT forecast for fiscal year 2021 was reduced by 24 percent (reduced 3.3 percent net of tax rate increase) but it has been adjusted slightly up in the latest forecast. Current forecasts assume that the BIT revenue will see a slight decline in fiscal year 2021 (net of tax rate increase), followed by two years of strong growth as the economy recovers, before returning to its long-term trend with moderate growth of 5 percent annually. The County has taken proactive measures to establish a separate contingency amount in the General Fund to guard against downturns in the BIT. The “BIT Stabilization Reserve” is set at \$9.3 million in fiscal year 2021, which provides an additional 10 percent buffer.

The following chart highlights the volatility of BIT collections over the past eleven years. Expanded federal relief to businesses and COVID-19 mitigation will be key elements in returning BIT collections to moderate growth levels.



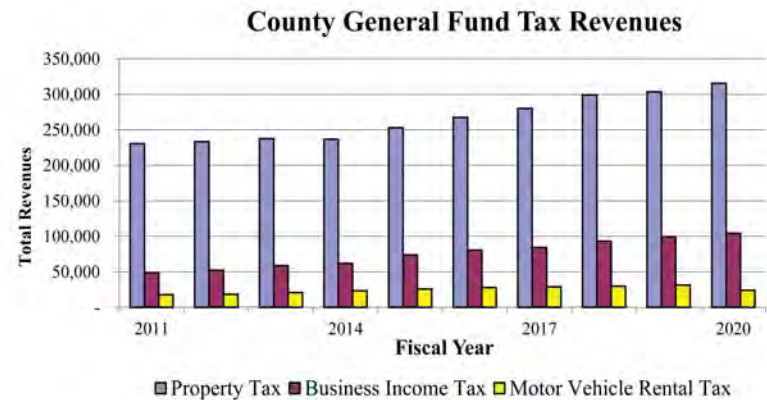
FACTORS AFFECTING FINANCIAL CONDITION

Motor vehicle rental taxes (MVRT) account for about 5 percent of General Fund tax revenues. In 2010, the tax rate on vehicle rental charges was increased from 12.5 percent to 17 percent, with the revenue from the 14.5 percent dedicated for use in the General Fund and the remaining 2.5 percent dedicated for use in a Visitor’s Development Trust Fund. MVRT collections are highly influenced by the economy.

The travel and tourism industry was particularly hard hit by the spread of COVID-19 with global declines in travel, major event cancellations, and hotel closures or reduced capacity. The pace and degree of the downturn has been unprecedented, and at the peak of the downturn, air travel at the Portland Airport was down over 90 percent and still remains down over 60 percent. Motor vehicle rental taxes collections were down 23 percent in fiscal year 2020 and down 64 percent in quarter two of 2020. Current forecast assumes MVRT will be down 31 percent in fiscal year 2021 but will significantly rebound in fiscal year 2022.

Prior to fiscal year 2020, MVRT collections over a 9-year period (2011-2019) had grown at an average rate of 7 percent annually which was reflective of the growing travel and tourism industry in Multnomah County.

The following graph highlights the major tax sources that make up the County’s General Fund.



FACTORS AFFECTING FINANCIAL CONDITION

The State of Oregon provides over 30 percent of the County’s total funding. Most of this revenue is recorded in the Federal/State Program Fund. While technically not a General Fund revenue source, the General Fund is used to leverage state support, and the County has used General Fund resources to backfill state funded programs. The State’s General Fund is highly dependent upon economically sensitive income taxes. The State does not have a very diverse revenue base – Oregon is one of only 5 states that do not levy a sales tax – and approximately 86 percent of State General Fund revenue comes from Personal Income Tax. For the County’s fiscal year 2021 and the State’s 2019-2021 biennium, funding was generally stable with some moderate County reductions in State funding. As previously noted, though the State has seen a decline to its growth forecasts for primary revenues, the severity has been less than expected and a lot of uncertainty remains on the long term impacts of this economic shock into fiscal year 2022 and beyond.

The State of Oregon recently passed Senate Bill 1049 which aims to reduce PERS costs. The reform re-amortizes Tier One and Tier Two Unfunded Actuarial Liability (UAL) over a 22-year period, redirects a portion of the Individual Account Program (IAP) into an Employee Pension Stability Account (EPSA), limits final average salary for all members to \$195,000 (indexed), and eliminates hour limits and exceptions for work after retirement in calendar years 2020-2024. The changes present short and long financial impacts to the County. The majority of the impacts will come from the re-amortization of the UAL and to a lesser extent the IAP redirect by providing short-term rate relief starting in fiscal year 2022. In the long term the re-amortization will result in higher PERS costs as system funding level will be lower than the previous policy. The change will also increase system risk due to longer exposure to the assumed earnings rate. The County is continuing to evaluate options to counteract the legislation's long-term risks like creating more PERS side accounts with short term reform savings. The County’s outstanding PERS Bond will be fully matured in fiscal year 2030 which will provide significant savings in the out years.

COVID-19 significantly impacted Oregon PERS rate of return in the first two quarters of 2020. In the first quarter of 2020 the OPERS system estimates losses were approximately 7.8 percent. In August of 2020, returns in the fund turned positive for first time in 2020 at 0.6 percent. The full extent of COVID-19 impacts on the County’s unfunded pension liability are yet to be determined and will come into effect during the 2023-25 biennium.

In fiscal year 2017, the County Board approved an effort to establish four side accounts with Oregon PERS over a four-year period (\$25 million annually) to mitigate rising PERS rates. In November of 2019, the County established its fourth side account and now has invested over \$100 million into PERS side accounts. These funds are invested by PERS and earn the same rate of return as the overall PERS portfolio. In addition, as established by SB 1049, the County participated in the PERS Employer Incentive Fund (EIF) match program. The PERS EIF provided a 25 percent match on qualifying side accounts made after June 2, 2018. The County received a full match on one side account totaling \$6.2 million.

FACTORS AFFECTING FINANCIAL CONDITION

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
- Leveraging 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 its 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.

In fiscal year 2015, the Board of County Commissioners updated its use of one-time-only resources policy, directing that “after fully funding reserves as established by policy, 50 percent of any remaining one-time-only resources will be allocated to the capitalization, or recapitalization, of major County facilities projects.” This policy refinement has limited one-time-only funds being used for recurring costs, while addressing long-term facility costs.

The fiscal year 2021 adopted budget includes approximately \$47.1 million of one-time only General Fund resources after fully funding the General Fund Reserves. The majority of these one-time-only funds are used for one-time-only expenses:

Purpose	Amounts (in thousands)
Southeast Health Clinic	\$ 5,120
Behavioral Health Resource Center	8,750
Emergency Shelter Strategic Investment	2,200
Justice Center Critical Electrical System Upgrade	900
COVID-19 Contingency	1,022
BIT stabilization reserve	9,334

A complete list of the uses of one-time-only funds can be found on page 37 of the Budget Director’s Message in the County’s fiscal year 2021 adopted budget. The adopted budget document can be found online at: <https://multco.us/budget/fy-2021-adopted-budget>.

FACTORS AFFECTING FINANCIAL CONDITION

By adopting the financial and budget policies, the Board of County Commissioners acknowledges that, to avoid financial instability, continuing requirements should be insulated from temporary fluctuations. Therefore, one of the goals of the Board of County Commissioners is to fund and maintain a reserve designated as unappropriated fund balance and set at 10 percent 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 are used for non-recurring extreme emergencies such as disaster relief. Maintaining an appropriate reserve also helps the County achieve favorable bond ratings. Moody’s Investor Services currently rates the County as Aaa, and Standard & Poor’s recently upgraded the County to AAA, for general obligation debt and for full faith and credit debt indicating that the County’s financial capacity to repay its 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’s overall financial outlook has improved significantly since the end of the “great recession”. Prior to March 2020, the regional economy continued to perform at a high level for the fiscal year, as evidenced by the fact that receipts from the Business Income Tax reached a record high. As a result of improved economic conditions, the County has been able to focus on longer-term initiatives.

The County has undertaken a number of major capital project initiatives over the past few years. Among those projects are the construction of a new Health Department headquarters. The completed building of approximately 157,000 square feet with nine floors of office, clinic, and laboratory space opened in March of 2019. The modern facility greatly enhanced service delivery for County residents. The total project costs came to approximately \$95 million which includes new building and relocation costs. The General Fund contributed \$13.4 million, Prosper Portland in the form of a grant provided \$36.4 million, and the remaining costs were supported by bond proceeds from a 2017 debt issue.

The County opened a new Central Courthouse in October of 2020. The new building replaces a 100-year old facility that was structurally obsolete. The new Central Courthouse has 17 floors, 44 courtrooms, and will meet all modern standards for court operations and security. The new building has approximately 455,000 square feet of space. The project is estimated to cost slightly above \$330 million when fully complete. The County partnered with the State of Oregon and many other key stakeholders to complete this project. Under legislation passed in 2013, the State of Oregon will provide \$125 million toward the construction of the project. County General Fund contributed approximately \$110 million and \$90 million in bond proceeds issued in 2017. The 2015 legislature authorized surcharges on court and parking fines that will be used to support between \$25 and \$35 million of the long-term debt associated with the project.

FACTORS AFFECTING FINANCIAL CONDITION

The County made capital improvements to Department of Community Justice East Campus that houses parole and probation services. The project consolidated four separate sites into a single County-owned site campus in order to improve operational efficiency, align departmental points of services with their client base, and eliminate exposure to increasing lease rates. The project was substantially complete by the end of fiscal year 2020. The total project cost came to approximately \$14 million. The General Fund contributed \$6.7 million, proceeds from the sale of an asset provided \$1.7 million, and the remaining costs were supported by bond proceeds from a 2017 debt issue.

The County undertook a feasibility study on the Burnside Bridge for the seismic rehabilitation or replacement that was completed in November of 2018. The bridge is not up to current seismic standards and is in need of rehabilitation or replacement to ensure it can serve as a lifeline corridor in an emergency. The study results were presented to the Board of County Commissioners in November of 2018. The project (“Earthquake Ready Burnside Bridge Project”) has now entered the environmental phase. In September of 2019 the County issued \$16 million in debt to support the National Environmental Policy Act (NEPA) review phase of the project. County vehicle registration fees will be used to cover debt service. The Design Phase of the project is anticipated to begin in late fiscal year 2022.

Three of the referenced projects use a significant portion of the County’s debt capacity (as measured by its internal General Fund restrictions) for the next several years. In 2016, in recognition of this fact and in response to an internal audit report, the County initiated a Strategic Capital Planning process to identify and prioritize future infrastructure investments. The planning process is an acknowledgement that the County should engage in a centralized planning effort that includes not only facilities capital projects but transportation (roads and bridges) and information technology projects as well. A steering committee comprised of the Chief Operating Officer, Chief Financial Officer, Budget Director, and department heads responsible for infrastructure planning was established and a 20-year strategic framework has been adopted by the Board of County Commissioners.

In April of 2019, the County purchased the Bushong & Co Building along with adjoining parking lot to be used as a Behavioral Health Resource Center. The facility is being programed to provide peer support services, transitional housing for homeless people with behavior health issues, and to assist people with finding housing and treatment services. The project is currently in the design phase and is expected to open for services in late fiscal year 2022 (exact date to be determined). The total project costs are currently estimated to be in the range of \$15 million to \$20 million.

In 2016, Multnomah County and the City of Portland created the Joint Office for Homeless Services (JOHS), thereby consolidating homeless services under the County. By combining resources into a lead agency, the City and County aim to improve outcomes within the homelessness system of care through increased coordination, efficiency, and effectiveness. The fiscal year 2021 budget includes total JOHS funding of \$117.1 million including nearly \$32.7 million of discretionary County revenues (General Fund, Tax Title, Video Lottery, and Permanent Supportive Housing funds). This was an increase of \$46.9 million from the prior year. This increase is primarily due to one-time-only funding of \$41.9 million related to Federal Coronavirus Aid, Relief, and Economic Security (CARES Act) to support the County’s COVID-19 response.

FACTORS AFFECTING FINANCIAL CONDITION

The COVID-19 pandemic response has been at the forefront of the County's priorities. The County has taken swift and unprecedented action to provide enhanced programmatic needs to our community in these difficult times. As previously noted the County's fiscal year 2021 COVID-19 response totaled \$89 million and was completely funded by CARES Act and other external federal COVID-19 assistance. The County's response focused four main areas: \$29.6 million for Public and Behavior Health Services, \$40 million for Safety On and Off the Streets, \$17.5 million for Food Access, Rental Assistance, and Wraparound Services, and \$2.5 million for communication, outreach, supplies, and equipment.

In November 2020, the voters approved two major Multnomah County ballot measures. Measure 26-211 approved a Library General Obligation Bond to expand and modernize certain library facilities and enhance library services across Multnomah County. The bond authorizes the County to issue up to \$387 million in general obligation bonds. The project will begin to ramp up in January 2021. The voters also approved ballot measure 26-214 Preschool for All Program that will establish a new and permanent personal income tax within Multnomah County to fund universal, tuition free, voluntary, and high quality preschool education for every three and four year old residing within Multnomah County. A tax of 1.5 percent will be imposed beginning January 2021 on residents and non-resident earning taxable income within Multnomah County. The tax rate will be applied to taxable income over \$125,000 for single filers and \$200,000 for joint filers. There is an additional tax of 1.5 percent on taxable income over \$250,000 for single filers and \$400,000 for joint filers. In May 2020 Metro district area voters approved the Supportive Housing Services Measure (SHSM), which established a new personal income tax and business income tax to fund supportive housing services for people experiencing homelessness or at risk of experiencing homelessness. The new tax will begin January 2021, Metro forecasts Multnomah County will receive \$52 million of SHSM revenues in fiscal year 2022.

Prior to the economic decline related to COVID-19 the regional economy was continuing to experience sound growth. The County took measures to solve its structural deficit in the General Fund by increasing the tax rate in the Business Income Tax. The economic decline has significantly impacted the County in the short term and the degree of the long-term economic shocks are still to be determined. The County is facing a budgetary deficit of \$9 million in fiscal year 2022 and uncertainty on how long the pandemic will last. The effective mitigation of the virus, more federal assistance, and improved consumer confidence will be key in steady recovery. At this point the County is projecting a healthier recovery going into budget year 2023. The County is continuing to use its strong planning processes and financial policies to deal with the existing and future fiscal challenges that may arise.


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, 2019. The County has received this prestigious award for 35 consecutive years. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both US 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,


Eric J. Arellano
Chief Financial Officer


Cora Bell
Deputy Chief Financial Officer


Samina S. Gillum
Accounting Manager



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to Multnomah County Oregon

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

ELECTED OFFICIALS – MULTNOMAH COUNTY OREGON



Sharon Meieran
Commissioner, District 1



Deborah Kafoury
County Chair



Susheela Jayapal
Commissioner, District 2



Jessica Vega Pederson
Commissioner, District 3



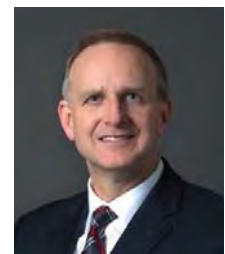
Lori Stegman
Commissioner, District 4



Jennifer McGuirk
Auditor



Michael Reese
Sheriff

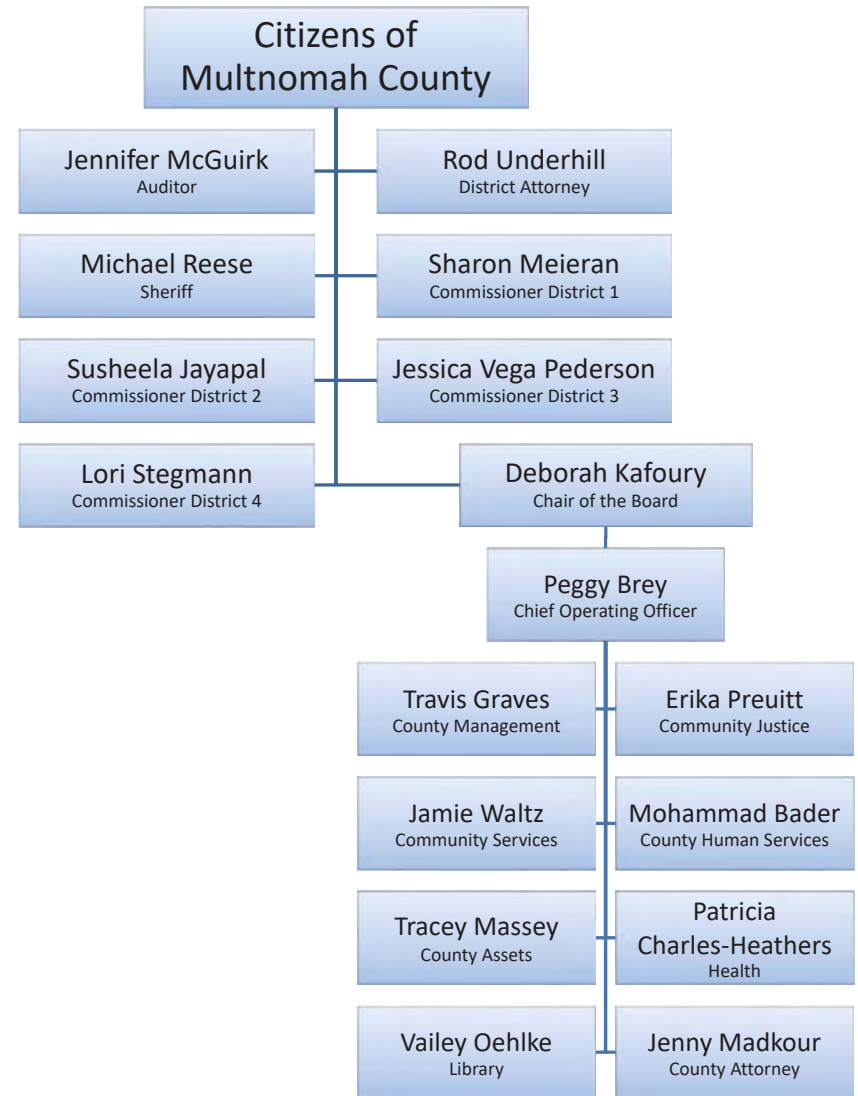


Rod Underhill
District Attorney

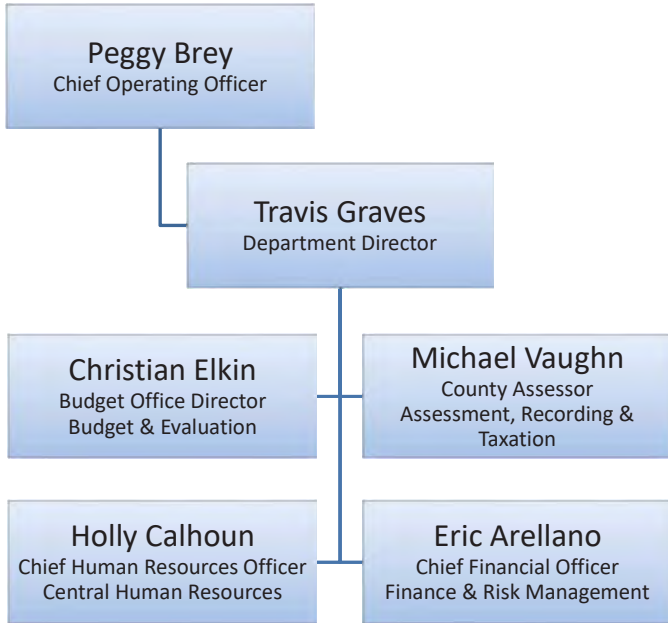
MULTNOMAH COUNTY, OREGON
For the Year Ended June 30, 2020
Principal Officers

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	12/31/2022
District No. 1	Sharon Meieran 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2024
District No. 2	Susheela Jayapal 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2022
District No. 3	Jessica Vega Pederson 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2024
District No. 4	Lori Stegmann 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2024
<u>Other Elected Officials</u>		
County Auditor	Jennifer McGuirk 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2022
County District Attorney	Rod Underhill 1021 SW Fourth Avenue Portland, OR 97204	Resigned July 31, 2020
County Sheriff	Michael Reese 501 SE Hawthorne Blvd, 3 rd Floor Portland, OR 97214	12/31/2022
<u>Other Appointed Officials</u>		
Chief Financial Officer	Eric Arellano	Not elected
County Attorney	Jenny Madkour	Not elected

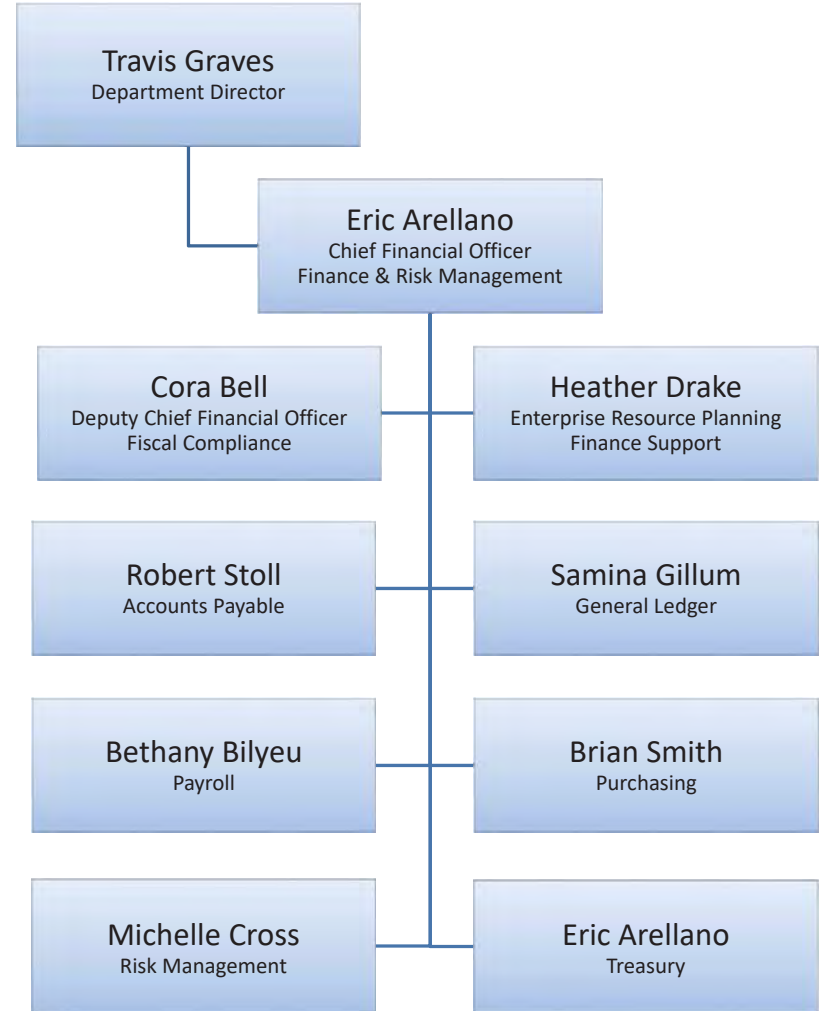
MULTNOMAH COUNTY, OREGON



MULTNOMAH COUNTY, OREGON
Department of County Management



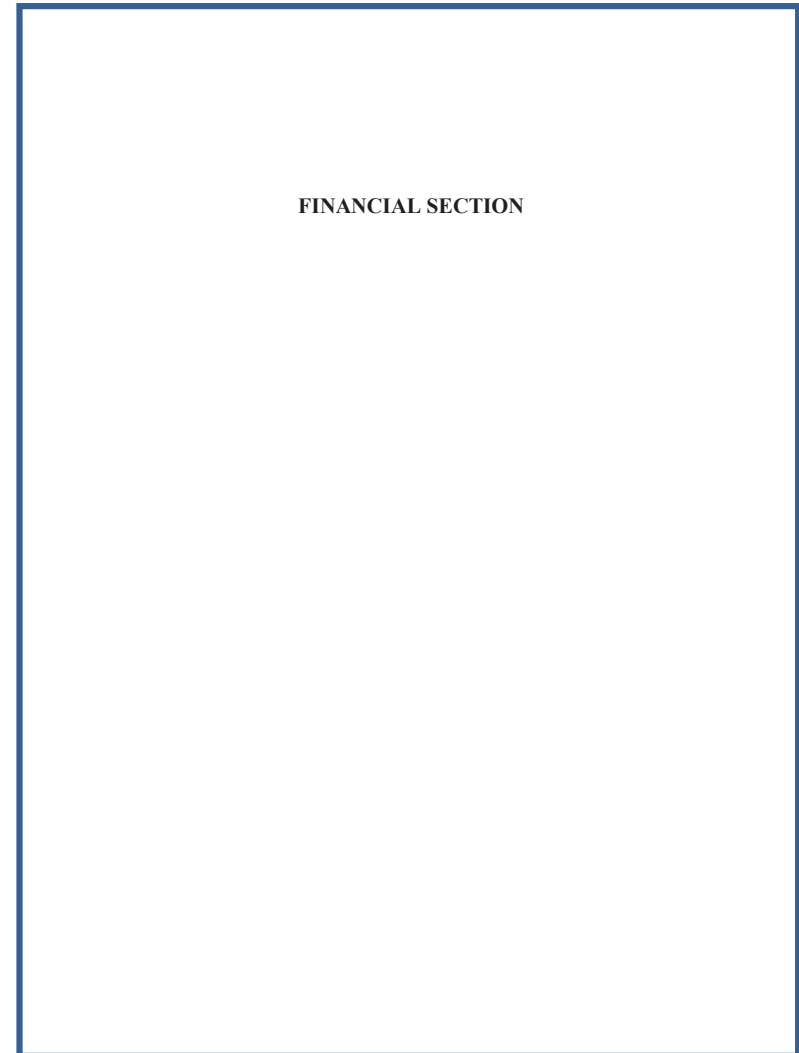
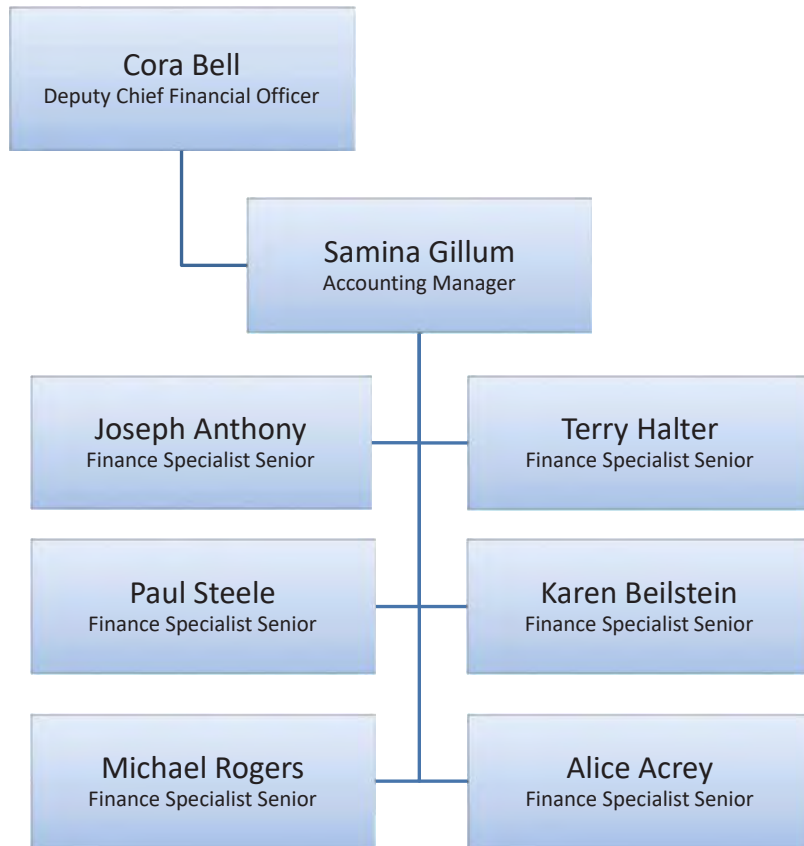
MULTNOMAH COUNTY, OREGON
Department of County Management
Finance & Risk Management



MULTNOMAH COUNTY, OREGON

Department of County Management

General Ledger



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 and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Federal/State Program Fund of Multnomah County, Oregon (the "County"), as of and for the year ended June 30, 2020, 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, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of the County. 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.

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 aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of June 30, 2020, 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/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 management's discussion and analysis, the State of Oregon Public Employees Retirement System Retirement Health Insurance Account schedule of proportional share of net OPEB assets and schedule of contributions, the Multnomah County Postretirement Medical and Life Insurance Plan schedule of changes in OPEB liability and related ratios, the County's schedule of proportionate share of net pension liability, the schedule of pension contributions, and the notes to the required supplementary information as listed in the table of contents (collectively, the required supplementary information) on pages 26 through 42 and 132 through 136, respectively, 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 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 this 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; and other schedules; 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.

This 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. This 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 and statistical sections 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 them.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the County's internal control over financial reporting and compliance.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 23, 2020, 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.



James C. Lanzarotta, Partner
for Moss Adams LLP
Eugene, Oregon
December 23, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (dollar amounts expressed in thousands)

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, 2020. The information presented here should be read in conjunction with the letter of transmittal, which can be found on pages 1-15 of this report.

Financial Highlights

- Multnomah County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2020, by \$951,206 (*the County's net position*). Of this total, the following amounts are restricted:
 - \$39,069 for library operations
 - \$19,398 for various community support programs
 - \$13,128 for improvements to roads, bridges, and bike paths
 - \$3,471 for capital projects, buildings
 - \$3,094 for technology projects
 - \$96 for document storage and retrieval
- The largest portion of the County's net position reflects an investment of \$1,092,701 or 114.9 percent in capital assets, net of any related outstanding debt used to acquire those assets. The high percentage of investment in capital assets, in relation to total net position, is largely a result of the offsetting deficit of \$219,751 (*the County's unrestricted net position*). This is due to the net effect of pension and other post-employment benefit (OPEB) related balances discussed in detail below. The amortization of deferred inflows and outflows will have a more significant effect on the variance of the net position once a full five-year amortization of these amounts is included in the financial statements.
- For fiscal year 2020, the County reported \$581,413 for its proportionate share of the Oregon Public Employee Retirement System's (OPERS) net pension liability, pension related deferred outflows of \$265,505, and pension related deferred inflows of \$29,488. A net pension liability of \$507,736 was reported in the previous fiscal year ending June 30, 2019. Total pension expense for the fiscal year ending June 30, 2020 and June 30, 2019 was \$37,018 and \$104,165 respectively, which is a net decrease of 64.5 percent.
- For fiscal year ended June 30, 2020 the County reported other postemployment benefits (OPEB): a net asset of \$3,920 attributable to the OPERS Retirement Health Insurance Account (RHIA) and a total OPEB liability of \$121,091 associated with the Multnomah County Postretirement Medical and Life Insurance Plan. OPEB related deferred outflows of \$16,002 and OPEB related deferred inflows of \$19,079 were also reported.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

- Total capital assets for governmental activities increased by \$78,405 or 6 percent over the prior year. The increase in assets is primarily due to the capitalization of the Health Department Headquarters, Enterprise Resource Planning software, Orion Taxation System, and the purchase of the Oak Street building during the year. Non-depreciating assets (land, right-of-ways, construction in process) increased by \$14,247 or 2.3 percent higher than fiscal year 2019. Current year additions to construction in process for major projects are described in the Capital Assets section.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$273,504. The net change in governmental fund balances during the year was a decrease of \$38,388 or 12.3 percent under fiscal year 2019, which is primarily due to capital projects that are supported by proceeds from the Series 2017 full faith and credit bond issuance (see further discussion in *Note III.G. Long-term debt*). Only unspent bond proceeds of \$8,324 remain for the Burnside Bridge project.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$96,249, or approximately 16.9 percent of total General Fund expenditures and 21.7 percent of total "corporate" revenues of General Fund. Corporate revenues include property taxes, business income taxes, motor vehicle rental taxes, statewide revenue sharing, and interest earnings; revenues that are available for general use and over which the Board of County Commissioners has complete discretion. This balance is consistent with the County's finance and budget policies requiring a 10 percent reserve.

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).

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

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, libraries, roads, bridges and bike path improvements. 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 43-45 of this report.

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

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both *Balance Sheet - Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 34 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Federal/State Program Fund and the Downtown Courthouse Capital 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

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 46-51 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 52-54 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support County programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 55-56 of this report. The combining statement of position for fiduciary funds and combining statement of changes in assets and liabilities for fiduciary funds can be found on pages 202-205 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 57 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 137 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 pension obligations and other postemployment healthcare benefits obligations. Required supplementary information can be found on pages 132-136.

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 \$951,206 at the close of the most recent fiscal year.

Multnomah County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 586,634	\$ 645,876	\$ 10,151	\$ 11,377	\$ 596,785	\$ 657,253
Capital assets	1,381,018	1,302,613	5,885	6,001	1,386,903	1,308,614
Total assets	<u>1,967,652</u>	<u>1,948,489</u>	<u>16,036</u>	<u>17,378</u>	<u>1,983,688</u>	<u>1,965,867</u>
Deferred outflows of resources	<u>276,811</u>	<u>235,846</u>	<u>4,696</u>	<u>4,471</u>	<u>281,507</u>	<u>240,317</u>
Liabilities:						
Current liabilities	223,668	244,737	1,187	1,706	224,855	246,443
Noncurrent liabilities	1,028,876	952,120	11,691	11,554	1,040,567	963,674
Total liabilities	<u>1,252,544</u>	<u>1,196,857</u>	<u>12,878</u>	<u>13,260</u>	<u>1,265,422</u>	<u>1,210,117</u>
Deferred inflows of resources	<u>29,754</u>	<u>58,964</u>	<u>805</u>	<u>1,134</u>	<u>30,559</u>	<u>60,098</u>
Net position:						
Net investment in capital assets	1,086,931	1,000,206	5,770	6,001	1,092,701	1,006,207
Restricted for:						
Capital projects	6,565	48,349	-	-	6,565	48,349
Roads, bridges and bike paths	13,128	9,695	-	-	13,128	9,695
Library operations	-	34,115	-	-	-	34,115
Other programs	58,563	22,094	-	-	58,563	22,094
Unrestricted surplus (deficit)	<u>(221,030)</u>	<u>(185,945)</u>	<u>1,279</u>	<u>1,454</u>	<u>(219,751)</u>	<u>(184,491)</u>
Total net position	<u>\$ 944,157</u>	<u>\$ 928,514</u>	<u>\$ 7,049</u>	<u>\$ 7,455</u>	<u>\$ 951,206</u>	<u>\$ 935,969</u>

The largest portion of the County's net position reflects investment in capital assets (land, work construction 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 \$1,092,701 as compared to \$1,006,207 from the previous year.

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 for capital projects, debt service, and various community support programs is \$78,256 as compared to \$114,253 a year ago. Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is a net deficit of \$219,751.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

During the previous fiscal year ending June 30, 2019, the County went through an Enterprise Resource Planning (ERP) system change. During the process of implementation, there were some system reporting complications with the County's new ERP system that delayed PERS information transmissions to the Oregon Public Employees Retirement System (OPERS). Wage reports were not being accepted by the OPERS system. The County in coordination with State PERS was able to resolve reporting discrepancies and submit all required reports.

Treasury worked with the Payroll team in order to identify the payroll, subject to the OPERS employer responsibility, and earmark monies due to OPERS. Subsequently, the Information Technology team was able to get system integration build and was able to start the process of uploading information to OPERS on August 27, 2019. Once this was accomplished all previous payments being held could be transmitted electronically and all due payments were processed in a timely manner.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

Below is a summary of the County's changes in net position for fiscal years 2020 and 2019.

Multnomah County's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 273,172	\$ 262,816	\$ 26,707	\$ 38,638	\$ 299,879	\$ 301,454
Operating grants and contributions	434,998	587,246	-	-	434,998	587,246
Capital grants and contributions	27,782	15,474	-	-	27,782	15,474
Total program revenues	735,952	865,536	26,707	38,638	762,659	904,174
General revenues:						
Taxes:						
Property	406,450	390,396	1,468	-	407,918	390,396
Personal income	3	5	-	-	3	5
Business income	104,300	99,500	-	-	104,300	99,500
Other	66,258	84,485	-	-	66,258	84,485
Payments in lieu of taxes	384	519	-	-	384	519
State government shared revenues	12,399	12,668	-	-	12,399	12,668
Grants and contributions not restricted to specific programs	8	9	-	-	8	9
Interest and investment earnings	12,742	14,954	-	275	12,742	15,229
Gain (loss) on investments	151	-	-	-	151	-
Miscellaneous	6,250	-	-	-	6,250	-
Gain (loss) on sale of capital assets	4	24,595	-	-	4	24,595
Total general revenues	608,949	627,131	1,468	275	610,417	627,406
Total revenues	1,344,901	1,492,667	28,175	38,913	1,373,076	1,531,580
Expenses:						
General government	358,021	269,029	-	-	358,021	269,029
Health services	268,679	278,820	-	-	268,679	278,820
Social services	215,204	193,215	-	-	215,204	193,215
Public safety and justice	186,941	254,494	-	-	186,941	254,494
Community services	57,867	244,965	-	-	57,867	244,965
Library services	119,455	70,323	-	-	119,455	70,323
Roads and bridges	92,592	68,287	-	-	92,592	68,287
Interest on long-term debt	30,499	10,190	-	-	30,499	10,190
Dunthorpe-Riverdale Service District No. 1	-	-	706	798	706	798
Mid County Service District No. 14	-	-	476	384	476	384
Behavioral Health Managed Care	-	-	27,399	40,260	27,399	40,260
Total expenses	1,329,258	1,389,323	28,581	41,442	1,357,839	1,430,765
Increase (decrease) in net position	15,643	103,344	(406)	(2,529)	15,237	100,815
Beginning net position	928,514	825,170	7,455	9,984	935,969	835,154
Ending net position	\$ 944,157	\$ 928,514	\$ 7,049	\$ 7,455	\$ 951,206	\$ 935,969

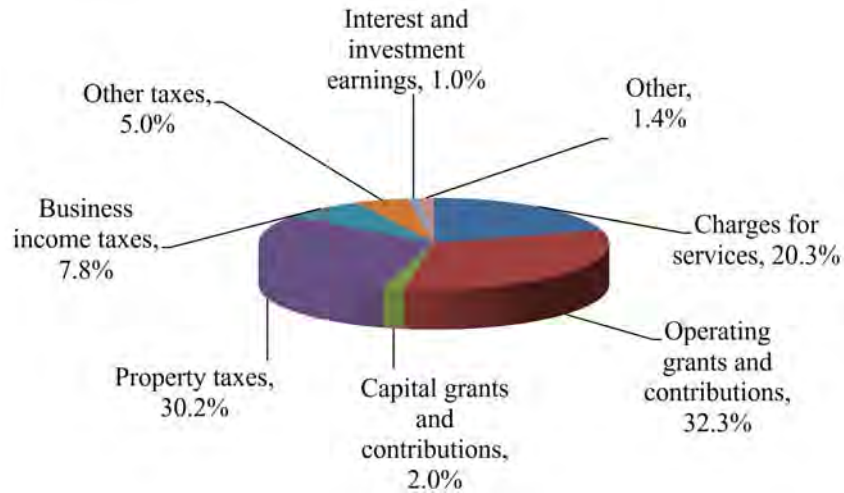
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

Governmental activities. Governmental activities decreased the County's net position by \$15,643; listed are noteworthy reasons for the change from prior year:

- Total program revenues decreased 15 percent, on a year over year basis. Operating grants and contributions had the largest decrease of \$152,248 from the prior year. The eXPRS program, which is a significant part of the Developmental Disability Program, has decreased \$161,384 from the prior year and makes up a substantial portion of this decrease. The largest payer in the eXPRS program now has a contract directly with the State so it no longer flows through Multnomah County.
- Tax revenues grew by 0.5 percent in the aggregate from fiscal year 2019. Property tax revenues are up by \$16,054 as a result of increased assessed value growth of 4.3 percent and reduced Measure 50 compression. Business income taxes increased by \$4,800 or 4.8 percent. The overall increase in tax revenues is a reflection of the region's strong economy.
- Interest and investment earnings decreased 14.8 percent, or \$2,212, from the prior fiscal year. This is attributed to the substantial decrease in interest rates in the economic environment.

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

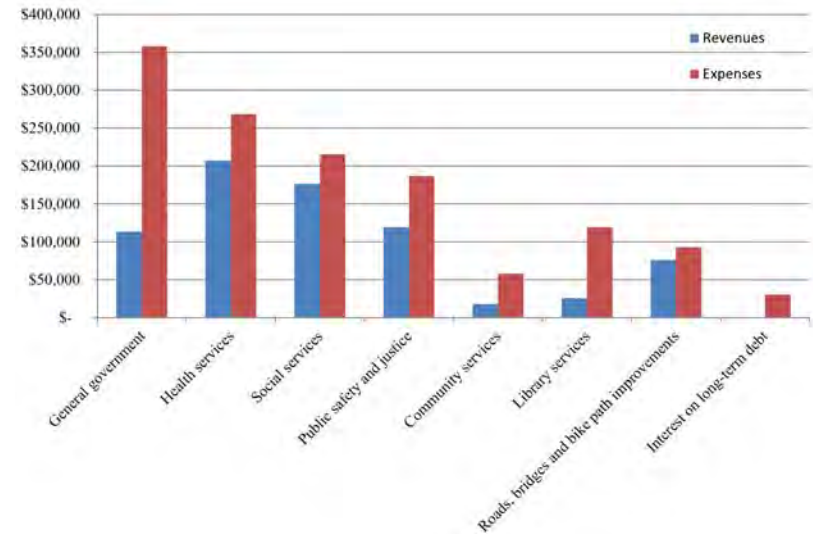
Revenues by Source - Governmental Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

Expenses and Program Revenues - Governmental Activities

Business-type activities. Business-type activities decreased the County's net position by \$406, which is attributed to the \$766 decrease in net position in the Behavioral Health Managed Care Fund.



Operating revenues decreased in the Behavioral Health Managed Care Fund by \$10,635 and expenses decreased by \$12,861. These decreases were due to a transition in the program associated with Health Share Oregon (HSO). Beginning January 1, 2020, the Health Department was no longer operating as the Multnomah Mental Health (MMH) Risk-Accepting Entity as part of HSO.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

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.

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 III.H. Fund balances, governmental funds* 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 \$96,249 in the General Fund or approximately 85.8 percent of the total fund balance of \$112,175. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total General Fund expenditures of \$569,195. Unassigned fund balance of the General Fund represents 16.9 percent of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$10,535 or 10.4 percent from the prior fiscal year, reflecting revenues that were \$14,054 above the prior year and expenditures that were \$24,137 above the prior year.

The Federal/State Program Special Revenue Fund has a total fund balance of \$11,645, of which only \$105 is nonspendable due to balances reported for prepaid items and inventories. The restricted balance of \$11,540 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 County has replaced the outdated Multnomah County Central Courthouse. The Downtown Courthouse Capital Fund is a capital project fund that was established to capture costs associated with this project. This fund ended with a total fund balance of \$3,471 in fiscal year 2020, a decrease of \$38,288 under the prior year's ending fund balance of \$41,759. This decrease represents spent debt proceeds used to finance construction of the new courthouse.

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 No. 1 Fund, \$1,392
- Mid County Service District No. 14 Fund, \$388
- Behavioral Health Managed Care Fund, \$(501)

The total change in net position for all proprietary funds was a decrease of \$406. 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. Final budgeted revenues increased by \$5,572 and final budgeted expenditures increased by \$2,929 from the adopted budget.

The following are noteworthy changes from the original adopted budget to the final budget in the General Fund:

- Final budgeted expenditures for the Sheriff's Office increased by \$1,529 primarily for patrol services. The Health Department also had an increase of \$5,276 in budgeted expenditures for emergency fund in Integrated Clinical Services.
- Contingency modifications accounted for increases in budgeted expenditures not were not anticipated at the time the budget was adopted and/or were not accompanied by increased revenues. Contingency 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. Contingency was reduced by \$4,340 from the original to the final budget and was attributed to:
 - Most of the contingency modifications include \$2,200 that was identified by the Department of County Assets for schematic, design development, pre-construction and early construction activities for the Behavioral Health Resource Center.
 - The Board of County Commissioners approved the use of \$1,278 of General Fund contingency to keep the Inverness Jail dorm open in fiscal year 2020 that would have otherwise been closed due to a reduction in State Community Corrections funding in the Federal/State Program Fund. This also had an impact on and reduced central indirect.
 - A contingency modification for \$880 was made for structural repairs for the SE Health Center.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

The following are noteworthy variances from the final budget to actual amounts in the General Fund:

- Business income tax (BIT) revenues were budgeted at \$96,727 and actual BIT collections were \$104,300 in fiscal year 2020. The variance was \$7,573 or 7.8 percent more than budgeted, and is a reflection of the strength of the regional economy prior to the impacts of the COVID-19 pandemic.
- Revenues from Motor Vehicle Registration Tax (MVRT) fees were budgeted at \$31,680 and actual MVR collections were \$24,058 during the fiscal year. This was 24.1 percent or \$7,622 less than expected, but can be attributed to the COVID-19 impacts on the travel and tourism industry. Collections were down 64 percent in quarter two of 2020.
- Though intergovernmental revenues were budgeted for \$14,737, actual revenues were \$16,327, which is \$1,590 or 10.8 percent more than expected due to increases in cigarette, liquor and marijuana revenues. CAFFA revenue was also higher than budgeted.
- Non-government grant revenues were budgeted for \$6,850 and actual non-government grants received were \$16,593, which was \$9,743 more than expected. The Health Department received more Medicaid revenues than expected for medical and dental services.
- Actual Department of County Management expenditures were \$4,302 or 9.4 percent less than budgeted. This is due to Tax Title under spending, which coincides with lower than anticipated auction revenues.
- Actual Nondepartmental expenditures were under budget by \$8,133 or 12.4 percent and can be attributed to the following:
 - Nondepartmental services house the Joint Office of Homeless Services (JOHS), as well as a variety of other County programs. The fiscal year 2020 budget for JOHS included a \$2,602 appropriation of Tax Title funding that was anticipated to be reserved for spending in future fiscal years in order to ensure the financial stability of programs supported by such funding, especially because additional Tax Title revenues were not anticipated in future years. Actual Tax Title funded program spending was then anticipated resulting in additional Tax Title underspending of \$938, for a total of \$3,450. The JOHS budget also included a \$3,500 appropriation for emergency shelter strategic investments, of which \$2,200 was carried over into fiscal year 2021 because planned shelter projects are still in progress. JOHS had total expenditures that were \$6,018 less than what was expected.
 - The remaining amount of expenditures that were under budget was \$2,114 and was spread across all other Nondepartmental offices. The impact of COVID-19 was felt countywide in the spring of 2020. The impact on Nondepartmental services included the redeployment of critical staff to the EOC and various pandemic focused efforts, the reduction in facilities related services and unfilled vacancies. Several programs, including State Mandated Expenses, Complaints Investigation Unit, Complete County Census, and Multnomah County's Fossil Fuel Infrastructure Study-Phase I, all contributed to General Fund underspending.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$1,386,903 (net of accumulated depreciation). This investment in capital assets includes land, right of ways, construction in progress, buildings and improvements, machinery and equipment, internally developed software, roads and bridges, sewer and street lighting systems, motor vehicles, and works of art. The total overall change in the County's investment in capital assets for the current fiscal year was an increase of \$78,289 or approximately 6 percent.

The increase in capital assets is primarily attributable to one project completing construction at the end of fiscal year 2020. The significant additions to buildings during fiscal 2020 was \$82,266 for the Health Department headquarters facility. This project accounts for 29.2 percent of the total increase in buildings.

The increase in construction in process of \$14,288 is attributed to \$73,310 in additional project costs for the Downtown Courthouse, which is offset by the \$82,266 for the Health Department headquarters facility that was capitalized during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and right of ways	\$ 248,904	\$ 248,863	\$ -	\$ -	\$ 248,904	\$ 248,863
Construction in process	375,860	361,654	1,037	955	376,897	362,609
Works of art	4,447	4,447	-	-	4,447	4,447
Buildings	281,696	203,924	-	-	281,696	203,924
Improvements other than buildings	475	515	4,848	5,046	5,323	5,561
Intangible assets, depreciating	21,082	23,577	-	-	21,082	23,577
Machinery & equipment	32,786	31,136	-	-	32,786	31,136
Bridges	367,764	372,622	-	-	367,764	372,622
Infrastructure	48,004	55,875	-	-	48,004	55,875
Total capital assets	\$ 1,381,018	\$ 1,302,613	\$ 5,885	\$ 6,001	\$ 1,386,903	\$ 1,308,614

The following chart indicates the County's capital assets as of June 30, 2020. Additional information on the County's capital assets can be found in *Note III.F. Capital assets* of this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$348,805. Of this amount, \$344,351 represents full faith and credit bonds; \$3,125 in loan obligations; and the remainder of \$1,329 represents capitalized leases. Full faith and credit bonds are obligations that pledge the full faith and credit of the County. Only governmental activities held long-term debt during fiscal year 2020.

Multnomah County's Outstanding Debt

	Governmental Activities	
	2020	2019
Full faith and credit bonds	\$ 344,351	\$ 355,698
Capital leases	1,329	1,536
Loans	3,125	3,358
Total outstanding debt	\$ 348,805	\$ 360,592

The County's total debt decreased by \$11,787 or approximately 3.3 percent during the current fiscal year. The net decrease is attributable to reductions in principal and interest payments associated with prior bond issues.

The County maintains an Aaa rating with a stable outlook from Moody's for general obligation debt and received an upgrade to AAA for full faith and credit bonds in 2017. Similarly, Standard & Poor's rated the County's full faith and credit bonds as AAA.

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 \$3,531,419. The County is not currently using any of this debt limit.

State statutes also limit the amount of full faith and credit obligations to one percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for full faith and credit obligations is \$1,495,686, which is in excess of the County's outstanding full faith and credit debt. In addition, the County maintains an internal policy that limits full faith and credit debt payments to no more than 5 percent of General Fund revenues. This limit is much more restrictive than provided in statute.

Additional information on the County's long-term liabilities can be found in *Note III.G. Long-term debt* of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

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 had increased to 11.6 percent. The unemployment rate was similar for the United States and the State of Oregon with 11.1 and 11.6 percent, respectively.
- Property tax revenues are the single largest source of revenue in the General Fund and account for approximately 62 percent of ongoing revenues. General Fund growth is particularly sensitive to taxable value growth and compression. Property tax revenues are limited by state statute. Assessed value can generally not grow by more than 3 percent, although new construction can increase value growth above this limit. Property tax revenue is forecast to grow by 3.8 percent in 2021.
- The forecast for fiscal year 2021 assumes that business income tax (BIT) will experience a slight decline followed by two years of stronger growth as the economy recovers. The County increased its BIT tax rate from 1.45 percent to 2.00 percent effective January 2020. Revenues in fiscal year 2020 were more than \$104,300 which was the highest annual level of collections ever recorded. The BIT is highly sensitive to economic conditions and has historically been a volatile revenue source. The fiscal year 2021 budget includes a reserve equal to 10 percent of budgeted BIT revenues to guard against year over year volatility.
- Overall, General Fund revenues are expected to decrease by \$33,000 in fiscal year 2021. The current forecast assumes that revenues will be back to normal by fiscal year 2025.
- Health care transformation and the expansion of Medicaid continue to drive growth in the County's Health Department. The County is a founding member of Health Share, a Coordinated Care Organization (CCO) that establishes rates paid to support Medicaid programs throughout Oregon.
- The County's primary cost drivers are, like most governmental organizations, related to personnel. Expenditures for employee salary and benefits are forecast to grow by an estimated 5.48 percent in fiscal year 2021. Wages are established in labor contracts and wage growth is based on the change in the consumer price index (CPI). The CPI is a reflection of the strength of the regional economy but has moderated or declined since late 2018. Forecasts assume inflation will return to normal levels in the long run.
- The County has taken a conservative approach to its pension liability and has taken proactive steps to limit rate increases established by the Oregon Public Employees Retirement System (OPERS). Accumulated reserves have been used to fund four "side accounts" totaling \$100,000 with OPERS. When fully amortized, these side accounts will reduce the OPERS rate by an estimated 3.0 percent of payroll and will help the County mitigate future rate increase. During fiscal year 2020, the County participated in the OPERS Employer Incentive Fund match program created by Senate Bill 1049. The County received a match on one side account totaling \$6,250.

- In recent years, the County has begun to tackle some of its long-term capital needs. Construction continues but is near full completion on the new Multnomah County Central Courthouse. Full project completion is anticipated during fiscal year 2021 and is being supported through a partnership with the State of Oregon. The County opened the new Central Courthouse to the public in October of 2020. The County entered the Environmental Phase of the Earthquake Ready Burnside Bridge Project aimed at seismic rehabilitation or replacement of the Burnside Bridge. Planning and Design efforts have begun on a new Behavioral Health Resource Center (BHRC) that will provide transitional housing for homeless people with behavioral health issues and assist people in finding housing and treatment services. The County currently expects BHRC will be complete in late fiscal year 2022. When completed these projects will add significantly to the County's asset base and reduce the amount of deferred capital maintenance.
- The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress with overwhelming, bipartisan support and signed into law by the President on March 25, 2020. This over \$2 trillion economic relief package delivers on the President's commitment to protecting the American people from the public health and economic impacts of COVID-19. The CARES Act provides fast and direct economic assistance for American workers, families, and small businesses, and preserves jobs for American industries. The County currently tracks these monies in a separate fund, the CARES Act Local Government Fund, in order to be accountable to our constituents. The County received a direct allocation of \$28,000 in fiscal year 2020.

All of these factors were considered in preparing the County's budget for fiscal year 2021.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL
STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2020
(amounts expressed in thousands)

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		The Library Foundation
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 332,499	\$ 9,684	\$ 342,183	\$ 19,485
Receivables, net:				
Taxes	33,063	-	33,063	-
Accounts	29,226	254	29,480	-
Loans	139	-	139	-
Interest	2,150	-	2,150	-
Special assessments	-	33	33	-
Contracts	8	-	8	-
Contributions	-	-	-	9
Inventories	1,863	31	1,894	-
Prepaid items	7,704	85	7,789	27
Split interest and other agreements	-	-	-	534
Current assets (restricted):				
Cash and investments	105,004	-	105,004	143
Receivables, net:				
Taxes	4,462	-	4,462	-
Accounts	62,152	-	62,152	-
Inventories	439	-	439	-
Total current assets	578,709	10,087	588,796	20,198
Noncurrent assets (unrestricted):				
Net OPEB asset - RHIA	3,856	64	3,920	-
Loans receivable	3,520	-	3,520	-
Capital assets:				
Capital assets, not being depreciated	629,211	1,037	630,248	-
Capital assets, net of accumulated depreciation	751,807	4,848	756,655	8
Noncurrent assets (restricted):				
Receivables, net:				
Loans	399	-	399	-
Contracts	150	-	150	-
Total noncurrent assets	1,388,943	5,949	1,394,892	8
Total assets	1,967,652	16,036	1,983,688	20,206
DEFERRED OUTFLOWS OF RESOURCES				
Unrestricted:				
OPEB - County Plan	14,165	236	14,401	-
OPEB - RHIA	1,575	26	1,601	-
Pension	261,071	4,434	265,505	-
Total deferred outflows of resources	276,811	4,696	281,507	-
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	57,062	1,187	58,249	332
Accrued salaries and benefits	14,812	-	14,812	-
Accrued interest payable	2,685	-	2,685	-
Gift annuity payable	-	-	-	4

MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2020
(amounts expressed in thousands)

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		The Library Foundation
Current liabilities (payable from unrestricted assets, continued):				
Other accrued liabilities	-	-	-	113
Unearned revenue	2,283	-	2,283	-
Compensated absences	29,546	-	29,546	-
Bonds payable	24,593	-	24,593	-
Capital leases payable	213	-	213	-
Current liabilities (payable from restricted assets)				
Accounts payable	48,192	-	48,192	-
Accrued salaries and benefits	2,452	-	2,452	-
Loans payable	231	-	231	-
Unearned revenue	41,599	-	41,599	-
Deferred compensation	-	-	-	143
Total current liabilities	223,668	1,187	224,855	592
Noncurrent liabilities (payable from unrestricted assets):				
Compensated absences	3,309	-	3,309	-
Bonds payable	319,758	-	319,758	-
Capital leases payable	1,116	-	1,116	-
Claims and judgments payable	10,579	-	10,579	-
Other accrued liabilities	407	-	407	-
Total OPEB liability - County Plan	119,110	1,981	121,091	-
Net pension liability	571,703	9,710	581,413	-
Noncurrent liabilities (payable from restricted assets):				
Loans payable	2,894	-	2,894	-
Total noncurrent liabilities	1,028,876	11,691	1,040,567	-
Total liabilities	1,252,544	12,878	1,265,422	592
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
OPEB - County Plan	18,008	300	18,308	-
OPEB - RHIA	758	13	771	-
Pension	28,996	492	29,488	-
Total deferred inflows of resources	47,762	805	48,567	-
NET POSITION				
Net investment in capital assets	1,086,931	5,770	1,092,701	8
Restricted for:				
Nonexpendable - library operations	-	-	-	4,760
Expendable - library operations	39,069	-	39,069	5,244
Capital projects, buildings	3,471	-	3,471	-
Capital projects, technology	3,094	-	3,094	-
Community support programs	19,398	-	19,398	-
Document storage and retrieval	96	-	96	-
Road, bridge and bike path improvements	13,128	-	13,128	-
Unrestricted	(221,030)	1,279	(219,751)	9,602
Total net position	\$ 944,157	\$ 7,049	\$ 951,206	\$ 19,614

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, 2020
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit The Library Foundation
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 358,021	\$ 90,752	\$ 22,116	\$ 670	\$ (244,483)	\$ -	\$ (244,483)	\$ -
Health services	268,679	107,636	99,288	-	(61,755)	-	(61,755)	-
Social services	215,204	7,221	167,523	1,654	(38,706)	-	(38,706)	-
Public safety and justice	186,941	34,103	85,032	-	(67,806)	-	(67,806)	-
Community services	57,867	14,503	3,556	3	(39,805)	-	(39,805)	-
Library	119,455	3,203	1,999	20,292	(93,961)	-	(93,961)	-
Roads, bridges, and bike path improvements	92,592	18,654	55,484	5,163	(16,291)	-	(16,291)	-
Interest on long-term debt	30,499	-	-	-	(30,499)	-	(30,499)	-
Total governmental activities	1,329,258	273,172	434,998	27,782	(593,306)	-	(593,306)	-
Business-type activities:								
Dunbar-Riverdale Service District No. 1	706	50	-	-	-	(656)	(656)	-
Mid County Service District No. 14	476	24	-	-	-	(452)	(452)	-
Behavioral health managed care	27,399	26,633	-	-	-	(766)	(766)	-
Total business-type activities	28,581	26,707	-	-	-	(1,874)	(1,874)	-
Total primary government	\$ 1,357,839	\$ 299,879	\$ 434,998	\$ 27,782	\$ (593,306)	\$ (1,874)	\$ (595,180)	\$ -
Component unit:								
The Library Foundation	\$ 2,438	\$ -	\$ 1,184	\$ -	\$ -	\$ -	\$ -	\$ (1,254)
General revenues:								
Taxes:								
Property taxes, levied for general purposes				406,450	1,468	407,918	-	-
Personal income taxes				3	-	3	-	-
Business income taxes				104,300	-	104,300	-	-
Selective excise and use taxes				66,258	-	66,258	-	-
Payments in lieu of taxes				384	-	384	-	-
State government shared unrestricted revenues				12,399	-	12,399	-	-
Grants and contributions not restricted to specific programs				8	-	8	565	-
Interest and investment earnings				12,742	-	12,742	244	-
Gain/(loss) on investments				151	-	151	-	-
Miscellaneous				6,250	-	6,250	-	-
Gain on disposal of capital assets				4	-	4	-	-
Total general revenues				608,949	1,468	610,417	809	-
Change in net position				18,643	(406)	18,237	(443)	-
Net position - beginning				928,514	7,455	935,969	20,059	-
Net position - ending				\$ 947,157	\$ 7,049	\$ 954,206	\$ 19,614	-

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

FUND FINANCIAL STATEMENTS

MULTNOMAH COUNTY, OREGON
Balance Sheet
Governmental Funds
June 30, 2020
(amounts expressed in thousands)

	General Fund	Federal/State Program Special Revenue Fund	Downtown Courthouse Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Unrestricted:					
Cash and investments	\$ 117,459	\$ -	\$ -	\$ 98,032	\$ 215,491
Receivables:					
Taxes	32,361	-	-	702	33,063
Accounts, net	25,486	-	-	2,833	28,319
Loans	3,284	-	-	375	3,659
Interest	2,150	-	-	-	2,150
Contracts	158	-	-	-	158
Due from other funds	169	-	-	-	169
Inventories	465	-	-	265	730
Prepays and deposits	577	105	-	924	1,606
Restricted:					
Cash and investments	164	1,351	18,077	85,409	105,001
Receivables:					
Taxes	-	-	-	4,462	4,462
Accounts, net	398	57,652	-	4,102	62,152
Loans	-	399	-	-	399
Inventories	-	439	-	-	439
Total assets	<u>\$ 182,671</u>	<u>\$ 59,946</u>	<u>\$ 18,077</u>	<u>\$ 197,104</u>	<u>\$ 457,798</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 27,807	\$ -	\$ -	\$ 16,713	\$ 44,520
Payroll payable	12,892	-	-	966	13,858
Due to other funds	-	-	-	169	169
Unearned revenue	589	-	-	1,680	2,269
Liabilities payable from restricted assets:					
Accounts payable	9	24,611	14,606	8,966	48,192
Payroll payable	-	2,232	-	220	2,452
Unearned revenue	-	21,458	-	20,140	41,598
Total liabilities	<u>41,297</u>	<u>48,301</u>	<u>14,606</u>	<u>48,854</u>	<u>153,058</u>
DEFERRED INFLOWS OF RESOURCES					
Unrestricted:					
Resources not yet available:					
Clinic fees	21,775	-	-	-	21,775
Property taxes	7,424	-	-	86	7,510
Restricted:					
Resources not yet available:					
Property taxes	-	-	-	1,951	1,951
Total deferred inflows of resources	<u>29,199</u>	<u>-</u>	<u>-</u>	<u>2,037</u>	<u>31,236</u>
FUND BALANCES					
Nonspendable	883	105	-	979	1,967
Restricted	553	11,540	3,471	62,693	78,257
Committed	14,490	-	-	73,185	87,675
Assigned	-	-	-	9,356	9,356
Unassigned	96,249	-	-	-	96,249
Total fund balances	<u>112,175</u>	<u>11,645</u>	<u>3,471</u>	<u>146,213</u>	<u>273,504</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 182,671</u>	<u>\$ 59,946</u>	<u>\$ 18,077</u>	<u>\$ 197,104</u>	<u>\$ 457,798</u>

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

MULTNOMAH COUNTY, OREGON
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
As of June 30, 2020
(dollar amounts expressed in thousands)

Fund balances - governmental funds	\$	273,504
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	2,086,397	
Less accumulated depreciation	<u>(729,509)</u>	1,356,888
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources - OPEB - County Plan	12,962	
Deferred outflows of resources - OPEB - RHIA	1,441	
Deferred outflows of resources - pension	<u>238,769</u>	253,172
Accrued interest payable		(2,685)
Long-term liabilities, not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	(344,351)	
Capital leases payable	(1,329)	
Loans payable	(3,125)	
Retainage payable	<u>(421)</u>	(349,226)
Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds		(29,962)
Long-term asset / (liabilities) related to future periods and, therefore, are not reported in the governmental funds:		
Total OPEB - County Plan	(108,995)	
Net OPEB - RHIA	3,529	
Net pension	<u>(522,863)</u>	(628,329)
Deferred inflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred inflows of resources - OPEB - County Plan	(16,479)	
Deferred inflows of resources - OPEB - RHIA	(693)	
Deferred inflows of resources - pension	<u>(26,519)</u>	(43,691)
Other long-term assets and deferred inflows of resources are not available to fund current period expenditures and, therefore, are not reported in the governmental funds:		
Clinic fees	21,775	
Property taxes	9,460	
Mark to market on investments	<u>5,453</u>	36,688
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>77,798</u>
Net position of governmental activities	\$	<u>944,157</u>

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	General Fund	Federal/State Program Special Revenue Fund	Downtown Courthouse Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 444,011	\$ -	\$ -	\$ 133,036	\$ 577,047
Payments in lieu of taxes	239	-	-	145	384
Intergovernmental	16,327	300,695	35,693	70,688	423,403
Licenses and permits	14,873	750	-	14,107	29,730
Charges for services	58,827	61,093	10,721	9,097	139,738
Interest	4,005	16	-	4,263	9,130
Non-governmental grants	16,593	5,493	-	1,940	24,026
Service reimbursements	35,358	-	-	74,960	110,318
Miscellaneous	1,324	24	891	3,162	5,401
Total revenues	<u>591,557</u>	<u>368,071</u>	<u>48,151</u>	<u>311,398</u>	<u>1,319,177</u>
EXPENDITURES					
Current:					
General government	103,063	17,379	-	28,513	148,955
Health services	149,063	143,709	-	575	293,347
Social services	75,169	153,702	-	14,659	243,530
Public safety and justice	241,088	46,798	13,113	7,523	308,522
Community services	-	2,581	-	54,235	56,816
Library services	-	-	-	86,212	86,212
Roads, bridges, and bike path improvements	-	-	-	69,688	69,688
Capital outlay	801	293	73,326	33,552	107,972
Debt service:					
Principal	-	-	-	25,033	25,033
Interest	11	-	-	31,797	31,808
Total expenditures	<u>569,195</u>	<u>364,462</u>	<u>86,439</u>	<u>351,787</u>	<u>1,371,883</u>
Revenues over (under) expenditures	<u>22,362</u>	<u>3,609</u>	<u>(38,288)</u>	<u>(40,389)</u>	<u>(52,706)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,764	-	-	112,518	114,282
Transfers out	(13,591)	-	-	(99,459)	(113,050)
Proceeds from sale of capital assets	-	-	-	24	24
Loan remittances	-	(67)	-	-	(67)
Proceeds from issuance of debt	-	54	-	16,075	16,129
Internal loan remittances	-	-	-	(3,000)	(3,000)
Total other financing sources (uses)	<u>(11,827)</u>	<u>(13)</u>	<u>-</u>	<u>26,158</u>	<u>14,318</u>
Net change in fund balances	<u>10,535</u>	<u>3,596</u>	<u>(38,288)</u>	<u>(14,231)</u>	<u>(38,388)</u>
Fund balances - beginning	<u>101,640</u>	<u>8,049</u>	<u>41,759</u>	<u>160,444</u>	<u>311,892</u>
Fund balances - ending	<u>\$ 112,175</u>	<u>\$ 11,645</u>	<u>\$ 3,471</u>	<u>\$ 146,213</u>	<u>\$ 273,504</u>

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

MULTNOMAH COUNTY, OREGON
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Net change in fund balances - governmental funds	\$	(38,388)
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 are depreciated over their estimated useful lives:		
Expenditures for capital assets	102,524	
Current year depreciation expense	<u>(43,409)</u>	59,115
Contributed and donated capital assets - received	4,513	
Gain on disposal of capital assets	<u>(8)</u>	4,505
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:		
Current year premium is amortized to interest expense in the Statement of Activities		3,539
Repayment of long-term debt are reported as expenditures, respectively in the governmental funds, but as reductions of long-term liabilities in the Statement of Net Position		25,033
Proceeds from the issuance of long-term debt (including defeased amounts) are reported as revenues, respectively, in the governmental funds, but as increases, respectively, of long-term liabilities in the Statement of Net Position		(16,129)
Some expenses reported in the Statement of Activities do not require use of current resources:		
Accrual of OPERS net pension liability not reported as an expenditure in governmental funds	(27,649)	
Accrual of other postemployment liability not reported as an expenditure in governmental funds	(1,881)	
Other accrued liabilities	<u>4,744</u>	(24,786)
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>2,754</u>
Change in net position of governmental activities	<u>\$</u>	<u>15,643</u>

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

MAJOR GOVERNMENTAL FUNDS

Major governmental funds are defined as those funds whose revenues, expenditures or expenses, assets or liabilities (excluding extraordinary items) are at least ten percent of corresponding totals for all governmental funds for the same. 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, health and social services.
- **Federal/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.
- **Downtown Courthouse Capital Fund** - accounts for the planning, land acquisitions, and construction of a new County courthouse. Construction will be funded by a combination of County General Fund and debt issuance proceeds. The *Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the Downtown Courthouse Capital Fund* can be found in the *Combining and Individual Statements and Schedules - Governmental Funds* section.

MULTNOMAH COUNTY, OREGON Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund For the Year Ended June 30, 2020 (amounts expressed in thousands)

	Budgeted Amounts		Actual		Variance
	Original	Final	Amounts		
REVENUES					
Taxes:					
Property	\$ 312,832	\$ 312,832	\$ 315,610	\$	2,778
Business income	96,538	96,727	104,300		7,573
Personal income	-	-	3		3
Motor vehicle rental	31,680	31,680	24,058		(7,622)
Transient lodging	-	-	39		39
Payments in lieu of taxes	69	69	239		170
Intergovernmental	14,737	14,737	16,327		1,590
Licenses and permits	14,375	14,375	14,873		498
Charges for services	58,576	58,662	53,980		(4,682)
Interest	3,622	3,622	3,866		244
Other:					
Non-governmental grants	6,850	6,850	16,593		9,743
Service reimbursements	36,699	36,750	35,358		(1,392)
Miscellaneous	1,633	6,879	1,324		(5,555)
Total revenues	<u>577,611</u>	<u>583,183</u>	<u>586,570</u>		<u>3,387</u>
EXPENDITURES					
Current:					
Community justice	73,797	73,683	72,101		1,582
Community services	17,866	17,866	16,799		1,067
County assets	8,339	8,339	8,277		62
County management	45,812	45,812	41,510		4,302
District attorney	28,393	28,425	28,012		413
Health services	151,095	156,371	149,133		7,238
Human services	54,875	55,387	54,436		951
Nondepartmental	65,544	65,578	57,445		8,133
Sheriff	140,209	141,738	141,480		258
Contingency	30,519	26,179	-		26,179
Total expenditures	<u>616,449</u>	<u>619,378</u>	<u>569,193</u>		<u>50,185</u>
Revenues over (under) expenditures	<u>(38,838)</u>	<u>(36,195)</u>	<u>17,377</u>		<u>53,572</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,007	2,248	1,764		(484)
Transfers out	(10,511)	(13,591)	(13,591)		-
Loan proceeds	150	150	218		68
Total other financing sources (uses)	<u>(8,354)</u>	<u>(11,193)</u>	<u>(11,609)</u>		<u>(416)</u>
Net change in fund balances	<u>(47,192)</u>	<u>(47,388)</u>	<u>5,768</u>		<u>53,156</u>
Fund balances - beginning	<u>108,892</u>	<u>109,087</u>	<u>124,899</u>		<u>15,812</u>
Fund balances - ending	<u>\$ 61,700</u>	<u>\$ 61,699</u>	<u>130,667</u>	<u>\$</u>	<u>68,968</u>
Reconciliation to GAAP Basis:					
Loans receivable			3,284		
Certain clinic fee revenues are not considered available, and are reported as deferred inflows on the GAAP basis:					
Prior year deferred inflows that became available during current year			(26,623)		
Payments unavailable in prior year, recognized in current year			16,539		
Current year revenues unavailable			(11,692)		
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 112,175</u>		

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal/State Program Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 278,901	\$ 291,939	\$ 283,317	\$ (8,622)
Licenses and permits	1,249	1,249	750	(499)
Charges for services	66,222	66,222	61,093	(5,129)
Interest	-	-	16	16
Non-governmental grants	5,756	6,300	5,493	(807)
Miscellaneous	198	198	24	(174)
Total revenues	<u>352,326</u>	<u>365,908</u>	<u>350,693</u>	<u>(15,215)</u>
EXPENDITURES				
Current:				
Community justice	33,040	30,655	28,834	1,821
Community services	535	1,403	326	1,077
District attorney	6,940	7,385	6,872	513
Health services	147,776	148,563	143,982	4,581
Human services	114,078	124,132	111,722	12,410
Nondepartmental	42,097	47,665	44,243	3,422
Sheriff	12,218	10,783	11,105	(322)
Total expenditures	<u>356,684</u>	<u>370,586</u>	<u>347,084</u>	<u>23,502</u>
Revenues over (under) expenditures	(4,358)	(4,678)	3,609	8,287
OTHER FINANCING SOURCES (USES)				
Loan remittances	-	-	(67)	(67)
Proceeds from issuance of debt	500	500	54	(446)
Total other financing sources (uses)	<u>500</u>	<u>500</u>	<u>(13)</u>	<u>(513)</u>
Net change in fund balances	(3,858)	(4,178)	3,596	7,774
Fund balances - beginning	<u>3,858</u>	<u>4,178</u>	<u>8,049</u>	<u>3,871</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>11,645</u>	<u>\$ 11,645</u>
Reconciliation to GAAP Basis:				
Intergovernmental revenues for State payments to County service providers			(178,761)	
State payments to County service providers			<u>178,761</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 11,645</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 six internal service funds. See the *Combining and Individual Statements and Schedules - Proprietary Funds* section for the internal service funds; this section also includes the *Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual* for the enterprise funds.

Major 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 operations 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 streetlights 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 Fund Net Position
Proprietary Funds
June 30, 2020
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe-Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Managed Care	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 1,631	\$ 350	\$ 7,703	\$ 9,684	\$ 111,556
Receivables:					
Accounts, net	-	-	254	254	906
Special assessments	22	11	-	33	-
Inventories	-	31	-	31	1,133
Prepaid items	-	17	68	85	6,098
Total current assets	1,653	409	8,025	10,087	119,693
Noncurrent assets:					
Net OPEB asset - RHIA	-	-	64	64	328
Capital assets:					
Construction in progress	624	413	-	1,037	1,627
Other capital assets (net of accumulated depreciation)	3,134	1,714	-	4,848	22,502
Total noncurrent assets	3,758	2,127	64	5,949	24,457
Total assets	5,411	2,536	8,089	16,036	144,150
DEFERRED OUTFLOWS OF RESOURCES					
OPEB - County Plan	-	-	236	236	1,202
OPEB - RHIA	-	-	26	26	134
Pension plan	-	-	4,434	4,434	22,303
Total deferred outflows of resources	-	-	4,696	4,696	23,639
LIABILITIES					
Current liabilities:					
Accounts payable	376	21	790	1,187	12,119
Payroll payable	-	-	-	-	953
Unearned revenue	-	-	-	-	14
Compensated absences	-	-	-	-	2,425
Total current liabilities	376	21	790	1,187	15,511
Noncurrent liabilities:					
Compensated absences	-	-	-	-	468
Claims and judgments payable	-	-	-	-	10,579
Other accrued payables	-	-	-	-	407
Total OPEB liability - County Plan	-	-	1,981	1,981	10,115
Net pension liability	-	-	9,710	9,710	48,839
Total noncurrent liabilities	-	-	11,691	11,691	70,408
Total liabilities	376	21	12,481	12,878	85,919
DEFERRED INFLOWS OF RESOURCES					
OPEB - County Plan	-	-	300	300	1,529
OPEB - RHIA	-	-	13	13	65
Pension plan	-	-	492	492	2,478
Total deferred inflows of resources	-	-	805	805	4,072
NET POSITION					
Investment in capital assets	3,643	2,127	-	5,770	24,129
Unrestricted	1,392	388	(501)	1,279	53,669
Total net position	\$ 5,035	\$ 2,515	\$ (501)	\$ 7,049	\$ 77,798

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, 2020
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe-Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Managed Care	Total	
OPERATING REVENUES					
Current assessments	\$ 1,009	\$ 449	\$ -	\$ 1,458	\$ -
Prior assessments	8	5	-	13	-
Charges for services	-	2	-	2	241,490
Intergovernmental charges for services	14	-	26,433	26,447	936
Insurance premiums	-	-	-	-	10,329
Licenses and permits	5	-	-	5	2
Miscellaneous	-	13	7	20	1,210
Total operating revenues	1,036	469	26,440	27,945	253,967
OPERATING EXPENSES					
Cost of sales and services	604	273	25,110	25,987	240,639
Administration	22	81	2,289	2,392	7,835
Depreciation and amortization	80	122	-	202	4,451
Total operating expenses	706	476	27,399	28,581	252,925
Operating income (loss)	330	(7)	(959)	(636)	1,042
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	29	8	193	230	2,154
Gain (loss) on disposal of capital assets	-	-	-	-	140
Total nonoperating revenues	29	8	193	230	2,294
Income (loss) before contributions and transfers	359	1	(766)	(406)	3,336
Transfers in	-	-	-	-	744
Transfers out	-	-	-	-	(1,976)
Capital contributions in	-	-	-	-	670
Capital contributions out	-	-	-	-	(20)
Change in net position	359	1	(766)	(406)	2,754
Total net position - beginning	4,676	2,514	265	7,455	75,044
Total net position - ending	\$ 5,035	\$ 2,515	\$ (501)	\$ 7,049	\$ 77,798

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, 2020
(dollar amounts expressed in thousands)

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Dunthorpe - Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Manage Care	Total	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,034	\$ 469	\$ 27,069	\$ 28,572	\$ 13,810
Receipts for interfund services provided	-	-	-	-	239,654
Payments to suppliers	(492)	(453)	(17,375)	(18,320)	(165,996)
Payments to employees	-	-	(10,847)	(10,847)	(55,626)
Receipts for interfund services used	22	65	(311)	(224)	(24,285)
Net cash provided by (used for) operating activities	564	81	(1,464)	(819)	7,557
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	744
Transfers out	-	-	-	-	(1,976)
Net cash provided by (used for) noncapital and related financing activities	-	-	-	-	(1,232)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions in	1	-	-	1	670
Capital contributions out	(1)	-	-	(1)	(20)
Internal loan remittance	-	-	-	-	3,000
Acquisition of capital assets	(85)	-	-	(85)	(6,292)
Proceeds from sales of capital assets	-	-	-	-	140
Net cash provided by (used for) capital and related financing activities	(85)	-	-	(85)	(2,502)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earnings	29	8	193	230	2,154
Net cash provided by (used for) investing activities	29	8	193	230	2,154
Net increase (decrease) in cash and cash equivalents	508	89	(1,271)	(674)	5,977
Cash and cash equivalents - beginning	1,123	261	8,974	10,358	105,579
Cash and cash equivalents - ending	<u>\$ 1,631</u>	<u>\$ 350</u>	<u>\$ 7,703</u>	<u>\$ 9,684</u>	<u>\$ 111,556</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 330	\$ (7)	\$ (959)	\$ (636)	\$ 1,042
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization of capital assets	80	122	-	202	4,451
Changes in assets, liabilities, and deferred inflows/outflows:					
Receivables, net	(2)	1	629	628	(506)
Inventories	-	(2)	-	(2)	49
Prepaid items	-	(17)	(68)	(85)	(111)
Capital assets	-	-	-	-	168
Accounts payable	156	(16)	(659)	(519)	95
Payroll payable	-	-	-	-	135
Claims and judgments payable	-	-	-	-	(1,768)
Compensated absences	-	-	-	-	470
Other accrued payables	-	-	-	-	(5)
Total OPEB liability - County Plan	-	-	(138)	(138)	1,156
Deferred outflows - OPEB - County Plan	-	-	(121)	(121)	(719)
Deferred inflows - OPEB - County Plan	-	-	(64)	(64)	(8)
Net OPEB asset - RHIA	-	-	9	9	(17)
Deferred outflows - OPEB - RHIA	-	-	(7)	(7)	(50)
Deferred inflows - OPEB - RHIA	-	-	(8)	(8)	(23)
Net pension liability	-	-	276	276	7,177
Deferred outflows - pension	-	-	246	246	(3,150)
Deferred inflows - pension	-	-	(256)	(256)	(829)
Total adjustments	234	88	(161)	161	6,515
Net cash provided by (used for) operating activities	<u>\$ 564</u>	<u>\$ 81</u>	<u>\$ (1,120)</u>	<u>\$ (475)</u>	<u>\$ 7,557</u>
Noncash financing activities:					
None	\$ -	\$ -	\$ -	\$ -	\$ -

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

FIDUCIARY FUNDS

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

- **Custodial Funds** - accounts for resources held by the County in a purely custodial capacity.

MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Net Position
June 30, 2020
(amounts expressed in thousands)

	Custodial Funds
ASSETS	
Restricted assets:	
Cash and investments	\$ 47,224
Taxes receivable	43,060
Total assets	90,284
LIABILITIES	
Liabilities payable from restricted assets:	
Accounts payable	14,757
Due to other governmental units	42,126
Total liabilities	56,883
NET POSITION	
Individuals, organizations, and other governments	33,401
Total net position	\$ 33,401

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

MULTNOMAH COUNTY, OREGON
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Custodial Funds
ADDITIONS	
Taxes collected	\$ 3,379,735
Taxes collected for other governments	32,274
Deposits held for others	6,860
Charges for services	7,247
Interest	2,543
Miscellaneous	2,910
Total additions	3,431,569
DEDUCTIONS	
Administrative Support	131
Payments of taxes to other governments	3,410,368
Payments paid to others	6,850
Distributions to others	7,083
Total deductions	3,424,432
Change in net position	7,137
Net position - beginning	-
Restatement per GASB 84 Implementation (Note I. E.)	26,264
Net position - ending	\$ 33,401

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

NOTES TO THE BASIC
FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note I. Summary of significant accounting policies

A. Reporting entity

Multnomah County, Oregon (County), established in 1854, is organized under the Oregon Revised Statutes (ORS), chapter 201.260 as a municipal corporation. The Board of County Commissioners, comprised of an elected chair and four commissioners, forms the legislative branch of the County government.

The accompanying financial statements present the County and its component units, entities for which the County is considered financially accountable. Criteria that indicates financial accountability includes, but is not limited to, the following:

- Appointment by the County of a voting majority of members of the governing body of an organization with the ability to impose its will on the daily operations of an organization, such as the power to remove appointed members at will; to modify or approve budgets, rates or fees; to make other substantive decisions; or
- Provision by the organization of specific financial benefits to the County; imposition by an organization of specific financial burdens on the County, such as assumption of deficits or provision of support; or
- Fiscal dependency of the organization and reliance on the County, such as: lack of authority to determine a budget, approve rates, or issued its own bonded debt without County approval.

Blended component units, although legally separate entities, are in substance part of the County's operations. Component units may also include organizations that 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. Dunthorpe-Riverdale Sanitary Service District No. 1 and 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 Board approves rates for user charges for both districts. Each district is reported as an enterprise fund. County management handles the management of the districts. Separate financial statements for the individual component units may be obtained at the Finance and Risk Management 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 Library 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 Library District have executed an intergovernmental agreement, which states that the County will be reimbursed by the Library District for the cost of library operations. Separate financial statements for the Library District may be obtained at the Finance and Risk Management Division of the County's administrative offices.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

The County also maintains a Hospital Facilities Authority (Authority) that issues conduit debt for health care facilities. The Authority is considered 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 fiscally accountable for the Authority, nor do the County and the Authority have any financial benefit or burden between their relationships.

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 is 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 the beneficiary of a split-interest agreement; details are provided in TLF's *Notes to the Financial Statements*.

TLF is a private non-profit organization that reports under the Financial Accounting Standards Board (FASB) standards, including FASB Statement ASC 958, *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, 620 SW Fifth Ave, Suite 1025, Portland, Oregon, 97204 or online at: <https://www.libraryfoundation.org/facts-and-financials>.

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 non-fiduciary 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 business-type segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Segment information for the major funds, Dunthorpe-Riverdale Service District No. 1, Mid County Service District No. 14, and the Behavioral Health Managed Care Fund, is provided in separate columns in the Statement of Net Position Proprietary Funds.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

In addition, functional expenses on the statement of activities include allocated indirect expenses.

Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Custodial funds have no measurement focus, but do employ the *accrual basis of accounting* for purposes of asset and liability recognition. 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.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) plan and additions to/deductions from OPERS' fiduciary net position have been determined using the accrual basis of accounting, same as the OPERS plan. 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 recognized at fair value as determined by OPERS.

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 *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County 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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Budget and actual statements are reported on the modified accrual basis, with minor differences in the classification of certain revenues, which are identified in the Reconciliation to GAAP Basis on the statements and schedules for the individual funds.

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 susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the County.

Specific fund changes

During the fiscal year ended June 30, 2020, two new funds were established:

Special revenue fund: the *CARES Act Local Government Fund* accounts for revenues and expenditures associated with the County's COVID-19 public health emergency response. Expenditures are restricted to public health services, medical services, human services, and measures taken to facilitate COVID-19 public health measures (e.g., care for homeless population). Revenues are primarily from CARES Act: Coronavirus Relief Fund, FEMA, and COVID-specific grant funds.

Capital project fund: the *Behavioral Health Resource Center Capital Fund* accounts for expenditures for the planning and construction of a behavioral health resource center. The principal resources in the fund are derived from County General Fund.

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 accounted for in another fund.

The *Federal/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.

The *Downtown Courthouse Capital Fund* is a capital project fund that accounts for expenditures for the planning and construction of a new downtown County courthouse. Resources in the fund are derived from the State of Oregon, debt issuance, and 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 operations of the sanitary sewer system in southwest-unincorporated Multnomah County.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

The *Mid County Service District No. 14 Fund* accounts for the operations 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 service funds: Risk Management Fund, Fleet Management Fund, Information Technology Fund, Mail Distribution Fund, and Facilities Management Fund.

Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is comprised of four fund types: three of which are only used to report activities of which assets are the subject of a legal trust or an equivalent agreement, and the fourth, custodial funds, which are not trusted agreements. The trusted fiduciary fund types are pension and other employee benefit trust funds, investment trust funds, and private-purpose trust funds. The County only reports custodial funds within the fiduciary fund type.

Custodial funds, previously known as agency funds, account for the resources received and held by the County in a fiduciary capacity for individuals, private organizations or other governments and therefore, are not available to support the County's own programs. Disbursements are made in accordance with the agreement or applicable legislative enactment for each particular fund.

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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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 *non-operating* 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 non-operating 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 needed.

D. Assets, deferred outflows, liabilities, deferred inflows, and net position or fund balances

Cash, cash equivalents, 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 fair value of the County's position in the pool is the same as the value of the pool shares. The LGIP operates in accordance with appropriate state laws and regulations.

The County reports cash with fiscal agent, 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.

Accounts receivables

The activities between funds for which there are balances owing at year end for transactions occurring for which reimbursement has not yet been completed 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."

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Property tax receivables are deemed 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 uncollectible accounts.

Property taxes are assessed and become property liens on July 1. Property taxes are assessed in October and tax payments are due November 15 of the same year. Under the partial payment schedule, the first one-third of taxes is due November 15, the second one-third on February 15, and the remaining one-third on May 15. A three percent discount is allowed if full payment is made by November 15 and a two percent discount is allowed if two-thirds payment is made by November 15. 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.

Inventories and prepaid items

Inventories of materials and supplies in the governmental funds are valued at average cost and are included in nonspendable classification of fund balances with the exception of vaccine inventories. 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 under the consumption method rather than when purchased.

Vaccine inventories are purchased with federal monies, are required to be used for health services and therefore are recorded as restricted inventory/restricted fund balance. The County is not eligible for reimbursement of costs until the inventory is properly used. Once used, the funds used to purchase the inventory are eligible for reimbursement; revenue is recorded at that time.

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.

Capital assets

Capital assets, which include land, right of ways, construction in progress, works of art, buildings, machinery and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and property 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 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition 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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Capital assets are depreciated unless they are inexhaustible in nature, such as land and right of ways. The County, as well as the component units, depreciates property, plant, and equipment using the straight-line method with a half-year convention in the years of acquisition and disposition over the following estimated useful lives:

Asset Class	Asset Class (in years)	Threshold (in dollars)
Software	3 to 10	\$ 100,000
Vehicles and heavy equipment	3 to 10	5,000
Equipment	3 to 20	5,000
Street lighting	30	10,000
Buildings and improvements	40	100,000
Roads and bridges	40	100,000
Sewer systems	50	10,000

Deferred outflows / inflows of resources

In addition to assets, the *Statement of Net Position* will report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that is applicable to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources for pension-related and other postemployment benefits; depending on the plan, deferred outflows of resources may include: changes in assumptions, contributions made subsequent to the measurement date, changes in proportionate share, net difference between projected and actual earnings on investments, the net difference between projected and actual experience.

In addition to liabilities, the *Statement of Net Position* will report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that is applicable to a future period and so will not be recognized as an inflow of resources (revenue) until then. The County reports deferred inflows of resources for pension-related and other postemployment benefits; depending on the plan, deferred inflows of resources may include: net difference between projected and actual earnings on investments, changes in proportionate share, and net differences between employer contributions and proportionate share of contributions. The County also reports deferred inflows of resources for resources received before time requirements are met. In the governmental fund financial statements, deferred inflows of resources also include revenues that are measurable but not available.

Unearned revenues

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. No liability has been recorded 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 as a long-term liability when incurred in the government-wide statements and proprietary funds statements. A short-term liability is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements at June 30. Employees can accumulate up to two years of vacation pay before losing any benefit. When employees separate from service and receive payment for accumulated leave benefits, liabilities for compensated absences are liquidated. All compensated absences are paid by the individual funds as they become due.

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 liability is recorded.

In the County's government-wide and proprietary fund financial statements, pollution remediation costs would be 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, 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.

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 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 when incurred.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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 other accrued liabilities representing the cumulative difference between rent expense and rent payments.

Other postemployment benefits (OPEB)

The total OPEB asset / liability is recognized as a long-term asset / liability in the government-wide financial statements. Total OPEB liability will be liquidated by the fund in which an employee is paid.

Multnomah County Postretirement Medical and Life Insurance Plan - For purposes of measuring the total OPEB liability, deferred outflows and inflows of resources for OPEB, and OPEB expense, the County has relied on actuarial reports. County employees who are eligible to initiate a pension through OPERS at the time of separation from County employment may be eligible for a premium subsidy from the County. 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.

State of Oregon Public Employees Retirement System - Retirement Health Insurance Account (OPERS RHIA) - For purposes of measuring the net OPEB asset, deferred outflows and inflows of resources for OPERS RHIA, and OPEB expense, information about the fiduciary net position of the OPERS and additions to and deductions from OPERS fiduciary net position have been determined on the same basis as reported by OPERS. For this purpose, OPERS recognized benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position are determined on the same basis as reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension liability will be liquidated by the fund in which an employee is paid.

Fund balances / net position

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

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, which 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 County's Finance and Budget Policies state that the County will spend restricted resources first, followed by committed, then assigned, with unassigned resources spent last.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fund balance is reported as *Nonspendable* when the resources cannot be spent because they either are in a nonspendable form, or are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items, except for the vaccine inventory noted above, which is recorded as restricted.

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 for specific purposes, authorized by the Board of County Commissioners (Board), the County's 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 Board. Resources will be committed prior to June 30 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 expresses their intent to use a resource for a specific purpose by including that resource and associated appropriations in the adopted annual budget for funds outside of the General Fund. The Board may assign fund balances to cover a gap between estimated resources and expenditures in the subsequent year's appropriated budget. 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 *Statement of Net Position* for government-wide reporting and for the proprietary funds and on the fiduciary funds' *Statement of Fiduciary Net Position*, net position is segregated into three categories: net investment in capital assets, restricted net position, and unrestricted net position.

Net investment in capital assets represents total capital assets net of accumulated depreciation and capital related debt and net of unspent bond proceeds. Deferred outflows of resources and deferred inflows of resources directly related debt should also be included in this section. Significant unspent deferred inflows of resources should not be included.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Restricted net position represents net position that is not subject solely to the County's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulations of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

Unrestricted surplus (deficit) net position represent amounts not included in other categories.

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.

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 acquisition value upon receipt, as contribution revenue in the government wide and fund financial statements.

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.

Reclassifications

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

Revenue and expenditure naming conventions may differ in presentation from prior year. If so, current year naming conventions have been applied consistently throughout these statements and appropriately reflect the activity presented.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

E. Adoption of new accounting pronouncements and standards

During the fiscal year ended June 30, 2020, the County implemented the following Governmental Accounting Standards Board (GASB) pronouncement:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments, with separate criteria to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement defines the reporting requirements for such activities. Criteria had to be met in order for funds to be reported as "custodial funds." The result of the application of these criteria was that several funds previously reported as "agency funds" were no longer classified as a fiduciary activity and thereby reported in the appropriate operating funds of the County; other "agency funds" that met the criteria, are now reported as "custodial funds." Beginning net position has been restated by \$26,264 with the implementation of GASB 84.

The effective date for GASB Statement No. 84 for the County was originally required for financial statements starting with the fiscal year that ends December 31, 2020. With the extension granted by GASB Statement No. 95, the new required implementation date for the County is for the fiscal year that ends December 31, 2021. The County chose to adopt this standard early and reported custodial fund activity in the new format in the *Statement of Fiduciary Net Position* at June 30, 2020 and in the *Statement of Changes in Fiduciary Net Position* for the fiscal year ending June 30, 2020.

F. Future adoption of accounting pronouncements and standards

The following pronouncements have been issued by the Governmental Accounting Standards Board (GASB), but are not effective as of June 30, 2020:

GASB Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the payment provision of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an asset. Lessees will be required to recognize a lease liability and an intangible right to use an asset and lessors will be required to recognize a lease receivable and a deferred inflow of resources enhancing the relevance and consistency of information about a governments' leasing activities. The requirements of GASB Statement No. 87 were originally effective for reporting periods beginning after December 15, 2019, the County's fiscal year ending June 30, 2020. With the extension granted by GASB Statement No. 95, the new required implementation date for the County is June 30, 2022.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The effective date of GASB Statement No. 89 for the County was originally required for fiscal year ending June 30, 2021. With the extension granted by GASB Statement No. 95, the new required implementation date for the County is June 30, 2022.

GASB Statement No. 90, *Majority Equity Interests*. This Statement is an amendment of GASB Statements No. 14 and No. 61 and it defines that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other majority equity interest holdings in a legally separate organization, a government should report the legally separate organization as a component unit. The effective date of GASB Statement No. 90 for the County was originally required for reporting periods beginning after December 15, 2018. With the extension granted by GASB Statement No. 95, the effective date is for reporting periods beginning after December 15, 2019.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definitions of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The effective date of GASB Statement No. 91 was originally required for the County for fiscal year ending June 30, 2022. With the extension granted by GASB Statement No. 95, the new required implementation date for the County is June 30, 2023.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature. The Statement addresses a variety of topics and includes specific provisions about leases, intra-entity transfers of assets, postemployment benefits, government acquisitions and reinsurance recoveries. The effective date of certain provisions contained in the following pronouncements are postponed by one year:

- The effective date of Statement No. 87, *Leases*, was originally required for fiscal year ending June 30, 2021. With the extension granted by GASB Statement No. 95, the new required implementation date for the County is June 30, 2022. This amendment became effective upon the issuance of GASB Statement No. 92.
- The updated guidance is intended to eliminate conflicting guidance for intra-entity transfers of assets between a government employer or nonemployee contributing entity and a pension plan or other postemployment benefit (OPEB) plan. This Statement was originally required for fiscal years beginning after June 15, 2020. With the extension granted by GASB Statement No. 95, the new implementation date is for fiscal years beginning after June 15, 2021.
- GASB Statement No. 84, *Fiduciary Activities*, requires a government to recognize a liability to the beneficiaries of a fiduciary activity when an event has occurred that compels the government to disburse fiduciary resources. The amendments clarify that this requirement also applies to assets that are accumulated for purposes of providing pensions or OPEB through defined benefit pension plans or defined benefit OPEB plans that aren't administered through trusts that meet the scope criteria of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Originally required for reporting periods beginning after June 15, 2020, with the extension granted by GASB Statement No. 95, the new implementation date is for reporting periods beginning after June 15, 2021.
- The amended guidance states that the liabilities and assets related to the acquired entity's asset retirement obligations (AROs) should be measured using the accounting and financial reporting requirements per GASB Statement No. 83, *Certain Asset Retirement Obligations*, when the AROs are within the scope. Originally required for reporting periods beginning after June 15, 2020, with the extension granted by GASB Statement No. 95, the new implementation date is for reporting periods beginning after June 15, 2021.
- This amendment clarifies guidance in GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. When applying the reinsurance guidance, amounts recoverable from reinsurers or excess insurers related to paid claims and claim adjustment expenses may be reported as reduction of expenses. This amendment became effective upon issuance of Statement No. 92.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. The objective of this statement is to address certain accounting and financial reporting implications of the replacement of an IBOR the most notable of which is the London Interbank Offered Rate (LIBOR) which is expected to cease to exist in its current form at the end of 2021. This will cause governments to amend or replace financial instruments by changing the reference rate or adding or changing fallback provisions related to the reference rate.

The original implementation date for the portion of the statement dealing with the removal of LIBOR as an appropriate benchmark was for reporting periods ending after December 31, 2021 while all other requirements of the statement were effective for reporting periods beginning after June 15, 2020. However, GASB 95 postpones the implementation date for all provisions except the portion of the statement dealing with the removal of LIBOR as an appropriate benchmark by one year to reporting periods beginning after June 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement will improve financial reporting by establishing definitions of Public-Private or Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The Statement will require governments to report assets and liabilities related to PPPs consistently and disclose important information about those PPP transactions. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 Pandemic. The effective date of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncement are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, which is an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

Multnomah County will implement new GASB pronouncements no later than the required effective date. The County is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the County's financial statements.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Note II. 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 the end of the fiscal year.

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. The proposed budget is presented to the County Board of Commissioners (Board) for approval no later than May 15. 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 levels. 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 prior to the related expenditures.

The legal level of budgetary control, (i.e., the level at which expenditures may not legally exceed appropriations) is the fund and department level. Current expenditures are reported by department in the *Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual* and include personnel services, contractual services, internal services, materials and supplies. The legal level of budgetary control for departments also include capital outlay and other financing uses.

Multnomah County budget documents are available at: <https://multco.us/budget>

B. Expenditures in excess of appropriations

Oregon state law requires a supplemental budget to increase appropriations when unexpected additional resources become available. A supplemental budget is also required to transfer appropriations from a fund's operating contingency during the fiscal year. The supplemental budget process requires a public hearing, advance notice by newspaper publication, and approval by the Board of County Commissioners (the Board). The Board approved one supplemental budget and several other budgetary appropriations throughout the year.

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the year ended June 30, 2020, expenditures exceeded appropriations in the *Federal/State Program Fund* by \$322. A budget modification will be prepared for the 2021 fiscal year.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

C. Deficit net position

Oregon state law requires fund disclosure of deficit fund balances/net position. At June 30, 2020, the following Funds reported deficit net positions, in the amounts shown, in the *Statement of Fund Net Position – Proprietary Funds*, the *Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds*, the *Combining Statement of Net Position - Internal Service Funds*, and the *Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds*.

	Deficit Net Position
Enterprise Fund:	
Behavioral Health Managed Care	\$ 501
Internal Service Funds:	
Information Technology	4,061
Mail Distribution	208

These Funds are managed on a modified accrual basis of accounting before considering the accrual entries for pension and other postemployment benefits (OPEB). Management, with Board approval, budgets for a targeted ending fund balance that is positive as reported in the appropriate *Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual* for the Funds shown. Long-term activity is not budgeted on an annual basis.

The deficit net position in these Funds is primarily attributed to the full accrual entries for total OPEB liability and the net pension liability (see *Note IV.C. Postemployment benefits other than pensions* and *Note IV.D. Employee retirement systems, pension plans and deferred compensation* for additional information).

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Note III. Detailed notes

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."

Cash and investments for Multnomah County are reported in governmental and business-type activities. The balances at June 30, 2020 are:

	Primary Government	Fiduciary Activities	Total Government
Cash on hand	\$ 27	\$ -	\$ 27
Deposits with financial institutions	42,389	-	42,389
Investments	404,771	47,224	451,995
Total cash and investments	\$ 447,187	\$ 47,224	\$ 494,411

The County's unrestricted and restricted cash and investments are reported in governmental, business-type, and fiduciary activities:

	Unrestricted	Restricted	Total
Governmental activities	\$ 332,499	\$ 105,004	\$ 437,503
Business-type activities	9,684	-	9,684
Fiduciary activities	-	47,224	47,224
Total cash and investments	\$ 342,183	\$ 152,228	\$ 494,411

Deposit risk

Policies

Oregon Revised Statutes (ORS), Chapter 295 governs that the Office of the State Treasurer (OST) 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 percent of their uninsured public deposits. The OST may require up to 110 percent 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: <https://www.oregon.gov/treasury/public-financial-services/public-depository-information/pages/list-of-qualified-depositories.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 ORS 295.005.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Custodial risk

At June 30, 2020, the carrying amount of the County's deposits was \$42,389. Of this balance, \$2,954 was covered by depository insurance, Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA), and \$32,975 was collateralized by the PFCP. The remaining carrying amount of \$27 represents petty cash accounts that were uninsured and uncollateralized. The County does not have a policy related to custodial risk over cash.

Insured Deposits by Depository	Cash Balance	Credit Risk
Certificates of deposit (various)	\$ 1,715	Depository insurance FDIC/NCUA
Bank of America	250	Depository insurance FDIC/NCUA
JPMorgan	250	Depository insurance FDIC/NCUA
Umpqua	250	Depository insurance FDIC/NCUA
Washington Federal - money market (MM)	250	Depository insurance FDIC/NCUA
U.S. Bank	224	Depository insurance FDIC/NCUA
PayPal	15	Depository insurance FDIC/NCUA
Total insured deposits	2,954	
Uninsured Deposits by Depository		
Umpqua Bank - MM	18,711	Collateralized by PFCP, held by FHLB
Washington Federal - MM	4,626	Collateralized by PFCP, held by FHLB
JPMorgan	4,750	Collateralized by PFCP, held by FHLB
Bank of America	3,253	Collateralized by PFCP, held by FHLB
Willamette Community Bank - MM	1,635	Collateralized by PFCP, held by FHLB
Subtotal collateralized by PFCP	32,975	
U.S. Bank	11,679	Securities held for retainage on capital projects per ORS 279.421
Outstanding transfers	(5,219)	
Total uninsured deposits	39,435	
Total deposits with financial institutions	42,389	
Cash on hand	27	Uncollateralized
Total cash and cash equivalents	\$ 42,416	

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Investment risk

Policies

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

The County's investments are governed by a written investment policy that is reviewed annually by 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, investment restrictions, and the reporting requirements. A copy of the current policy is located at <http://multco.us/finance/investments>.

The County is authorized to invest in the LGIP, an open-ended, no-load diversified portfolio. The LGIP is commingled 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, OSTF Board. The OSTF is not managed as a stable net asset value fund; therefore, preservation of principal is not assured. The OSTF financial statements and its portfolio rules can be obtained at www.ost.state.or.us. The 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.

Credit risk

The County's investment policy seeks to minimize credit risk by establishing limits on the level of investments with financial institutions, municipalities, and issuers of corporate bonds and commercial paper. It stresses a fairly short maturity with highly rated securities.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Concentration of credit risk

Policies

In addition to limiting its exposure to losses due to asset concentration, the County's investment policy and ORS limit asset concentration as follows:

1. Corporate indebtedness must be rated on the settlement date, AA- or better by Standard & Poor's Corporation, or Aa3 or better 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 AA-or better by Standard & Poor's or AA- 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 percent of its permanent workforce in Oregon, or has more than 50 percent of its tangible assets in Oregon.
3. Purchase of commercial paper and other corporate debt not insured by an agency of the U.S. Government up to 25 percent of the total investment portfolio is allowed, but may exceed that limit up to 30 percent for a period not to exceed ten consecutive business days.
4. U.S. Government agencies are limited to 75 percent of the investment portfolio.
5. Investments guaranteed by an agency of the U.S. Government (e.g., the U.S. Treasury or the FDIC) 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, 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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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 percent of the total investment portfolio.

Investment Type / Issuer	Issuer Holding Greater than Five Percent		
	Fair Value	Percent of Total Portfolio	Policy Limit
Federal Farm Credit Bank	\$ 82,104	16.8%	25%
Federal Home Loan Bank	44,167	9.1%	25%

The County maintains cash with fiscal agent accounts to set aside for debt service requirements per the trustees and bond indentures. As of June 30, 2020, the County had the following investments and maturities with a portfolio weighted average maturity of 10.06 months, and a net portfolio yield of 2.11 percent (this table includes fiduciary activities).

Investment Type	Book Value	Fair Value	Risk Concentration	Weighted Average Maturity
U.S. Treasuries	\$ 156,023	\$ 157,007	31.8%	1.56
U.S. Agencies	146,930	149,814	30.3%	5.23
Corporate debt	66,317	67,301	13.6%	1.67
LGIP	46,136	46,136	9.2%	-
Municipal debt	31,137	31,737	6.4%	1.58
Cash and cash equivalents	24,022	24,022	4.9%	-
Deposit securities in lieu of retainage	11,679	11,679	2.4%	-
Certificate of deposit	6,715	6,715	1.4%	0.02
Total cash and investments	<u>\$ 488,959</u>	<u>\$ 494,411</u>	<u>100.0%</u>	<u>10.06</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:

Maturity	Cumulative Constraint
Less than 30 days	10%
Less than 1 year	35%
Less than 5 years	100%

The County's investment policy limits the weighted average maturity of the total portfolio to 2.0 years.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

If the goals of maturity limits are exceeded by 5 percent 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, 2020, the County had the following interest rate and concentration risk. Credit ratings are noted by Moody's and Standard & Poor's respectively:

Investment Type	Fair Value	Rating	Days to Maturity		
			0-90	91-365	366-1095
U.S. Treasuries	\$ 157,007	Aaa/AA+	\$ 66,181	\$ 65,433	\$ 25,393
U.S. Agencies	149,814	Aaa/A+	23,092	45,895	80,827
LGIP	46,136	AA*	46,136	-	-
Corporate debt	23,307	Aa2/AA-	-	18,120	5,187
	12,995	P-1/A-1+	9,999	-	2,996
	10,319	Aaa/AAA	-	-	10,319
	10,286	Aa1/AA+	-	5,109	5,177
	5,259	Aa3/AA-	-	-	5,259
	2,595	Aa2/A+	-	-	2,595
	2,540	Aa3/A+	-	-	2,540
Municipal debt	6,917	Aa1/AA+	-	-	6,917
	6,522	Aaa/AA+	-	2,095	4,427
	5,283	Aaa/AAA	-	-	5,283
	2,968	Aa2/AA-	-	-	2,968
	2,940	Aa3/None	-	2,940	-
	2,569	Aa1/AAAA	-	-	2,569
	2,522	Aa2/AAA	-	2,522	-
	2,016	Aa3/AA-	-	2,016	-
Total	<u>\$ 451,995</u>		<u>\$ 145,408</u>	<u>\$ 144,130</u>	<u>\$ 162,457</u>
Percentage			32.2%	31.9%	35.9%

*This represents the composite weighted average rating of the investments held by the LGIP.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date (exit price). Observable inputs reflect market participants' assumptions in pricing the asset or liability and are developed based on market data obtained from sources independent of reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset or liability.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Multnomah County's investment custodial bank utilizes Interactive Data Pricing and Reference for daily security pricing on the following asset types: U.S. Treasuries, U.S. Federal agencies, U.S. Corporate debt, and Municipal debt.

Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The categorization is based on pricing transparency of the investments, and not an indication of the risks associated with investing in the security.

Level 1 – quoted prices (unadjusted) in active markets for identical assets at the measurement date.

Level 2 – quoted prices for similar assets in active or inactive markets, or inputs derived from observable (directly or indirectly) market data.

Level 3 – valuations derived from valuation techniques in which significant inputs are unobservable.

Investment Type	Totals as of June 30, 2020	Fair Value Measurements Using			Not Measured at Fair Value
		Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	
U.S. Treasuries	\$ 157,007	\$ 157,007	\$ -	\$ -	\$ -
U.S. Agencies	149,814	149,814	-	-	-
Corporate debt	67,301	-	67,301	-	-
LGIP	46,136	-	-	-	46,136
Municipal debt	31,737	-	31,737	-	-
Money market accounts	25,472	-	-	-	25,472
Certificate of deposit	6,715	-	-	-	6,715
Total	\$ 484,182	\$ 306,821	\$ 99,038	\$ -	\$ 78,323

* Amortized cost approximates fair value for the LGIP investment.

U.S. Treasuries and U.S. Agencies are valued using quoted prices for identical assets in the active market. Corporate and municipal securities are valued using observable market data for comparable instruments. Balances held in the LGIP, certificates of deposit, and money market accounts are valued at amortized cost, the amount required to replace the asset. Demand deposits and other cash and equivalent accounts are reported at bank balance as of June 30, 2020.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

B. Receivables

Receivables as of June 30, 2020, are as follows:

	Governmental Activities					Business- type Activities	Total
	General Fund	Federal/ State Program Fund	Non- Major Funds	Internal Service Funds	Total Governmental Activities		
Receivables:							
Taxes:							
Property	\$ 9,223	\$ -	\$ 4,548	\$ -	\$ 13,771	\$ -	\$ 13,771
Other	23,138	-	616	-	23,754	-	23,754
Accounts	27,652	59,357	6,935	905	94,849	254	95,103
Loans	3,284	399	375	-	4,058	-	4,058
Interest	2,150	-	-	-	2,150	-	2,150
Special assessments	-	-	-	-	-	33	33
Contracts	158	-	-	-	158	-	158
Total receivables	65,605	59,756	12,474	905	138,740	287	139,027
Allowance for doubtful accounts	(1,768)	(1,705)	-	-	(3,471)	-	(3,471)
Receivables, net	<u>\$ 63,837</u>	<u>\$ 58,051</u>	<u>\$ 12,474</u>	<u>\$ 905</u>	<u>\$ 135,269</u>	<u>\$ 287</u>	<u>\$ 135,556</u>
Not scheduled for collection during the subsequent year	<u>\$ 3,295</u>	<u>\$ 399</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ 4,069</u>	<u>\$ -</u>	<u>\$ 4,069</u>

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

C. Unearned revenue and deferred outflows and inflows of resources

The County recognizes revenues when earned. Amounts received in advance of the period in which services are performed are recorded as a liability, "unearned revenue". The various components of unearned revenue reported in the governmental activities at June 30, 2020 are as follows:

Unearned Revenue	Governmental Activities				Total
	General Fund	Federal/State Program Special Revenue Fund	Nonmajor Governmental Funds	Internal Service Funds	
Grant draws prior to meeting all eligibility requirements	\$ -	\$ 20,620	\$ 21,444	\$ -	\$ 42,064
Loans receivable	273	399	375	-	1,047
Contracts receivable	150	-	-	-	150
Tax title land sales inventory	159	-	-	-	159
State vaccine inventory	-	439	-	-	439
Miscellaneous	7	-	1	14	22
Total unearned revenue	\$ 589	\$ 21,458	\$ 21,820	\$ 14	\$ 43,881

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. Various components of deferred inflows in the governmental funds are reported on the *Governmental Funds Balance Sheet*. Various components of deferred outflows and inflows in the government-wide statements are reported on the *Statement of Net Position*. For details regarding the County's deferred outflows of resources and deferred inflows of resources related to pensions see Note IV.C. *Postemployment benefits other than pensions* and Note IV.D. *Employee retirement systems, pension plans and deferred compensation plan*.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

D. Operating leases

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, 2020, are as follows:

Fiscal Year Ending June 30,	Amount
2021	\$ 4,460
2022	3,767
2023	3,279
2024	3,329
2025	3,409
2026-2030	11,866
2031-2032	179
Total minimum payments	\$ 30,289

The County recorded \$5,006 in base rent expense for the year ended June 30, 2020. Total rent expense was \$10,828, which includes operating and maintenance costs.

For details on capital leases, see Note III.G. *Long-term debt*.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

E. Interfund receivables, payables, and transfers

Interfund transfers

The primary purposes of significant transfers include the following:

- The General Fund transferred \$8,326 to the PERS Pension Bond Sinking Fund for County Comcast Settlement for PERS side account.
- The General Fund transferred \$2,000 to the Information Technology Capital Fund for corporate broadband and electronic medical records for corrections health juvenile detention.
- The General Fund transferred \$185 to the Facilities Management Fund to be utilized for facilities staff for shelter transition and health syringes boxes.
- The Library Fund transferred \$1,730 to the PERS Pension Bond Sinking Fund for Library District Comcast Settlement for PERS side account.
- The Animal Control Fund transferred \$1,524 to the General Fund to be utilized for animal license fees and other revenue to partially offset Animal Control Program costs.
- The Willamette River Bridges Fund transferred \$509 to the Burnside Bridge Fund for Earthquake Ready Burnside Bridge Feasibility Study.
- The Facilities Management Fund transferred \$314 to the Capital Improvement Fund for external tenant capital fees and prior under-contribution.
- The Facilities Management Fund transferred \$194 to the Asset Preservation Fund for external tenant capital fees and prior under-contribution.
- The Information Technology Fund transferred \$1,468 to the Information Technology Capital Fund for IT cyber security and capital project management software.
- The General Fund transferred \$880 to the Asset Preservation Fund for Southeast Health Center structural repair.
- The General Fund transferred \$2,200 to the Behavioral Health Resource Center Capital Fund for preliminary planning activities.
- The Financed Projects fund transferred \$559 to the Information Technology Fund for Orion software upgrade.
- The Hansen Building Replacement Fund transferred \$240 to the General Fund for COVID-19 and protest response.
- The Library District Fund reports a transfer of \$86,014 to the Library Fund to reimburse the County for library operations; however, this transfer is reported as intergovernmental revenue and current expenditures on the *Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*.
- The Library District Fund transferred \$8,883 to the Library District Capital Construction Fund to fund future capital asset construction.

In the governmental activities column of the *Statement of Activities*, transfers between governmental funds and between governmental and internal service funds have been eliminated; no interfund transfers were made for business-type activities during the year.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Interfund transfers of governmental activities for the year ended June 30, 2020, consist of the following:

<u>Governmental activities:</u>	<u>General Fund</u>	<u>Other Nonmajor Funds</u>	<u>Internal Service Funds</u>	<u>Total Transfers Out</u>
General fund	\$ -	\$ 13,406	\$ 185	\$ 13,591
Other nonmajor funds	1,764	97,136	559	99,459
Internal service funds	-	1,976	-	1,976
Total transfers in:	<u>\$ 1,764</u>	<u>\$ 112,518</u>	<u>\$ 744</u>	<u>\$ 115,026</u>

Due from / Due 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 from the Justice Services Special Operations Fund of \$169 is related to providing interim working capital financing. This balance is collected in the subsequent year.

Interfund loans

During fiscal year 2016, the Willamette River Bridges Fund received a \$3,000 loan from the Risk Management Fund for a feasibility study of seismic rehabilitation or replacement of the Burnside Bridge. Resolution No. 2015-116 authorized this 10-year loan. Repayment was interest-only for the first five years at the rate of 0.54 percent. The loan was repaid early and in full during the fiscal year ending June 30, 2020 from the Burnside Bridge Fund authorized by Resolution No. 2020-056.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

F. Capital assets

Capital asset activity of the primary government, for the year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 30,021	\$ -	\$ 2	\$ -	\$ 30,023
Land use rights	218,842	39	-	-	218,881
Construction in progress	361,654	112,532	(94,893)	(3,433)	375,860
Works of art	4,447	-	-	-	4,447
Total capital assets, not being depreciated or amortized	<u>614,964</u>	<u>112,571</u>	<u>(94,891)</u>	<u>(3,433)</u>	<u>629,211</u>
Capital assets, being depreciated or amortized:					
Buildings	399,113	4,520	84,907	(23)	488,517
Improvements other than buildings	1,010	-	-	-	1,010
Machinery and equipment	102,140	10,900	243	(4,014)	109,269
Bridges	475,828	294	5,502	-	481,624
Intangible assets	42,246	-	3,978	(129)	46,095
Infrastructure	386,900	1,604	261	-	388,765
Total capital assets being depreciated or amortized	<u>1,407,237</u>	<u>17,318</u>	<u>94,891</u>	<u>(4,166)</u>	<u>1,515,280</u>
Less accumulated depreciation or amortization for:					
Buildings	(195,189)	(11,642)	-	10	(206,821)
Improvements other than buildings	(495)	(40)	-	-	(535)
Machinery and equipment	(71,004)	(9,451)	-	3,972	(76,483)
Bridges	(103,206)	(10,654)	-	-	(113,860)
Intangible assets	(18,669)	(6,473)	-	129	(25,013)
Infrastructure	(331,025)	(9,736)	-	-	(340,761)
Total accumulated depreciation or amortization	<u>(719,588)</u>	<u>(47,996)</u>	<u>-</u>	<u>4,111</u>	<u>(763,473)</u>
Total capital assets being depreciated or amortized, net	<u>687,649</u>	<u>(30,678)</u>	<u>94,891</u>	<u>(55)</u>	<u>751,807</u>
Governmental activities capital assets, net	<u>\$ 1,302,613</u>	<u>\$ 81,893</u>	<u>\$ -</u>	<u>\$ (3,488)</u>	<u>\$ 1,381,018</u>
Business-type activities:					
Capital assets, not being depreciated or amortized:					
Construction in progress	\$ 955	\$ 86	\$ (3)	\$ (1)	\$ 1,037
Total capital assets, not being depreciated or amortized	<u>955</u>	<u>86</u>	<u>(3)</u>	<u>(1)</u>	<u>1,037</u>
Capital assets, being depreciated or amortized:					
Improvements other than buildings	9,112	-	3	-	9,115
Total capital assets being depreciated or amortized	<u>9,112</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>9,115</u>
Less accumulated depreciation or amortization for:					
Improvements other than buildings	(4,066)	(201)	-	-	(4,267)
Total accumulated depreciation or amortization	<u>(4,066)</u>	<u>(201)</u>	<u>-</u>	<u>-</u>	<u>(4,267)</u>
Total capital assets being depreciated or amortized, net	<u>5,046</u>	<u>(201)</u>	<u>3</u>	<u>-</u>	<u>4,848</u>
Business-type activities capital assets, net	<u>\$ 6,001</u>	<u>\$ (115)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 5,885</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fully depreciated or amortized capital assets at June 30, 2020 totaled \$127,227, all of which were available to be used in governmental type activities. Capital assets are evaluated annually for impairment. Fully depreciated or amortized capital assets are comprised of:

	Acquisition Value
Buildings	\$ 2,392
Bridges	58,343
Machinery & Equipment:	
Equipment, miscellaneous	34,184
Heavy equipment	1,620
Sewage facilities	1,419
Technology equipment	7,867
Vehicles	12,427
Intangibles:	
Software, developed internally	2,972
Software, purchased	6,003
Total	<u>\$ 127,227</u>

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

Function/program	Depreciation or Amortization Expense
Governmental activities:	
General government	\$ 16,285
Health services	1,351
Social services	80
Public safety and justice	1,030
Community services	2,558
Library	6,969
Roads, bridges, and bike path improvements	19,723
Total depreciation or amortization expense – governmental activities	<u>47,996</u>
Business-type activities:	
Sewer	80
Lighting	121
Total depreciation or amortization expense – business-type activities	<u>201</u>
Total	<u>\$ 48,197</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

G. Long-term debt

For the fiscal year ended June 30, 2020, the County has issued full faith and credits bonds, had loan payable obligations, and entered into various lease/purchase agreements. The various types of debt are discussed below, and each debt type reports the range of maturities.

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 percent to fund the County's unfunded accrued actuarial liability (UAAL). Bonds were rated Aa2 by Moody's. The County estimates that by funding the actuarial liability, the County will receive a present value savings of \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (OPERS) to retire the UAAL and the amount of the debt repayment. Payment of principal and interest, except for a term bond, are guaranteed by National Public Finance Guarantee. At June 30, 2020, \$47,274 of these bonds were outstanding.

On December 14, 2010, the County issued \$15,000 in Full Faith and Credit Obligations, Series 2010B, with interest rates from 4 to 5.05 percent. Bonds were rated Aa1 by Moody's. The proceeds from the sale of the obligations were used to finance the construction costs for the East County Courthouse (ECC). At June 30, 2020, 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 to 5 percent. Bonds were rated Aa1 by Moody's and AA by Standard & Poor's. The obligations were issued to finance and refinance construction of the Sellwood Bridge. The obligations were issued to support construction of a new Sellwood Bridge along with upgrades to the east and west end approaches. At June 30, 2020, the outstanding balance on the Series 2012 bonds was \$95,855 and the balance on the unamortized premium was \$13,723.

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 to 5 percent. Bonds were rated Aa1 by Moody's. This debt issue was all used as a current refunding during the 2015 fiscal year, which the proceeds of the obligations were used to refund debt (fiscal years 2016 through 2020 or \$24,395 in principal) on the Series 2004. During fiscal year ending June 30, 2020, the entire debt was repaid.

On December 14, 2017, the County issued \$164,110 in Full Faith and Credit Obligations, Series 2017, at a premium of \$16,715, with interest rates from 3 to 5 percent. Bonds were rated Aaa by Moody's and AAA by Standard & Poor's. The proceeds from the sale of the obligations were used to finance real or personal property related to the replacement of the Multnomah County Central Courthouse ("MCCH"), replacement of the Health Department administrative offices and downtown clinics ("HDHQ"), replacement of the Enterprise Resource Planning system ("ERP"), and improvements to County-owned facilities that house parole and probation services ("DCJ Campus"). At June 30, 2020, the outstanding balance on the Series 2017 bonds was \$144,195 and the balance on the unamortized premium was \$13,331.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

On September 12, 2019, the County issued \$16,075 in Full Faith and Credit Obligations, Series 2019, with an interest rate of 1.74 percent. Multnomah County entered into a ten year direct bank placement with DNT Asset Trust, a wholly owned subsidiary of JPMorgan Chase Bank, N.A. The issue will finance real or personal property related to the National Environmental Policy Act (NEPA) review phase of the Burnside Bridge Project and pay costs of issuance related to the financing. At June 30, 2020, the outstanding balance on the Series 2019 bonds was \$14,973.

Full faith and credit bond obligations, excluding unamortized premiums, outstanding at year-end are as follows:

Purpose	Interest Rates	Amount
Governmental activities	1.74-7.74%	\$ 317,297

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

Fiscal Year Ending June 30,	Principal	Interest
2021	\$ 22,409	\$ 32,518
2022	23,066	33,327
2023	23,770	34,165
2024	24,500	35,043
2025	18,504	35,962
2026-2030	98,198	201,034
2031-2035	54,935	14,357
2036-2040	22,820	8,079
2041-2045	19,955	4,285
2046-2047	9,140	554
Subtotal	317,297	\$ 399,324
Premiums on long-term debt	27,054	
Total	<u>\$ 344,351</u>	

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

Full Faith and Credit Bonds	Long-term	Current	Total
Maturities	\$ 294,888	\$ 22,409	\$ 317,297
Premiums on long-term debt	24,870	2,184	27,054
Total	<u>\$ 319,758</u>	<u>\$ 24,593</u>	<u>\$ 344,351</u>

No assets were pledged as collateral for the County's full faith and credit bonds. In the event of default, the lender may exercise any remedy available under the law. The outstanding amounts are not subject to acceleration.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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:

Asset	Governmental Activities
Buildings	\$ 3,114
Equipment	33
Less: Accumulated depreciation	(2,125)
Total	<u>\$ 1,022</u>

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

Purpose	Interest Rates	Amount
Governmental activities	1.75-10.31%	<u>\$ 1,329</u>

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2021	\$ 213	\$ 88
2022	221	81
2023	229	73
2024	52	66
2025	57	61
2026-2030	395	196
2031-2032	162	14
Total	<u>\$ 1,329</u>	<u>\$ 579</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Loans payable

Levee Ready Columbia Project Financing

In April 2016, the County entered into an interim financing agreement with the State of Oregon, through the Oregon Infrastructure Finance Authority (IFA) for financing the Multnomah County Levee Accreditation Evaluation for "Levee Ready Columbia (LRC)," a regional project. The financing will provide funding for Phase II of the project, engineering analysis on the levees along the Columbia River, which are maintained by the Sauvie Island Drainage Improvement Company (SIDIC), Multnomah County Drainage District No. 1 (MCDD) and Sandy Drainage Improvement Company (SDIC), with the goal of FEMA recertification and accreditation.

The County was named the borrower for the IFA Phase II funding which will enable the County to access a package of loans and grants from the IFA. The IFA determines whether disbursements will be drawn from the loan or grant funding available.

The County's obligations to make payments under the IFA financing contracts will be offset by revenues to be received by the County from the LRC project partners for over 95 percent of the amount borrowed. This will also provide one-time-only financing assistance to the Cities of Fairview and Troutdale in connection with their obligations to the LRC project, and pay a portion of expenses incurred by the LRC project for public outreach and facilitation.

As of June 30, 2020, proceeds and obligations from the IFA for loan contracts are:

Oregon Infrastructure Finance Authority Contracts	Interest Rates	Maximum Available	Reimbursement		Prepayment Prior to Repayment Status	Obligation Not Yet in Repayment Status
			Draws Received / Accumulative Obligation	Amount Available to Draw		
MCDD loan draws (A)	0.00%	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ 1,000
MCDD loan draws (B)	1.84%	1,518	103	1,415	-	103
Total MCDD draws		2,518	1,103	1,415	-	1,103
SDIC loan draws (A)	0.00%	500	464	36	67	397
SDIC loan draws (B)	1.84%	450	-	450	-	-
Total SDIC draws		950	464	486	67	397
Total IFA No. X16001		<u>3,468</u>	<u>1,567</u>	<u>1,901</u>	<u>67</u>	<u>1,500</u>
SIDIC loan draws (C-1)	0.00%	191	94	97	-	94
SIDIC loan draws (C-2)	1.84%	142	-	142	-	-
Total SIDIC draws / IFA No. J16002		<u>333</u>	<u>94</u>	<u>239</u>	<u>-</u>	<u>94</u>
Totals - all contracts		<u>\$ 3,801</u>	<u>\$ 1,661</u>	<u>\$ 2,140</u>	<u>\$ 67</u>	<u>\$ 1,594</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Repayments begin 90 days after the project completion date or the project completion deadline of June 30, 2024, whichever is earlier. During fiscal year ending June 30, 2020, a prepayment of \$67 was made. The final amount of the IFA loan draws is uncertain and not yet in repayment status; therefore, are excluded from the annual maturity schedule.

Transportation Improvements Financing

In fiscal year 2009, the County entered into a loan agreement with the Oregon Department of Transportation's Financial Services (ODOT) for the purpose of making capital improvements to the County's transportation system. The loan was re-amortized in fiscal year 2017, reducing the principal balance owed by \$93. The total outstanding under this agreement was \$1,531 at June 30, 2020. The ODOT loan obligations outstanding at year-end are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.98%	\$ 1,531

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

Fiscal Year Ending June 30,	Principal	Interest
2021	\$ 231	\$ 61
2022	240	52
2023	250	42
2024	260	32
2025	270	22
2026	280	11
Total	\$ 1,531	\$ 220

In the event of an "Event of Default" for all loans payable, the lender may accelerate payment immediately of the entire loans principal amount and other amounts due on the loans. In the event of default, the investors may exercise any remedy available at law or in equity or in bankruptcy or otherwise.

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 post remediation monitoring.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

The calculation for pollution remediation obligation is an estimate determined by management using the expected cash flow techniques and applying probabilities to the pollution remediation activities. Estimates of pollution remediation obligations are subject to changes resulting from price increases, decreases, changes in technology as well as changes in applicable laws and regulations; any recoveries would reduce the liability.

The County continues to monitor a former landfill, where low amounts of methane gas have been detected in prior years. Liabilities for monitoring and cleanup of a former landfill site have been satisfied and it has been established that no cleanup action is required at this time. The County does not have a pollution remediation liability for fiscal year 2020.

Compensated Absences

The County's policy relating to compensated absences is described in Note I. D. *Assets, deferred outflows, liabilities, deferred inflows, and net position or fund balances*. The long-term portion of compensated absences for governmental activities was \$3,309. The total amount outstanding at June 30, 2020 was \$32,855.

The long-term portion of compensated absences is expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the governmental and proprietary funds for which the employees who earned the benefits were assigned. Compensated absences are liquidated by select governmental funds (General Fund, Federal/State Program Fund, Willamette River Bridges Fund, Library Fund, Land Corner Preservation Fund, Inmate Welfare Fund, Justice Services Special Operations Fund, Video Lottery Fund, Capital Improvement Fund, and Enterprise Resource Planning Project Fund) as well as the internal service funds.

Balances of compensated absences for governmental activities for the year ended June 30, 2020 were as follows:

	Internal Service Funds							Total Governmental Activities
	Governmental Funds	Risk Management Fund	Fleet Management Fund	Information Technology Fund	Mail Distribution Fund	Facilities Management Fund	Total Internal Service Funds	
Beginning balance	\$ 25,415	\$ 320	\$ 69	\$ 1,446	\$ 40	\$ 547	\$ 2,422	\$ 27,837
Earned	28,091	524	65	1,630	74	680	2,973	31,064
Used	(23,544)	(414)	(64)	(1,360)	(58)	(606)	(2,502)	(26,046)
Ending balance	\$ 29,962	\$ 430	\$ 70	\$ 1,716	\$ 56	\$ 621	\$ 2,893	\$ 32,855

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

Governmental Activities	Beginning Balance	Additions	Adjustments & Reductions	Ending Balance	Due Within One Year
Full faith and credit bonds	\$ 326,033	\$ 16,075	\$ 24,811	\$ 317,297	\$ 22,409
Unamortized premiums-bonds	29,665	-	2,611	27,054	2,184
Total bonds	355,698	16,075	27,422	344,351	24,593
Capital leases	1,536	-	207	1,329	213
Loans payable	3,358	54	287	3,125	231
Long-term debt before other long-term liabilities	360,592	16,129	27,916	348,805	25,037
Compensated absences	27,837	5,018	-	32,855	29,546
Governmental activities - long-term liabilities	<u>\$ 388,429</u>	<u>\$ 21,147</u>	<u>\$ 27,916</u>	<u>\$ 381,660</u>	<u>\$ 54,583</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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, 2020, \$4,850 of the Higher Education Variable Rate Demand Revenue Bonds remained outstanding.

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 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 the 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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

A summary of the Authority's conduit debt is as follows:

Obligor (Health Care Facility), Debt Issue, Terms	Series	Issue Date	Original Amount	Balance at June 30, 2020
Adventist Health System/West: Refunding Revenue Bonds, due March 1, 2040	2019	11/01/2019	\$ 52,535	\$ 52,535
Holladay Park Plaza: Revenue and Refunding Bonds, Variable Rate Demand Revenue Refunding Bonds, due serially through December 1, 2040	2010A	12/23/2010	14,460	11,430
Terwilliger Plaza: Revenue and Refunding Bonds, due serially through December 1, 2029	2012	1/1/2012	18,245	12,385
Odd Fellows Home-Friendship Health Center: Variable Rate Demand Revenue Refunding Bonds, due serially through September 15, 2020	2013A	7/12/2013	6,975	5,815
Holladay Park Plaza: Revenue Bonds, due serially through December 1, 2043	2013A	10/31/2013	14,138	9,610
Parkview Christian Retirement Community Project: Variable Rate Revenue Refunding Bonds, due serially through November 1, 2034	2013	12/12/2013	7,315	5,845
Pacific Mirabella (at South Waterfront Project): Variable Rate Demand Revenue Refunding Bonds, due serially through October 1, 2049	2014A	9/30/2014	93,380	88,325
Terwilliger Plaza Inc.: Revenue Bonds, due serially August 1, 2022 through August 1, 2044	2019	8/01/2019	25,000	5,945
Terwilliger Plaza Inc.: Revenue Refunding Bonds, due serially through December 1, 2036	2016	6/15/2016	<u>13,625</u>	<u>12,050</u>
			<u>\$ 245,673</u>	<u>\$ 203,940</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

H. 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, 2020, were as follows:

Fund balances	General Fund	Federal/State Program Special Revenue Fund	Downtown Courthouse Capital Project Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 306	\$ -	\$ -	\$ 55	\$ 361
Prepaid items	577	105	-	924	1,606
Restricted:					
Capital projects, buildings	-	-	3,471	-	3,471
Capital projects, technology	-	-	-	3,094	3,094
Community support programs	457	11,540	-	7,402	19,399
Document storage and retrieval	96	-	-	-	96
Library operations	-	-	-	39,069	39,069
Roads, bridges and bike path improvements	-	-	-	13,128	13,128
Committed:					
Capital projects, buildings	-	-	-	38,057	38,057
Capital projects, technology	-	-	-	5,207	5,207
Community support programs	14,490	-	-	1,801	16,291
Debt service	-	-	-	25,701	25,701
Roads, bridges and bike path improvements	-	-	-	2,419	2,419
Assigned:					
Capital equipment acquisition	-	-	-	131	131
Community support programs	-	-	-	233	233
Library operations	-	-	-	6,427	6,427
Roads, bridges and bike path improvements	-	-	-	2,565	2,565
Unassigned	96,249	-	-	-	96,249
Total fund balances	<u>\$ 112,175</u>	<u>\$ 11,645</u>	<u>\$ 3,471</u>	<u>\$ 146,213</u>	<u>\$ 273,504</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Note IV. Other information

A. Risk management

The County is exposed to various risks of loss related to torts and property damage including theft of, damage to, and destruction of assets, assertion of negligence, employee injury or illness, errors and omissions, and natural disasters. The County self-insures to \$1,000 and purchases excess insurance for large and catastrophic losses above the self-insurance for general liability, auto liability, medical malpractice, and workers' compensation liability. By self-insuring in areas that are fiscally cost effective, the County realizes savings by not paying overhead or profit margins that are built into insurance premium costs.

The County purchases a large deductible policy for property loss and specific policies for specialty coverage to cover losses where insurance is afforded. Motor vehicle property loss insurance coverage is only offered with a large deductible that historically, the majority of our loss costs do no reach.

Premiums are calculated 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, loss prevention efforts, and administrative costs. These interfund premiums are used to offset the amount of claims expenditures reported in the risk management fund. As of June 30, 2020, 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 (IBNR). 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. Discount factors of 0.904 and 0.93 were used to estimate the year-end workers' compensation component and the liability component, respectively. Annually, the County submits workers' compensation fund liabilities to the State as per ORS 436-050-0185; surety bond exemption requirements for counties.

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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
<u>Changes in Claims Liabilities</u>		
Unpaid claims, beginning of fiscal year	\$ 12,364	\$ 13,891
Incurred claims (including IBNRs)	33,616	34,331
Actuarial adjustment	(3,491)	(3,011)
Claim payments	(31,910)	(32,847)
Unpaid claims, end of fiscal year	<u>\$ 10,579</u>	<u>\$ 12,364</u>

B. Commitments and contingent liabilities

Grants

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.

Lawsuits

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

Construction contracts

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 that were entered into prior to June 30, 2020.

	Fiscal Year Ended June 30, 2020	Financing Sources
<u>Construction Commitments</u>		
Buildings	\$ 2,776	State of Oregon reimbursements, long-term debt, intergovernmental agreements, internal service charges, grant funding, General Fund
Bridges	7,661	State motor vehicle fees, vehicle fuel taxes, grant funding, and internal loan proceeds
Technology	2,051	Internal service charges, General Fund, limited debt proceeds from long-term debt
Roads	1,584	State motor vehicle fees, vehicle fuel taxes, land development activity, grant funding, Oregon Department of Transportation loan agreement
Total	<u>\$ 14,072</u>	

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Labor agreements

There are twelve labor agreements between the County and its employees. Contracts may be viewed online at: <https://multco.us/employee-labor-relations/labor-contracts>. Three of the agreements have expired at June 30, 2020. Given the current pandemic, parties have agreed to a one-year extension rather than a full-scale renegotiation.

	<u>Effective Dates</u>
Oregon Nurses Association (ONA)	July 1, 2018 - June 30, 2021
Multnomah County Deputy Sheriff's Association (MCDA)	July 1, 2018 - June 30, 2022
Multnomah County Employees Union - Local 88, AFSCME AFL-CIO	July 1, 2017 - June 30, 2020
Federation of Oregon Parole and Probation Officers (FOPPO)	July 1, 2017 - June 30, 2020
Multnomah County Prosecuting Attorneys Association	July 1, 2017 - June 30, 2021
International Union of Operating Engineers - Local 701, AFL-CIO	July 1, 2017 - June 30, 2022
Multnomah County Corrections Deputy Association (MCCDA)	July 1, 2017 - June 30, 2022
International Union of Painters and Allied Trades	
District Council 5, Local 1094, AFL-CIO	July 1, 2016 - June 30, 2021
Multnomah County Employees Union, Physicians Unit -	
Local 88-2, AFSCME AFL-CIO	July 1, 2016 - June 30, 2020
International Brotherhood of Electrical Workers (IBEW) - Local 48, AFL-CIO	July 1, 2016 - June 30, 2021
Multnomah County Employees Union - Dentists, Local 88-5, AFSCME AFL-CIO	July 1, 2018 - June 30, 2022
Multnomah County Employees Union, Juvenile Custody Services Specialists	
Unit (JCSS), Local 88, AFSCME AFL-CIO	July 1, 2018 - June 30, 2021

C. Postemployment benefits other than pensions

The other postemployment benefits (OPEB) for the County combines two separate plans. The County makes contributions to the State of Oregon's Public Employees Retirement System (OPERS) Retirement Health Insurance Account, and provides the Multnomah County Postretirement Medical and Life Insurance Plan (County Plan).

State of Oregon Public Employees Retirement System - Retirement Health Insurance Account

Plan Description. The County contributes to the OPERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by telephone (503) 598-7377 or by writing to OPERS, PO Box 23700, Tigard, OR 97281-3700, online: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Plan benefits

Funding policy. Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may only be amended by the Oregon Legislature. ORS requires that an amount equal to \$60 (dollars) or the total monthly cost of Medicare companion health insurance coverage, whichever is less, shall be paid from the RHIA established by the employers; and any monthly cost in excess of \$60 (dollars) shall be paid by the eligible retired member in the manner provided in ORS 238.410.

To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from OPERS, or was insured at the time the member died and the member retired before May 1, 1991.

Participating governments are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.05 percent of annual covered payroll for Tier One, Tier Two and for OPSRP employees. The OPERS Board of Trustees sets the employer contribution rate. The rate is based on the annual required contribution (ARC) of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years.

Contributions. The County's contractually required contribution rate for the year ended June 30, 2020 was 0.06 percent of the covered payroll for Tier 1/Tier 2 employees, actuarially determined as an amount that is expected to finance the costs of the benefits earned by employees during the year. Employees are not required to contribute to the RHIA plan. Contributions by the County to the RHIA plan equaled the required contributions each year and were:

Fiscal Year Ended June 30,	RHIA Contributions
2017	\$ 1,678
2018	1,641
2019	1,006
2020	856

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

RHIA OPEB asset, expenses, deferred outflows (inflows) of resources

For the fiscal year ended June 30, 2020, the County reported an asset of \$3,920 for its proportionate share of the collective net RHIA OPEB asset. The collective net RHIA OPEB asset was measured as of June 30, 2019 and the total RHIA OPEB asset used to calculate the collective net RHIA OPEB asset was determined by an actuarial valuation as of December 31, 2017. The County's proportionate share of the collective net RHIA OPEB asset was based on a projection of the County's long-term share of contributions to the RHIA OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share at June 30, 2020 and June 30, 2019 was 2.029 and 3.389 percent respectively, resulting in a decrease of 1.360 percent.

For the year ended June 30, 2020, the County recognized expenses of \$1,020 for RHIA OPEB. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

<u>Schedule of Deferred Outflows / (Inflows) of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
Differences between expected and actual experience	\$ -	\$ (517)	\$ (517)
Changes of assumptions	-	(4)	(4)
Net difference between projected and actual earnings on investments	-	(243)	(243)
Changes in proportionate share	745	(7)	738
Total (prior to post-measurement date contributions)	745	(771)	(26)
Contributions made subsequent to measurement date	856	-	856
Net deferred outflows / (inflows) of resources	<u>\$ 1,601</u>	<u>\$ (771)</u>	<u>\$ 830</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Deferred outflows of resources of \$856 were reported related to RHIA OPEB contributions subsequent to the measurement date and will be recognized as a reduction of the collective net RHIA OPEB liability in the year ended June 30, 2020. Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in RHIA OPEB expense in subsequent years as follows:

Fiscal Year Ending June 30,	Differences Between Expected and Actual Experience	Changes in Assumptions	Net Difference Between Projected and Actual Earnings on Investments	Changes in Proportionate Share	Net Deferred Outflows / (Inflows) of Resources
2021	\$ (267)	\$ (3)	\$ (122)	\$ 349	\$ (43)
2022	(228)	(1)	(122)	354	3
2023	(22)	-	(24)	35	(11)
2024	-	-	25	-	25
Total	<u>\$ (517)</u>	<u>\$ (4)</u>	<u>\$ (243)</u>	<u>\$ 738</u>	<u>\$ (26)</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Actuarial methods and assumptions used in developing total RHIA OPEB asset

The total RHIA OPEB asset based on the December 31, 2017 valuation was determined using the following actuarial methods and assumptions:

Valuation date	December 31, 2017
Measurement date	June 30, 2019
Experience study	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with Moro decision, blend based on service
Mortality	<i>Health retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Active Members:</i> RP-2014 Employees sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Discount rate

The discount rate used to measure the total RHIA OPEB asset was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from County will be made at contractually required rates, actuarially determined. Based on this assumption, the RHIA OPEB plan's fiduciary net position was projected to be available to make all projected RHIA OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on RHIA OPEB plan investments was applied to all periods of projected benefit payments to determine the total RHIA OPEB asset.

GASB 74 generally requires that a blended discount rate be used to measure the total OPEB liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where fiduciary net position is not projected to cover benefit payments and administrative costs.

Sensitivity analysis of the County's proportionate share of the net RHIA OPEB asset to changes in the discount rate

The following presents the County's proportionate share of the net RHIA OPEB asset calculated using the discount rate of 7.2 percent, as well as what the County's proportionate share of the net RHIA OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20)%	Current Discount Rate (7.20)%	1% Increase (8.20)%
County's proportionate share of the net OPEB liability (asset)	\$ (3,039)	\$ (3,920)	\$ (4,671)

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital mark assumptions team and the Oregon Investment Council's (OIC) investment advisers. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60%	4.07%
Short-term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Real Estate (REITS)	2.50%	6.69%
Real Estate (Property)	10.00%	5.55%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Private Equity	17.50%	8.33%
Commodities	1.13%	3.79%
Hedge Fund of Funds – Diversified	1.50%	4.06%
Hedge Fund – Event-driven	0.38%	5.59%
Portfolio - Net of Investment Expenses	100.00%	6.91%
Assumed Inflation - Mean		2.50%

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Multnomah County Postretirement Retiree Medical and Life Insurance Plan

Plan description. The County also administers a single-employer defined benefit healthcare and life insurance plan (the Plan) per the requirements of collective bargaining agreements. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. The Plan states the County shall pay 50 percent of the monthly medical insurance premium on behalf of a County retiree and his/her eligible dependents from the retiree's 58th birthday or date of retirement, whichever is later, until the retiree's 65th birthday, death or eligibility for Medicare, whichever is earlier. Retirees must have five years of continuous County service immediately preceding retirement at or after age 58, or ten years of continuous County service immediately preceding retirement prior to age 58. The Plan does not issue a publicly available financial report.

Plan benefits

Funding policy. A trust fund has not been established to hold resources for the payment of benefits for the total OPEB obligation. Contribution requirements are negotiated between the County and union representatives. The Plan offers retirees a health benefit equal to half of their monthly premium; retirees are required to pay the other half. 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 percent of the annual premium costs, which are two percent of annual covered payroll to fund the Plan.

At the date of the last valuation, January 1, 2019, there were 518 retirees enrolled in the OPEB medical benefit and 2,205 retirees with life coverage. Retirees with medical insurance noted above excludes post-age 65 retirees who are not covering their pre-age 65 spouses and/or dependents, as the County does not incur any liability from those participants. In addition, retirees may enroll in dental insurance at their own cost; the County does not incur any liability for retiree dental coverage.

The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2020, the County contributed \$5,921 to the Plan, of which \$2,587 was explicitly contributed as part of the contractual obligation described above; the remaining \$3,334 represents the implicit subsidy derived from active employee contributions. Administrative expenses of \$373 are included in the explicit contributions.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Actuarial methods and assumptions used in developing total OPEB liability

The total OPEB liability based on the January 1, 2019 valuation was determined using the following actuarial methods and assumptions:

Measurement date	January 1, 2020
Actuarial assumptions:	
Discount rate:	
As of January 1, 2019	4.10 percent
As of January 1, 2020	2.74 percent
	(Bond Buyer 20-Bond GO Index as of December 27, 2018, and December 26, 2019)
Healthcare cost trends	Ranges from 6.6 percent in 2020 decreasing to 4 percent in 2035
Wage inflation rate	3.50 percent per year
Salary merit increase rates	Rates used in 2016 OPERS experience study
Mortality	Rates used in 2016 OPERS experience study

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 healthcare cost trends. 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.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members), which includes the types of benefits provided at the time of each valuation and the 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 AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2019 actuarial valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each individual is allocated on a level basis over the earnings or service of the individual between date of hire and assumed retirement date.

Changes since the last valuation

The discount rate was changed to match the yield on a 20-year general obligation bond.

Per-person health care cost trends from 2019 to 2020 were updated so that the projected 2020 premium amounts match the actual 2020 premiums.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Any change in total OPEB liability due to benefit changes is recognized immediately. During fiscal year ending June 30, 2020, the change due to the repeal of the excise tax on "Cadillac" plans was treated as a benefit change. The "Cadillac Tax" in the Affordable Care Act (ACA) was repealed in the Further Consolidated Appropriations Act 2020 (Budget Bill) dated December 19, 2019. The repeal of the "Cadillac Tax" was reflected in the January 1, 2020 total OPEB liability by removing the previously assumed cost of the excise tax.

Changes in total OPEB liability

The table below shows the changes in the total OPEB liability during the measurement period ending on January 1, 2020.

<u>Changes in Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at January 1, 2019	\$ 109,250
Changes for the year:	
Service cost	5,965
Interest	4,480
Changes of benefits	(98)
Differences between expected and actual experience	(3,143)
Changes of assumptions	10,558
Benefit payments:	
Explicit subsidy	(2,587)
Implicit subsidy	(3,334)
Net changes	11,841
Balance at January 1, 2020	\$ 121,091

During the measurement year, the total OPEB liability increased by \$11,841. The service cost and interest cost increased the total OPEB liability by \$10,445 while benefit payments reduced the total OPEB liability by \$5,921.

There was a change in benefits during the measurement year due to the repeal of the excise tax, which decreased the total OPEB liability by approximately \$98. There was a change in assumptions during the measurement year decreasing the discount rate, which increased the total OPEB liability by approximately \$10,558. There was as liability gain during the year due to the actual health trend rates, which decreased the total OPEB liability by approximately \$3,143.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Sensitivity analysis of the County's Plan for total OPEB liability to changes in the discount rate

Changes in the discount rate affect the measurement of the total OPEB liability. Lower discount rates produce a higher total OPEB liability and higher discount rates produce a lower total OPEB liability. The table below shows the sensitivity of the total OPEB liability to the discount rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 129,481	\$ 121,091	\$ 113,233

A one percent decrease in the discount rate increases the total OPEB liability by approximately 6.9 percent and a one percent increase in the discount rate decreases the total OPEB liability by approximately 6.5 percent.

Sensitivity analysis of the County's Plan for total OPEB liability to changes in the healthcare trends

Changes in the healthcare trends also affect the measurement of the total OPEB liability. Lower healthcare trends produce a lower total OPEB liability and higher healthcare trends produce a higher total OPEB liability. The table below shows the sensitivity of the total OPEB liability to the health care trends.

	1% Decrease	Healthcare Trend	1% Increase
Total OPEB liability	\$ 108,635	\$ 121,091	\$ 135,664

A one percent decrease in the healthcare trends decreases the total OPEB liability by approximately 10.3 percent and a one percent increase in the healthcare trends increases the total OPEB liability by approximately 12 percent.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

OPEB deferred inflows and outflows of resources

The table below summarizes the current balances of deferred outflows of resources related to the Plan along with the net recognition over the next five years and the total recognition thereafter, if any.

Schedule of Deferred Outflows / (Inflows) of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows / (Inflows) of Resources
Differences between expected and actual experience	\$ 475	\$ (13,556)	\$ (13,081)
Changes in assumptions	10,702	(4,752)	5,950
Subtotal	11,177	(18,308)	(7,131)
Contributions subsequent to the measurement date:			
Explicit subsidy	1,341	-	1,341
Implicit subsidy	1,688	-	1,688
Administrative expenses	195	-	195
Total contributions subsequent to measurement date	3,224	-	3,224
Net deferred outflows / (inflows) of resources	<u>\$ 14,401</u>	<u>\$ (18,308)</u>	<u>\$ (3,907)</u>

Amounts reported as deferred outflows due to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Future Recognition of OPEB Expense
2021	\$ (1,532)
2022	(1,532)
2023	(1,532)
2024	(1,532)
2025	(2,063)
Thereafter	1,060
Total	<u>\$ (7,131)</u>

The impacts of experience gains or losses and assumption changes on the total OPEB liability are recognized in expense over the average expected remaining service life of all active and inactive members of the Plan. As of the measurement date, this recognition period was seven years.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

During the year, actual experience differed from assumed experience decreasing the total OPEB liability by \$3,142. Approximately \$523 is recognized in the current year and an identical amount will be recognized in each of the next six years. Unrecognized experience gains from prior years were \$13,556, of which \$475 is recognized in the current year.

Unrecognized experience losses from prior years was \$600, of which \$100 is recognized in the current year. As of January 1, 2020 unrecognized experience gains and losses from the current and prior years result in deferred inflows of resources of approximately \$13,556 and a deferred outflow of resources of approximately \$475.

In addition, changes in assumptions increased the total OPEB liability by approximately \$10,700. Approximately \$1,783 is recognized in the current year and an identical amount will be recognized in each of the next six years. Unrecognized assumption changes from the prior year that increased the total OPEB liability by \$3,600, of which \$500 is recognized in the current year. As of January 1, 2020, unrecognized assumption changes from the current and prior years result in a deferred outflow of resources of approximately \$10,701 and a deferred inflow of resources of approximately \$4,751.

Aggregated information on OPEB plans

For the year ended June 30, 2020, the County recognized a net OPEB expense of \$1,892. The aggregate balance of the County's total OPEB liability, deferred outflows, deferred inflows, and expense related to other postemployment benefits for the County Plan and OPERS RHIA as of June 30, 2020 is as follows:

	County Plan	OPERS RHIA	Totals
Governmental activities:			
Net OPEB asset (liability)	\$ (119,110)	\$ 3,856	\$ (115,254)
Deferred outflows	14,165	1,575	15,740
Deferred inflows	(18,008)	(758)	(18,766)
OPEB Expense (Income)	3,235	(1,015)	2,220
Total governmental activities	(119,718)	3,658	(116,060)
Business-type activities:			
Net OPEB asset (liability)	(1,981)	64	(1,917)
Deferred outflows	236	26	262
Deferred inflows	(300)	(13)	(313)
OPEB Expense (Income)	(323)	(5)	(328)
Total business-type activities	(2,368)	72	(2,296)
Totals:			
Net OPEB asset (liability)	(121,091)	3,920	(117,171)
Deferred outflows	14,401	1,601	16,002
Deferred inflows	(18,308)	(771)	(19,079)
Expense related to OPEB	2,912	(1,020)	1,892
Totals	\$ (122,086)	\$ 3,730	\$ (118,356)

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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

State of Oregon Public Employees Retirement System

Plan description. The County is a participating employer in the Oregon Public Employee Retirement System (OPERS), a cost-sharing multiple-employer defined benefit public employee pension plan. The County also maintains a defined contribution plan for the purpose of individual retirement savings through OPERS: the Individual Account Program (IAP). Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS is administered under Oregon Revised Statutes Chapter 238 and Internal Revenue Service 401(a) by the Public Employees Retirement Board (OPERS Board).

OPERS, a fiduciary fund of the State of Oregon, issues a comprehensive annual financial report that can be obtained from Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281, or at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Summary of significant accounting policies – basis of accounting and valuation of investments. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS plan and additions to/deductions from OPERS' fiduciary net position have been determined using the accrual basis of accounting, same as the OPERS plan. Plan member contributions are recognized in the period in which contributions are due, pursuant to legal (or statutory) requirements. 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 recognized at fair value as determined by OPERS.

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two Retirement Benefits

Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension benefits. The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by an OPERS employer at the time of death,
- The member died within 120 days after termination of OPERS-covered employment,
- The member died as a result of injury sustained while employed in an OPERS-covered job, or
- The member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit changes after retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on COLA is 2 percent, blended based on service, and graded (1.25 percent/0.5 percent).

OPSRP Pension Program

Pension benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age.

- For general service members, 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8 percent is multiplied by the number of years of service and the final average salary.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

- Normal retirement age for police and fire members are age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70-1/2 years.

Disability benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on COLA is 2 percent, blended based on service, and graded (1.25 percent/0.5 percent).

Contributions

Funding policy. OPERS funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS defined benefit plan and the other postemployment plan.

Covered employees are required to contribute 6 percent of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The County has elected to contribute the 6 percent "pick-up" or \$32,626 of the employees' contribution for the year ended June 30, 2020. This "pick-up" is allocated to each employee's Individual Account Program (IAP).

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

The County's employer contribution rates for the year ended June 30, 2020 were 23.25 percent for Tier One/Tier Two members, 15.23 percent for OPSRP General Service members, and 19.86 percent for OPSRP Police and Fire members. The County's total contributions, excluding the IAP 6 percent "pick-up," for the year ended June 30, 2020 were:

	<u>Contributions</u>
Pension Benefits	\$ 64,155
OPSRP Defined Benefit	<u>38,224</u>
Subtotal	<u>102,379</u>
Side Account	31,250
Side Account Amortization	<u>(10,697)</u>
Side Account subtotal	<u>20,553</u>
Total Defined Benefit Pension	<u>\$ 122,932</u>
OPSRP IAP Benefits	\$ 32,626
RHIA Benefits	\$ 856

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

For the fiscal year ended June 30, 2020, the County reported a liability of \$581,413 for its proportionate share of the collective OPERS net pension liability. The collective net pension asset/liability was measured as of June 30, 2019, using the actuarial valuation of December 31, 2017. The County's proportion of the collective net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share at June 30, 2020 and June 30, 2019 was 3.361 and 3.352 percent respectively, resulting in an increase of 0.009 percent.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

For the year ended June 30, 2020, the County recognized a total pension expense of \$37,018. The balance of the County's net pension liability, deferred outflows, deferred inflows, and expense related to other postemployment benefits for the pension as of June 30, 2020 is as follows:

	<u>Pension</u>
Governmental activities:	
Net pension asset (liability)	\$ (571,703)
Deferred outflows	261,071
Deferred inflows	(28,996)
Expense related to pension	<u>37,096</u>
Total governmental activities	<u>(302,532)</u>
Business-type activities:	
Net pension asset (liability)	(9,710)
Deferred outflows	4,434
Deferred inflows	(492)
Expense related to pension	<u>(78)</u>
Total business-type activities	<u>(5,846)</u>
Totals:	
Net pension asset (liability)	(581,413)
Deferred outflows	265,505
Deferred inflows	(29,488)
Expense related to pension	<u>37,018</u>
Totals	<u>\$ (308,378)</u>

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
<u>Schedule of Deferred Outflows / (Inflows) of Resources</u>			
Differences between expected and actual experience	\$ 32,063	\$ -	\$ 32,063
Changes of assumptions	78,875	-	78,875
Net difference between projected and actual earnings on investments	-	(16,482)	(16,482)
Changes in proportionate share	1,178	(10,774)	(9,596)
Differences between employer contributions and proportionate share of contributions	<u>30,457</u>	<u>(2,232)</u>	<u>28,225</u>
Total (prior to post-measurement date (MD) contributions)	142,573	(29,488)	113,085
Contributions subsequent to the MD	<u>122,932</u>	-	<u>122,932</u>
Net deferred outflows / (inflows) of resources	<u>\$ 265,505</u>	<u>\$ (29,488)</u>	<u>\$ 236,017</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

The total deferred outflows of resources of \$122,932 were reported related to pension contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

In addition to these deferred outflows, the County made an additional side account payment for \$25,000. This side account will be treated as a deferred outflow for contributions in excess of the County's proportionate share of contributions in subsequent years and amortized. The County received an allotment from the Employer Incentive Fund for \$6,250 for their participation in OPERS. There was an amortization of OPERS side accounts for a reduction of \$10,697.

Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense and a reduction of the net pension liability/collective net pension liability in subsequent years as follows:

Fiscal Year Ending June 30,	Differences between expected and actual experience	Changes in Assumptions	Net Difference Between Projected and Actual Earnings on Investments	Changes in Proportionate Share	Difference between Employer Contributions and Proportionate Share of Contributions	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ 10,868	\$ 39,509	\$ 5,685	\$ (3,560)	\$ 10,249	\$ 62,751
2022	8,514	21,989	(24,524)	(3,117)	10,614	13,476
2023	6,348	14,481	(3,497)	(2,626)	6,699	21,405
2024	5,294	2,896	5,854	(336)	734	14,442
2025	1,039	-	-	43	(71)	1,011
Thereafter	-	-	-	-	-	-
Total	<u>\$ 32,063</u>	<u>\$ 78,875</u>	<u>\$ (16,482)</u>	<u>\$ (9,596)</u>	<u>\$ 28,225</u>	<u>\$ 113,085</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Actuarial methods and assumptions used in developing total pension liability

The total pension liability based on the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2017
Measurement date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study, which reviewed experience for the four-year period ended on December 31, 2016.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Discount rate

The discount rate used to measure the total pension liability of the Plan was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

GASB 67 generally requires that a blended discount rate be used to measure the total pension liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where fiduciary net position is not projected to cover benefit payments and administrative costs.

Sensitivity analysis of the County's proportionate share of the net pension liability to changes in the discount rate

The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
County's proportionate share of the net pension liability	\$ 931,081	\$ 581,413	\$ 288,789

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017, the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Real Estate (REITS)	2.50%	6.69%
Real Estate (Property)	10.00%	5.55%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Private Equity	17.50%	8.33%
Commodities	1.13%	3.79%
Hedge Fund of Funds – Diversified	1.50%	4.06%
Hedge Fund – Event-driven	0.38%	5.59%
Portfolio - Net of Investment Expenses	100.00%	6.91%
Assumed Inflation - Mean		2.50%

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

OPSRP Individual Account Program

The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are OPERS or OPSRP eligible. State statutes require covered employees to contribute 6 percent 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 OPERS members retain their existing OPERS account, all current member contributions are deposited into the member's IAP account. The liability outstanding at June 30, 2020 was \$1,009 for the amount associated with the final year-end payroll and is included in the net pension liability in the *Statement of Net Position*.

Pension benefits. The IAP member becomes vested on the date the employee account is established or on the date when the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death benefits. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping. OPERS contracts with VOYA Financial to maintain IAP participant records.

Deferred Compensation Plan

Plan description. The County offers employees a voluntary 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 any individual who is an elected official of the County or who is employed by the County in a regular position after completing 30 days of service, 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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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, 2020, the amount deferred and investment earnings thereon, adjusted to fair value, amount to \$493,050. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

E. Tax abatements

Tax abatements granted by other governments

Seven tax abatement programs administered by outside municipalities impact the County's property tax revenues.

Low Income Rental Housing Program (ORS 307.540 to 307.548)

The State of Oregon's Low Income Rental Housing program (LIRH) provides property tax abatements to encourage nonprofit organizations to help fill the need for low-income housing. The LIRH program allows a city or county to abate property taxes for low-income rental housing owned or being purchased by a nonprofit corporation. The property must be in use as housing or must be held for that purpose. Qualifying nonprofit corporations must be exempt from federal income tax [Section 501(c)(3) or (4) of the Internal Revenue Code] and upon liquidation distribute remaining assets to other tax-exempt charitable organizations or the State of Oregon. The nonprofit corporation must certify that the income level of each renter is at or below sixty percent of area median income, which is determined by the State Housing Council based on information from the U.S. Department of Housing and Urban Development. In addition, the nonprofit corporation must describe how the abatement will benefit project residents. This program will sunset as of June 30, 2027 (ORS 307.541).

Enterprise Zone Programs (ORS 285C.050-.255)

The State of Oregon's Enterprise Zone Programs (EZ) allow for property tax abatements on qualified real and personal property owned or leased and newly placed into service by a qualified business in an enterprise zone. Property taxes on qualified property are abated for three years; however, the abatement period may be increased to a total of four or five consecutive years.

In order to qualify for the abatement, the business must meet all of the conditions outlined in ORS 285C.135 and 285C.200, such as engaging in eligible business operations and increasing zone employment by the greater of one additional job or 10 percent. In order to be eligible, property of the business must satisfy applicable timing, lease, location and minimal cost requirements, described in ORS 285C.180. Property is disqualified if it is used for an ineligible activity, such as retail operations, or if the business substantially curtails operations or closes during the abatement period. If property becomes disqualified, prior abated taxes are billed for payment.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

New Housing Homebuyer Opportunity Limited Tax Exemption (ORS 307.651 to 307.687)

The City of Portland, Oregon's Homebuyer Opportunity Limited Tax Exemption (HOLTE) program abates the real property taxes billed on the residential improvement value for a 10-year period, while the land remains taxable. At the end of the 10-year abatement period, the taxes due will reflect the full assessed value of the property. Homes approved for the HOLTE program must sell for less than the annually established price cap to homebuyers who will live in the homes and meet program income requirements. There is a 100-unit cap on the number of new applications approved each year, although the cap does not apply to applications for properties including long-term affordability covenants.

Core Area Multi-Unit & Transit Oriented Development-GR/PDX (ORS 307.600 to 307.637)

This State of Oregon's Core Area Multi-Unit program (CAMU) provides property tax abatements to stimulate the construction of rental housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas. The CAMU program also encourages city programs emphasizing the development of vacant or underused sites in the core areas with rental rates accessible to a broad range of the general public. The CAMU program provides property tax abatements for multiple family rental housing (excluding land) in core, light rail station, and transit oriented areas for up to ten successive years. The abatement does not include the land or any improvements not part of the multiple unit housing, but may include parking constructed as part of the multiple unit housing construction, addition or conversion. In the case of a structure to which improvements are added or the structure is converted, only the addition or conversion value is abated. Construction is to be completed by January 1, 2022, but an extension is possible. This program will sunset as of January 1, 2022 (ORS 307.612).

Residential Rehabilitation Property (ORS 308.450 to 308.481)

The Residential Rehabilitation Housing Program (RRH) encourages the rehabilitation of existing units in substandard condition and the conversion of transient accommodations to permanent residential units. The RRH program also supports the conversion of nonresidential structures to permanent residential units in order to make these units sound additions to the housing stock of the state.

A city or county may abate property taxes on any value that is attributed to the rehabilitation of housing or conversion of buildings for housing (single or multifamily) for 10 years. If the housing is at least 25 years old at the time of application, it may qualify if it has undergone rehabilitation during or after September 13, 1975, and before January 1, 2017. The rehabilitation must have cost at least five percent of the assessed value of the property before rehabilitation. Regardless of the age of the housing, it may qualify if it has undergone rehabilitations (after October 3, 1989 and before January 1, 2017) that cost at least 50 percent of the assessed value of the property before rehabilitation.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

In addition, the property must satisfy these four conditions:

- Before rehabilitation, fail to comply with one or more standards of applicable building or housing codes
- Be residential units of which at least 50 percent are for non-transient occupants
- If owner-occupied, be in a distressed area as designated by the city or county
- Approved for abatement by the city or county.

A property's value is frozen at its value before rehabilitation for 10 years. However, if the owners of the property enter into a low-income rental assistance contract with a government agency during this time, and if the contract expires after the ten-year period, the property value remains frozen through the term of the contract. Generally, only city or county taxes on qualified property are abated. However, if districts representing at least 51 percent of the taxes on the property pass resolutions supporting the abatement, then the abatement applies to the taxes of all districts.

Historic Property (ORS 358.505)

The Historic Property Program allows qualified historic property to be specially assessed at a frozen value for 10 years. The specially assessed value is the assessed value at the time of application for abatement. The assessed value cannot exceed the assessed value at the time of application; increased value from improvements or inflation is exempt for 10 years. Applications for special assessment must be approved by the State Historical Preservation Officer. Applicants must pay a fee and file a plan for proposed rehabilitation and maintenance. Property may not be classified and specially assessed if the application is filed after June 30, 2020.

Property is dropped from this special assessment at the end of the 10-year period, but can qualify for a second 10-year period if reapplication is approved and the local government (city, or county if not located in a city) does not prohibit it (by resolution). Approval of reapplication requires plans for significant investment in seismic upgrades, energy conservation, or disability access. Following the second 10-year period, the property can no longer qualify.

If, during the course of a special assessment term, the historic property is disqualified, either at the owner's request or from failure to meet the requirements, the tax savings from having a frozen value must be repaid. The additional tax and interest is equal to the sum of the tax benefit received for each year of special assessment as historic property. In addition, a penalty of 15 percent of the back taxes and interest owed is levied upon the disqualified property owner. However, if the property is destroyed or substantially altered by acts of nature or other events for which the owner is not responsible, or transferred to a tax-exempt owner, or transferred to a new owner who expressly assents to and continues to implement the preservation plan in effect, no additional tax or penalty is charged.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Senate Bill 192, passed in 2009, made several changes to the historic property tax special assessment program including:

- Special assessment period reduced from 15 years to 10
- As part of a submitted preservation plan, applicants must commit to expending ten percent of the property's real market value (at time of first year's special assessment) within the first five years of special assessment
- Property owners must now submit progress reports concerning the original preservation plan to the State Historic Preservation Officer in the third, sixth, and ninth years of special assessment
- The application fee was reduced from one-third of one percent of real market value to one-tenth of one percent of the assessed value of the property at time of application
- Qualifying properties no longer have to be open to public sight-seeing at least one day per year
- Restricted tax benefits for converting historic property to condominium use

Riparian Habitat Land (ORS 308A.350 to 308A.383)

The State of Oregon Riparian Habitat Land program specifies that property taxation for property designated as riparian land by the State Department of Fish and Wildlife is abated. Designated riparian land must be privately owned streambeds, and the land under adjacent vegetation influenced by the proximity to water, but which does not extend more than 100 feet from the stream bank.

The following types of designated riparian land qualify for the abatement:

- Lands located outside urban growth boundaries (UGB) and zoned as forest or agricultural (including range land) in compliance with statewide planning goals.
- Lands that were outside a UGB and zoned as forest or agricultural (including range land) as of July 1, 1997, but are no longer outside a UGB or so zoned, qualify. The landowner must apply for riparian designation within five years of the change.
- Lands within city and urban growth boundaries may qualify if the city and county authorize the abatement (ORS 308A.360).

The Department of Fish and Wildlife can designate land as riparian habitat land if the owner has developed and implemented a plan for continued protection of the land using approved rehabilitation techniques. The department cannot approve more than 200 miles (increased from 100 miles in 1997) of private stream bank in any one county per year.

The abatement continues until withdrawn by the owner or use is incompatible with riparian use. Upon withdrawal or disqualification, an additional tax equal to the sum of the tax benefit for each year abated (up to five years) is due.

The abatement value is based on farm use assessed value as the alternative to riparian abatement. When land is specially assessed as farm, forest, or open space before riparian designation, any additional tax for a change in designation to riparian is abated.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

For the fiscal year ended June 30, 2020, Multnomah County abated property taxes totaling \$8,921 under these programs:

Tax Abatement Programs	Taxes Abated Fiscal Year Ended June 30, 2020
Tax abatements granted by other governments:	
Low Income Rental Housing Program	\$ 2,557
Enterprise Loan Programs	3,400
New Housing Homebuyer Opportunity Limited Tax Exemptions	407
Core Area Multi-Unit and Transit Oriented Development	448
Historic Property (2 Term, 10 Year, and 15 Year)	2,106
Riparian Habitat Land	3
Total property taxes abated	\$ 8,921

F. Subsequent events

Changes in Oregon Public Employees Retirement System Plan Provision

On June 11, 2019, Senate Bill 1049 was enacted by the People of the State of Oregon. The elements of the bill include a variety of policy and program changes which will affect the County's pension plan. Most prominent are a one-time 22-year re-amortization of the unamortized actuarial liability for Tier One and Tier Two employees and contribution rate adjustments. The effect of SB 1049 could reduce the County's pension liability. In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The Oregon Supreme Court upheld the legislation on August 6, 2020.

Salary Limit. Beginning January 1, 2020, SB 1049 changed the definition of "salary" for OPERS purposes and created new limitations on annual and monthly "subject salaries." With OPERS, an employee's subject salary is used to determine member Individual Account Program (IAP) contributions, employer contributions to fund the pension program, and the final average salary used in calculating retirement benefits under formula methods. The 2020 limits are \$195 per year or \$16.25 per month, and are indexed to inflation. The monthly limit is used in certain situations when members work fewer than 12 months in a calendar year.

IAP Redirect. Starting July 1, 2020, SB 1049 requires that members earning more than \$2.5 per month have a portion of their 6 percent IAP contributions redirected to a new Employee Pension Stability Account (EPSA) for each member. Funds from the EPSA will be used to pay for part of pension benefits at retirement. The IAP Redirect is in effect when the PERS system is less than 90% funded per the latest official actuarial valuation. The portion of the 6 percent redirected to EPSA depends on the membership type: for Tier One and Tier Two members, 2.5 percent will go to EPSA; for OPSRP members, 0.75 percent is redirected to EPSA. The remainder of the 6 percent IAP contributions will be contributed to each member's IAP accounts as usual.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

IAP Member Choice. In September 2020, members will have the option to invest their IAP balance in an IAP Target-Date Fund (TDF) that better reflects their retirement savings goals. If the choice is made by September 30, 2020, it will take effect as of January 1, 2021. IAP amounts are currently invested in a TDF based on a member's birth year. With Member Choice, members can stay in the fund assigned to their birth year or voluntarily choose a different TDF for the upcoming year, based on their personal risk tolerance.

Work After Retirement. If members decide to return to work for an OPERS-participating employers after retirement, simplified rules apply.

OPSRP Withdrawal. Withdrawal rules for OPSRP members may impact members after they leave OPERS-participating employment and become an inactive member.

Additional details may be found at: <https://www.oregon.gov/pers>.

Vehicle Registration Fee increase

On December 5, 2019, the Board of County Commissioners amended Multnomah County Code 11.250-11.256 to increase the two-year vehicle registration fee from \$19.00 (nineteen dollars) to \$56.00 (fifty-six dollars). The new fee amount is effective in January of 2021. The revenues from the fee increase will be used for the Earthquake Ready Burnside Bridge Project, specifically for project phases: design, right of way, and construction. Providing a seismically resilient Burnside Bridge crossing of the Willamette River is a priority in the County's Capital Improvement Plan.

Early Childhood Education Ballot Measure - Preschool for All Program

On November 3, 2020, Multnomah County voters approved Ballot Measure 26-214. This program will provide tuition-free preschool for children 3 and 4 years of age at enrollment and increase the pay of preschool teachers. This program will be paid for by a 1.5 percent tax on taxable income over \$125 for single filers and \$200 for joint filers, increasing to 2.3 percent tax on January 1, 2026; additional 1.5 percent tax on taxable income over \$250 for single filers and \$400 for joint filers.

Library Bond Measure

On November 3, 2020, Multnomah County voters approved Ballot Measure 26-211, a capital bond measure to expand and modernize library spaces and balance library services more fairly across Multnomah County. The Library bond authorizes the County to issue up to \$387,000 in general obligation bonds. The measure allows the County to impose a property tax at a rate of \$0.61 on every \$1 of assessed value. It will also establish an independent bond oversight committee to audit the usage of the funds.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

The measure will fund the following projects:

- Enlarge and update seven branch libraries, including Albina Library, Belmont Library, Holgate Library, Midland Library, North Portland Library, Northwest Library, and St. Johns Library.
- Build a library in East Multnomah County, similar in size to the Central Library in downtown Portland. This would be the first proposed public project, planned to open in early 2025.
- Add gigabit speed internet to all libraries.
- Create a central materials handling and distributions center to increase efficiency and cost effectiveness.

Refunding of Series 2012 Bonds

On October 22, 2020, the Multnomah County Board of County Commissioners approved a resolution authorizing the County's Chief Financial Officer to enter into a financing agreement to refund the principal balance of the County's Series 2012 Full Faith and Credit Obligations. The original Full Faith and Credit bonds were issued in December 2012 for \$128,000 to finance the construction of the Sellwood Bridge. Net present value (NPV) savings are estimated to be 9 percent. Refinancing is expected to close in early January 2021.

Impact on County Finances

The COVID-19 pandemic has had adverse effects on the County General Fund tax revenues, although these impacts are not expected to be material in the short term. They include the following:

- Property Tax delinquencies may slightly increase. Property taxes account for approximately 60 percent of County General Fund revenues. Statutory limits on assessed value growth restrict growth in tax revenues but create some level of stability during an economic recession. The County's November General Fund forecast reduced its fiscal year 2021 budgeted property tax revenues by \$1.08 million anticipating slightly higher delinquency and compression.
- Business Income Tax (BIT) is highly susceptible to economic recessions. In fiscal year 2020, BIT collections were at their highest historical level but the County is forecasting a decline of 3 percent in fiscal year 2021 net of a recent tax rate increase. To safeguard against BIT volatility the County has a policy requirement to maintain an annual contingency reserve of 10 percent.
- Motor Vehicle Rental Tax (MVRT) collections have declined significantly. Tax collections were down 23 percent in Fiscal Year 2020 and the County expects an additional decline of 31 percent in Fiscal Year 2021. MVRT accounts for about 5 percent of County General Fund revenues.

The County continues to monitor the State of Oregon budget process in preparation for potential reductions in the County's Federal/State Program Fund. To this point, the County has not seen significant cuts from the State of Oregon but remains an area of concern.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY
INFORMATION

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

I. Postemployment benefits other than pensions:

State of Oregon Public Employees Retirement System - Retirement Health Insurance Account:

Schedule of Proportionate Share of Net OPEB - RHIA (Asset) Liability
Other Post Employment Benefits
Last Four Fiscal Years*

Year Ended June 30,	(a) County's Proportion of the Net OPEB Liability (Asset)	(b) County's Proportionate Share of the Net OPEB Liability (Asset)	(c) County's Covered Payroll**	(b/c) County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	2.02880%	\$ (3,920)	\$ 382,776	-1.02%	86.82%
2019	3.38934%	(3,783)	362,524	-1.04%	86.82%
2018	3.34736%	(1,397)	352,909	-0.40%	80.53%
2017	3.41600%	928	335,282	0.28%	91.88%

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**As of the measurement date, which is one year in arrears.

Schedule of OPEB - RHIA Contributions
Other Post Employment Benefits
Last Four Fiscal Years*

Year Ended June 30,	(a) Statutorily Required Contributions	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) County's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
2020	\$ 856	\$ 856	\$ -	\$ 396,481	0.22%
2019	1,006	1,006	-	382,776	0.26%
2018	1,641	1,641	-	362,524	0.45%
2017	1,678	1,678	-	352,909	0.48%

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Multnomah County Postretirement Medical and Life Insurance Plan:

**Schedule of Changes
in Total OPEB Liability and Related Ratios
Last Three Years***

	2020	2019	2018
Service cost	\$ 5,965	\$ 7,519	\$ 6,815
Interest	4,480	4,338	4,419
Changes of benefit terms	(98)	-	-
Differences between expected and actual experience	(3,143)	(15,208)	831
Changes of assumptions	10,558	(6,651)	2,889
Benefit payments	(5,921)	(6,221)	(5,993)
Net changes in total OPEB liability	11,841	(16,223)	8,961
Total OPEB liability - beginning	109,250	125,473	116,512
Total OPEB liability - ending	\$ 121,091	\$ 109,250	\$ 125,473
Covered payroll**	\$ 411,321	\$ 375,508	\$ 356,084
Total OPEB liability as a percentage of employee payroll	29.44%	29.09%	35.24%

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend had been compiled, information is presented only for years for which the required supplementary information is available.

**As of the measurement date, which is one year in arrears.

Notes to the Schedule:

Changes in assumptions. The discount rate was changed to match the yield on a 20-year general obligation bond.

Per-person health care cost trends from 2019 to 2020 were updated so that the projected 2020 premium amounts match the actual 2020 premiums.

On December 19, 2019, Congress repealed the "Cadillac Tax." The repeal of the "Cadillac Tax" was reflected in the January 1, 2020 total OPEB liability by removing the previously assumed cost of the excise tax.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

II . Employee retirement systems, pension plan:

State of Oregon Public Employees Retirement System:

**Schedule of Proportionate Share of Net Pension Liability (Asset)
Oregon Public Employees Retirement System
Last Seven Fiscal Years***

Fiscal Year Ended June 30,	(a) Proportion of the Net Pension Liability (Asset)	(b) Proportionate Share of the Net Pension Liability (Asset)	(c) County's Covered Payroll**	(b/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	
2020	3.36%	\$ 581,413	\$ 371,464	156.52%	83.10%
2019	3.35%	507,736	355,893	142.67%	86.82%
2018	3.49%	470,736	312,572	150.60%	86.09%
2017	3.51%	526,781	304,993	172.72%	80.53%
2016	3.59%	206,128	303,774	67.86%	91.88%
2015	3.42%	(77,474)	284,960	(27.19)%	103.59%
2014	3.42%	174,421	268,327	65.00%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**As of the measurement date, which is one year in arrears.

**Schedule of Pension Contributions
Oregon Public Employees Retirement System
Last Seven Fiscal Years***

Year Ended June 30,	(a) Statutorily Required Contributions	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)**	(c) County's Covered Payroll	(b/c)
					Contributions as a Percent of Covered Payroll
2020	\$ 91,682	\$ 122,932	\$ (31,250)	\$ 392,149	31.35%
2019	30,347	55,347	(25,000)	371,464	14.90%
2018	50,244	75,244	(25,000)	355,893	21.14%
2017	37,962	62,962	(25,000)	312,572	20.14%
2016	36,661	36,661	-	304,993	12.02%
2015	29,772	29,772	-	303,774	9.80%
2014	28,158	28,158	-	284,960	9.88%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

*The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**Excess contributions represent contributions to side accounts which provide rate relief.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

III. Notes to required supplementary information - Employee retirement systems, pension plan:

State of Oregon Public Employees Retirement System:

Changes in Plan Provision Subsequent to Measurement Date

Senate Bill 1049, signed into law in June 2019, made a number of changes to the Oregon Public Employees Retirement System (OPERS), including:

- Effective with the calendar year 2020, annual salary included in the calculation of Final Average Salary will be limited to \$195 (as indexed for inflation in future years).
- The OPERS Board was required to implement a one-time re-amortization of Tier One/Tier UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.
- For years 2020 through 2024, the limitation on the hours that can be worked by a rehired retiree is eliminated. Effective January 1, 2020, contributions will also be charged on the payroll of rehired retirees.
- Effective July 1, 2020, a portion of the 6 percent of salary member contribution to the Individual Account Program (IAP) will be redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount will be 2.5 percent of salary, and for OPSRP members the amount will be 0.75 percent of salary. The redirection will only apply to members earning \$2,500 dollars per month or more (indexed for inflation).

In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The Oregon Supreme Court upheld the legislation on August 6, 2020.

Changes in Actuarial Methods and Assumptions

A summary of key changes implemented since the December 31, 2017 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 2019, and can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Allocation of liability for service segments -

For purposes of allocating Tier One/Tier Two member's actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by OPERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier One/Tier Two population. For the December 31, 2016 and December 31, 2017 valuations, the Money Match was weighted 15 percent for General Service members and zero percent for Police and Fire members. For the December 31, 2018 and December 31, 2019 valuations, this weighting has been adjusted to 10 percent for General Service members and zero percent for Police and Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

Changes in economic assumptions -

Tier One/Tier Two Administrative Expenses. The administrative expense assumptions were updated to \$32.5 million for Tier One/Tier Two and \$8.0 million per year for OPSRP. Previously these were assumed to be \$37.5 million per year and \$6.5 million per year, respectively.

Healthcare Cost Inflation. The healthcare cost inflation for the maximum RHIPA subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2020 by the Patient Protection and Affordable Care Act.

Changes in Demographic Assumptions -

Healthy Annuitant Mortality Base Tables. The healthy annuitant mortality base tables were updated to Pub-2010 generational Healthy Retiree mortality tables with group-specific job category and setback adjustments. Previously they were based on RP-2014 generational Healthy Annuitant mortality tables with group-specific class and setback adjustments.

Disabled Mortality Base Tables. The disabled mortality base tables were updated to Pub-2010 generational Disabled Retiree mortality tables with group-specific job category and setback adjustments. Previously they were based on RP-2014 generational Disabled Retiree mortality tables.

Non-Annuitant Mortality Base Tables. Non-annuitant mortality base tables were updated to Pub-2010 generational mortality tables with same group-specific job category and setback adjustments as for healthy annuitants, and with an additional scaling factor adjustment for certain subgroups. Previously they were based on RP-2014 generational Employee mortality tables with the same group-specific collar and setback adjustments as for healthy annuitants.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES
GOVERNMENTAL FUNDS**

General Fund*

Special Revenue Funds

- Federal/State Program Fund (Major)*
- 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
- CARES Act Local Government Fund
- Justice Services Special Operations Fund
- Oregon Historical Society Levy Fund
- Video Lottery Fund
- Library District Fund
- Supportive Housing Fund

Debt Service Funds

- Capital Debt Retirement Fund
- PERS Bond Sinking Fund

Capital Projects Funds

- Downtown Courthouse Capital Fund (Major)*
- Asset Replacement Revolving Fund
- Financed Projects Fund
- Library Capital Construction Fund
- Capital Improvement Fund
- Information Technology Capital Fund
- Asset Preservation Fund
- Health Headquarters Capital Fund
- Sellwood Bridge Replacement Fund
- Hansen Building Replacement Fund
- Enterprise Resource Planning Project Fund
- Library District Capital Fund
- Burnside Bridge Fund
- Behavioral Health Resource Center Capital Fund

* Major funds are reported in Fund Financial Statements

GOVERNMENTAL FUNDS
COMBINING & INDIV FUND
STATEMENTS & SCHEDULES

**MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020
(amounts expressed in thousands)**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Unrestricted:				
Cash and investments	\$ 20,991	\$ 25,550	\$ 51,491	\$ 98,032
Receivables:				
Taxes	702	-	-	702
Accounts, net	2,069	151	613	2,833
Loans	-	-	375	375
Inventories	265	-	-	265
Prepays and deposits	691	-	233	924
Restricted:				
Cash and investments	35,919	-	49,490	85,409
Receivables:				
Taxes	4,462	-	-	4,462
Accounts, net	3,403	-	699	4,102
Total assets	<u>\$ 68,502</u>	<u>\$ 25,701</u>	<u>\$ 102,901</u>	<u>\$ 197,104</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 11,616	\$ -	\$ 5,097	\$ 16,713
Payroll payable	940	-	26	966
Due to other funds	169	-	-	169
Unearned revenue	1,305	-	375	1,680
Liabilities payable from restricted assets:				
Accounts payable	7,160	-	1,806	8,966
Payroll payable	213	-	7	220
Unearned revenue restricted	20,140	-	-	20,140
Total liabilities	<u>41,543</u>	<u>-</u>	<u>7,311</u>	<u>48,854</u>
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
Resources not yet available:				
Property taxes	86	-	-	86
Restricted:				
Resources not yet available:				
Property taxes	1,951	-	-	1,951
Total deferred inflows of resources	<u>2,037</u>	<u>-</u>	<u>-</u>	<u>2,037</u>
FUND BALANCES				
Nonspendable	746	-	233	979
Restricted	14,318	-	48,375	62,693
Committed	1,111	25,701	46,373	73,185
Assigned	8,747	-	609	9,356
Total fund balances	<u>24,922</u>	<u>25,701</u>	<u>95,590</u>	<u>146,213</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 68,502</u>	<u>\$ 25,701</u>	<u>\$ 102,901</u>	<u>\$ 197,104</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
REVENUES				
Taxes	\$ 133,036	\$ -	\$ -	\$ 133,036
Payments in lieu of taxes	145	-	-	145
Intergovernmental	68,542	302	1,844	70,688
Licenses and permits	4,407	-	9,700	14,107
Charges for services	7,317	1,069	711	9,097
Interest	1,269	720	2,274	4,263
Non-governmental grants	1,940	-	-	1,940
Service reimbursements	350	59,720	14,890	74,960
Miscellaneous	3,088	-	74	3,162
Total revenues	<u>220,094</u>	<u>61,811</u>	<u>29,493</u>	<u>311,398</u>
EXPENDITURES				
Current:				
General government	-	25,003	3,510	28,513
Health services	-	-	575	575
Social services	14,659	-	-	14,659
Public safety and justice	7,515	-	8	7,523
Community services	41,911	-	12,324	54,235
Library services	84,274	-	1,938	86,212
Roads, bridges, and bike path improvements	56,680	-	13,008	69,688
Capital outlay	12,516	-	21,036	33,552
Debt service:				
Principal	-	25,033	-	25,033
Interest	-	31,797	-	31,797
Total expenditures	<u>217,555</u>	<u>81,833</u>	<u>52,399</u>	<u>351,787</u>
Revenues over (under) expenditures	<u>2,539</u>	<u>(20,022)</u>	<u>(22,906)</u>	<u>(40,389)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	86,014	10,056	16,448	112,518
Transfers out	(98,659)	-	(800)	(99,459)
Proceeds from sale of capital assets	24	-	-	24
Proceeds from issuance of debt	-	-	16,075	16,075
Internal loan remittances	-	-	(3,000)	(3,000)
Total other financing sources (uses)	<u>(12,621)</u>	<u>10,056</u>	<u>28,723</u>	<u>26,158</u>
Net change in fund balances	(10,082)	(9,966)	5,817	(14,231)
Fund balances - beginning	<u>35,004</u>	<u>35,667</u>	<u>89,773</u>	<u>160,444</u>
Fund balances - ending	<u>\$ 24,922</u>	<u>\$ 25,701</u>	<u>\$ 95,590</u>	<u>\$ 146,213</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. Principal source of revenue is reimbursement from library district.
- **Special Excise Tax Fund** - accounts for transient lodging tax and motor vehicle tax collections 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.
- **CARES Act Local Government Fund** - accounts for revenues and expenditures associated with the County's COVID-19 public health emergency response. Expenditures are restricted to public health services, medical services, human services, and measures taken to facilitate COVID-19 public health measures (e.g. care for homeless population). Revenues are primarily from CARES Act: Coronavirus Relief Fund, FEMA, and COVID-specific grant funds.
- **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 fines and grants. The expenditures are made pursuant to an intergovernmental agreement for library services provided to 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.
- **Supportive Housing Fund** - accounts for proceeds from the disposition of the Wapato Facility. Funds are earmarked for use in providing housing services and funding comprehensive housing stabilization strategies.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020
(amounts expressed in thousands)

	Road	Bicycle Path Construction	Recreation	County School	Animal Control
ASSETS					
Unrestricted:					
Cash and investments	\$ 3,507	\$ -	\$ -	\$ -	\$ 232
Receivables:					
Taxes	41	-	-	-	-
Accounts, net	52	-	-	-	1
Inventories	265	-	-	-	-
Prepays and deposits	61	-	-	-	-
Restricted:					
Cash and investments	1,200	468	-	-	1,373
Receivables:					
Taxes	1,984	-	-	-	-
Accounts, net	2,525	-	-	-	-
Total assets	<u>\$ 9,635</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,606</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 3,755	\$ -	\$ -	\$ -	\$ -
Payroll payable	54	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	1	-	-	-	-
Liabilities payable from restricted assets:					
Accounts payable	5,626	-	-	-	38
Payroll payable	82	-	-	-	-
Unearned revenue restricted	1	-	-	-	-
Total liabilities	<u>9,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>
DEFERRED INFLOWS OF RESOURCES					
Unrestricted:					
Resources not yet available:					
Property taxes	-	-	-	-	-
Restricted:					
Resources not yet available:					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	116	-	-	-	-
Restricted	-	468	-	-	1,335
Committed	-	-	-	-	-
Assigned	-	-	-	-	233
Total fund balances	<u>116</u>	<u>468</u>	<u>-</u>	<u>-</u>	<u>1,568</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,635</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,606</u>

Willamette River Bridges	Library	Special Excise Tax	Land Corner Preservation	Inmate Welfare	CARES Act Local Government	Justice Services Special Operations
ASSETS						
Unrestricted:						
\$ 2,086	\$ 6,764	\$ 1,324	\$ -	\$ 184	\$ -	\$ -
Receivables:						
-	87	574	-	-	-	-
-	1,500	-	-	-	-	220
-	-	-	-	-	-	-
49	581	-	-	-	-	-
Restricted:						
-	-	-	2,740	-	20,143	-
Receivables:						
-	-	-	15	-	-	-
379	-	-	-	-	-	109
<u>\$ 2,514</u>	<u>\$ 8,932</u>	<u>\$ 1,898</u>	<u>\$ 2,755</u>	<u>\$ 184</u>	<u>\$ 20,143</u>	<u>\$ 329</u>
LIABILITIES						
Liabilities payable from unrestricted assets:						
\$ -	\$ 5,878	\$ 1,810	\$ -	\$ 155	\$ -	\$ 18
-	846	-	-	6	-	34
-	-	-	-	-	-	169
-	1,304	-	-	-	-	-
Liabilities payable from restricted assets:						
227	-	-	280	-	4	25
86	-	-	23	-	-	22
-	-	-	-	-	20,139	-
<u>313</u>	<u>8,028</u>	<u>1,810</u>	<u>303</u>	<u>161</u>	<u>20,143</u>	<u>268</u>
DEFERRED INFLOWS OF RESOURCES						
Unrestricted:						
Resources not yet available:						
-	86	-	-	-	-	-
Restricted:						
Resources not yet available:						
-	-	-	-	-	-	-
<u>-</u>	<u>86</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
49	581	-	-	-	-	-
65	-	-	2,452	-	-	61
-	-	88	-	23	-	-
2,087	237	-	-	-	-	-
<u>2,201</u>	<u>818</u>	<u>88</u>	<u>2,452</u>	<u>23</u>	<u>-</u>	<u>61</u>
<u>\$ 2,514</u>	<u>\$ 8,932</u>	<u>\$ 1,898</u>	<u>\$ 2,755</u>	<u>\$ 184</u>	<u>\$ 20,143</u>	<u>\$ 329</u>

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020
(amounts expressed in thousands)

	Oregon Historical Society Levy	Video Lottery	Library District	Supportive Housing Fund	Total
ASSETS					
Unrestricted:					
Cash and investments	\$ -	\$ -	\$ 5,894	\$ 1,000	\$ 20,991
Receivables:					
Taxes	-	-	-	-	702
Accounts, net	-	-	296	-	2,069
Inventories	-	-	-	-	265
Prepays and deposits	-	-	-	-	691
Restricted:					
Cash and investments	16	1,115	5,890	2,974	35,919
Receivables:					
Taxes	95	-	2,368	-	4,462
Accounts, net	-	390	-	-	3,403
Total assets	<u>\$ 111</u>	<u>\$ 1,505</u>	<u>\$ 14,448</u>	<u>\$ 3,974</u>	<u>\$ 68,502</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 11,616
Payroll payable	-	-	-	-	940
Due to other funds	-	-	-	-	169
Unearned revenue	-	-	-	-	1,305
Liabilities payable from restricted assets:					
Accounts payable	-	932	-	28	7,160
Payroll payable	-	-	-	-	213
Unearned revenue restricted	-	-	-	-	20,140
Total liabilities	<u>-</u>	<u>932</u>	<u>-</u>	<u>28</u>	<u>41,543</u>
DEFERRED INFLOWS OF RESOURCES					
Unrestricted:					
Resources not yet available:					
Property taxes	-	-	-	-	86
Restricted:					
Resources not yet available:					
Property taxes	76	-	1,875	-	1,951
Total deferred inflows of resources	<u>76</u>	<u>-</u>	<u>1,875</u>	<u>-</u>	<u>2,037</u>
FUND BALANCES					
Nonspendable	-	-	-	-	746
Restricted	35	573	6,383	2,946	14,318
Committed	-	-	-	1,000	1,111
Assigned	-	-	6,190	-	8,747
Total fund balances	<u>35</u>	<u>573</u>	<u>12,573</u>	<u>3,946</u>	<u>24,922</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 111</u>	<u>\$ 1,505</u>	<u>\$ 14,448</u>	<u>\$ 3,974</u>	<u>\$ 68,502</u>

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MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Road	Bicycle Path Construction	Recreation	County School	Animal Control
REVENUES					
Taxes	\$ 6,157	\$ -	\$ 35	\$ -	\$ -
Payments in lieu of taxes	109	-	-	36	-
Intergovernmental	45,868	98	-	13	-
Licenses and permits	90	-	-	-	1,539
Charges for services	675	-	-	-	42
Interest	194	8	-	1	34
Non-governmental grants	78	-	-	-	163
Service reimbursements	14	-	-	-	-
Miscellaneous	24	-	-	-	-
Total revenues	<u>53,209</u>	<u>106</u>	<u>35</u>	<u>50</u>	<u>1,778</u>
EXPENDITURES					
Current:					
Social services	-	-	-	-	-
Public safety and justice	-	-	-	-	-
Community services	-	-	35	50	217
Library services	-	-	-	-	-
Roads, bridges, and bike path improvements	48,837	-	-	-	-
Capital outlay	9,575	-	-	-	37
Total expenditures	<u>58,412</u>	<u>-</u>	<u>35</u>	<u>50</u>	<u>254</u>
Revenues over (under) expenditures	<u>(5,203)</u>	<u>106</u>	<u>-</u>	<u>-</u>	<u>1,524</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(1,524)
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,524)</u>
Net change in fund balances	<u>(5,203)</u>	<u>106</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>5,319</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>1,568</u>
Fund balances - ending	<u>\$ 116</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568</u>

Willamette River Bridges	Library	Special Excise Tax	Land Corner Preservation	Inmate Welfare	CARES Act Local Government	Justice Services Special Operations
\$ -	\$ 3	\$ 36,004	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
7,653	196	-	-	-	7,919	-
351	-	-	-	-	-	2,405
29	1	-	1,643	1,211	-	3,234
-	-	78	59	2	81	5
-	-	-	-	-	-	3
-	35	-	3	-	-	298
<u>3,047</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>11,080</u>	<u>240</u>	<u>36,082</u>	<u>1,705</u>	<u>1,213</u>	<u>8,000</u>	<u>5,945</u>
-	-	-	-	-	8,000	-
-	-	-	-	1,338	-	6,177
-	-	36,029	-	-	-	-
-	84,274	-	-	-	-	-
6,071	-	-	1,772	-	-	-
2,387	10	-	-	7	-	-
<u>8,458</u>	<u>84,284</u>	<u>36,029</u>	<u>1,772</u>	<u>1,345</u>	<u>8,000</u>	<u>6,177</u>
<u>2,622</u>	<u>(84,044)</u>	<u>53</u>	<u>(67)</u>	<u>(132)</u>	<u>-</u>	<u>(232)</u>
-	86,014	-	-	-	-	-
(509)	(1,729)	-	-	-	-	-
-	-	-	-	-	-	24
<u>(509)</u>	<u>84,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24</u>
2,113	241	53	(67)	(132)	-	(208)
88	577	35	2,519	155	-	269
<u>\$ 2,201</u>	<u>\$ 818</u>	<u>\$ 88</u>	<u>\$ 2,452</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 61</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Oregon Historical Society Levy	Video Lottery	Library District	Supportive Housing Fund	Total
REVENUES					
Taxes	\$ 3,361	\$ -	\$ 87,476	\$ -	\$ 133,036
Payments in lieu of taxes	-	-	-	-	145
Intergovernmental	-	4,184	111	2,500	68,542
Licenses and permits	-	-	22	-	4,407
Charges for services	-	-	482	-	7,317
Interest	4	25	706	72	1,269
Non-governmental grants	-	-	1,696	-	1,940
Service reimbursements	-	-	-	-	350
Miscellaneous	-	-	12	-	3,088
Total revenues	<u>3,365</u>	<u>4,209</u>	<u>90,505</u>	<u>2,572</u>	<u>220,094</u>
EXPENDITURES					
Current:					
Social services	-	2,619	-	4,040	14,659
Public safety and justice	-	-	-	-	7,515
Community services	3,363	2,217	-	-	41,911
Library services	-	-	-	-	84,274
Roads, bridges, and bike path improvements	-	-	-	-	56,680
Capital outlay	-	500	-	-	12,516
Total expenditures	<u>3,363</u>	<u>5,336</u>	<u>-</u>	<u>4,040</u>	<u>217,555</u>
Revenues over (under) expenditures	<u>2</u>	<u>(1,127)</u>	<u>90,505</u>	<u>(1,468)</u>	<u>2,539</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	86,014
Transfers out	-	-	(94,897)	-	(98,659)
Proceeds from sale of capital assets	-	-	-	-	24
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(94,897)</u>	<u>-</u>	<u>(12,621)</u>
Net change in fund balances	<u>2</u>	<u>(1,127)</u>	<u>(4,392)</u>	<u>(1,468)</u>	<u>(10,082)</u>
Fund balances - beginning	<u>33</u>	<u>1,700</u>	<u>16,965</u>	<u>5,414</u>	<u>35,004</u>
Fund balances - ending	<u>\$ 35</u>	<u>\$ 573</u>	<u>\$ 12,573</u>	<u>\$ 3,946</u>	<u>\$ 24,922</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Road Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes	\$ 7,000	\$ 7,000	\$ 6,157	\$ (843)
Payments in lieu of taxes	50	50	109	59
Intergovernmental	58,867	58,867	45,868	(12,999)
Licenses and permits	70	70	90	20
Charges for services	158	158	675	517
Interest	250	250	194	(56)
Non-governmental grants	-	-	78	78
Service reimbursements	366	366	14	(352)
Miscellaneous	22	22	24	2
Total revenues	<u>66,783</u>	<u>66,783</u>	<u>53,209</u>	<u>(13,574)</u>
EXPENDITURES				
Current:				
Community services	69,273	69,273	58,412	10,861
Total expenditures	<u>69,273</u>	<u>69,273</u>	<u>58,412</u>	<u>10,861</u>
Net change in fund balances	<u>(2,490)</u>	<u>(2,490)</u>	<u>(5,203)</u>	<u>(2,713)</u>
Fund balances - beginning	<u>2,490</u>	<u>2,490</u>	<u>5,319</u>	<u>2,829</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ 116</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 109	\$ 109	\$ 98	\$ (11)
Interest	5	5	8	3
Total revenues	<u>114</u>	<u>114</u>	<u>106</u>	<u>(8)</u>
EXPENDITURES				
Current:				
Community services	476	476	-	476
Total expenditures	<u>476</u>	<u>476</u>	<u>-</u>	<u>476</u>
Net change in fund balances	(362)	(362)	106	468
Fund balances - beginning	<u>362</u>	<u>362</u>	<u>362</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ 468</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Recreation Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes	\$ 51	\$ 51	\$ 35	\$ (16)
Total revenues	<u>51</u>	<u>51</u>	<u>35</u>	<u>(16)</u>
EXPENDITURES				
Current:				
County management	51	51	35	16
Total expenditures	<u>51</u>	<u>51</u>	<u>35</u>	<u>16</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
County School Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Payments in lieu of taxes	\$ -	\$ -	\$ 36	\$ 36
Intergovernmental	80	80	13	(67)
Interest	-	-	1	1
Total revenues	<u>80</u>	<u>80</u>	<u>50</u>	<u>(30)</u>
EXPENDITURES				
Current:				
Nondepartmental	80	80	50	30
Total expenditures	<u>80</u>	<u>80</u>	<u>50</u>	<u>30</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 1,996	\$ 1,996	\$ 1,539	\$ (457)
Charges for services	53	53	42	(11)
Interest	-	-	34	34
Non-governmental grants	115	115	163	48
Total revenues	<u>2,164</u>	<u>2,164</u>	<u>1,778</u>	<u>(386)</u>
EXPENDITURES				
Current:				
Community services	818	818	254	564
Contingency	231	231	-	231
Total expenditures	<u>1,049</u>	<u>1,049</u>	<u>254</u>	<u>795</u>
Revenues over (under) expenditures	<u>1,115</u>	<u>1,115</u>	<u>1,524</u>	<u>409</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,007)	(2,007)	(1,524)	483
Total other financing sources (uses)	<u>(2,007)</u>	<u>(2,007)</u>	<u>(1,524)</u>	<u>483</u>
Net change in fund balances	(892)	(892)	-	892
Fund balances - beginning	892	892	1,568	676
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568</u>	<u>\$ 1,568</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,425	\$ 8,425	\$ 7,653	\$ (772)
Licenses and permits	350	350	351	1
Charges for services	-	-	29	29
Service reimbursements	641	641	-	(641)
Miscellaneous	-	-	47	47
Total revenues	<u>9,416</u>	<u>9,416</u>	<u>8,080</u>	<u>(1,336)</u>
EXPENDITURES				
Current:				
Community services	11,639	11,639	8,458	3,181
Total expenditures	<u>11,639</u>	<u>11,639</u>	<u>8,458</u>	<u>3,181</u>
Revenues over (under) expenditures	<u>(2,223)</u>	<u>(2,223)</u>	<u>(378)</u>	<u>1,845</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(509)	(509)	(509)	-
Total other financing sources (uses)	<u>(509)</u>	<u>(509)</u>	<u>(509)</u>	<u>-</u>
Net change in fund balances	<u>(2,732)</u>	<u>(2,732)</u>	<u>(887)</u>	<u>1,845</u>
Fund balances - beginning	<u>2,732</u>	<u>2,732</u>	<u>3,088</u>	<u>356</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,201</u>	<u>\$ 2,201</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Library Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 3	\$ 3
Intergovernmental	89,819	91,319	86,210	(5,109)
Service reimbursements	35	35	35	-
Miscellaneous	-	-	5	5
Total revenues	<u>89,854</u>	<u>91,354</u>	<u>86,253</u>	<u>(5,101)</u>
EXPENDITURES				
Current:				
Library	88,125	89,625	84,283	5,342
Total expenditures	<u>88,125</u>	<u>89,625</u>	<u>84,283</u>	<u>5,342</u>
Revenues over (under) expenditures	<u>1,729</u>	<u>1,729</u>	<u>1,970</u>	<u>241</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,729)	(1,729)	(1,729)	-
Total other financing sources (uses)	<u>(1,729)</u>	<u>(1,729)</u>	<u>(1,729)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>241</u>	<u>241</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>577</u>	<u>577</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>818</u>	<u>\$ 818</u>
Reconciliation to GAAP Basis:				
Reimbursements from the Library District are reported as Transfers In on the GAAP Basis, rather than as Library District Expenditures			86,014	
Intergovernmental Revenues			(86,014)	
Transfers In				
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 818</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes	\$ 44,054	\$ 47,154	\$ 36,004	\$ (11,150)
Interest	3	3	78	75
Total revenues	<u>44,057</u>	<u>47,157</u>	<u>36,082</u>	<u>(11,075)</u>
EXPENDITURES				
Current:				
Nondepartmental	44,094	47,194	36,029	11,165
Total expenditures	<u>44,094</u>	<u>47,194</u>	<u>36,029</u>	<u>11,165</u>
Net change in fund balances	(37)	(37)	53	90
Fund balances - beginning	37	37	35	(2)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88</u>	<u>\$ 88</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 1,017	\$ 1,017	\$ 1,643	\$ 626
Interest	60	60	59	(1)
Service reimbursements	60	60	3	(57)
Total revenues	<u>1,137</u>	<u>1,137</u>	<u>1,705</u>	<u>568</u>
EXPENDITURES				
Current:				
Community services	1,998	1,998	1,772	226
Total expenditures	<u>1,998</u>	<u>1,998</u>	<u>1,772</u>	<u>226</u>
Net change in fund balances	(861)	(861)	(67)	794
Fund balances - beginning	2,319	2,319	2,519	200
Fund balances - ending	<u>\$ 1,458</u>	<u>\$ 1,458</u>	<u>\$ 2,452</u>	<u>\$ 994</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 1,190	\$ 1,190	\$ 1,211	\$ 21
Interest	-	-	2	2
Total revenues	<u>1,190</u>	<u>1,190</u>	<u>1,213</u>	<u>23</u>
EXPENDITURES				
Current:				
Sheriff	1,291	1,345	1,345	-
Total expenditures	<u>1,291</u>	<u>1,345</u>	<u>1,345</u>	<u>-</u>
Net change in fund balances	(101)	(155)	(132)	23
Fund balances - beginning	101	155	155	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 23</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
CARES Act Local Government Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 8,000	\$ 7,919	\$ (81)
Interest	-	-	81	81
Total revenues	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
EXPENDITURES				
Nondepartmental	-	8,000	8,000	-
Total expenditures	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</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
Justice Services Special Operations Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 20	\$ 20	\$ -	\$ (20)
Licenses and permits	2,526	2,526	2,405	(121)
Charges for services	3,820	4,235	3,234	(1,001)
Interest	-	-	5	5
Non-governmental grants	-	-	3	3
Service reimbursements	305	305	298	(7)
Total revenues	<u>6,671</u>	<u>7,086</u>	<u>5,945</u>	<u>(1,141)</u>
EXPENDITURES				
Current:				
Community justice	1,997	1,997	1,774	223
District attorney	7	7	-	7
Sheriff	5,524	5,939	4,403	1,536
Total expenditures	<u>7,528</u>	<u>7,943</u>	<u>6,177</u>	<u>1,766</u>
Revenues over (under) expenditures	<u>(857)</u>	<u>(857)</u>	<u>(232)</u>	<u>625</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	24	24
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
Net change in fund balances	<u>(857)</u>	<u>(857)</u>	<u>(208)</u>	<u>649</u>
Fund balances - beginning	<u>857</u>	<u>857</u>	<u>269</u>	<u>(588)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 61</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Oregon Historical Society Levy Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes	\$ 3,383	\$ 3,433	\$ 3,361	\$ (72)
Interest	3	3	4	1
Total revenues	<u>3,386</u>	<u>3,436</u>	<u>3,365</u>	<u>(71)</u>
EXPENDITURES				
Current:				
Nondepartmental	3,461	3,511	3,363	148
Total expenditures	<u>3,461</u>	<u>3,511</u>	<u>3,363</u>	<u>148</u>
Net change in fund balances	<u>(75)</u>	<u>(75)</u>	<u>2</u>	<u>77</u>
Fund balances - beginning	<u>75</u>	<u>75</u>	<u>33</u>	<u>(42)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 35</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,253	\$ 5,253	\$ 4,184	\$ (1,069)
Interest	-	-	25	25
Total revenues	<u>5,253</u>	<u>5,253</u>	<u>4,209</u>	<u>(1,044)</u>
EXPENDITURES				
Current:				
Community services	550	550	550	-
County assets	300	300	122	178
Nondepartmental	4,830	4,830	4,664	166
Contingency	525	525	-	525
Total expenditures	<u>6,205</u>	<u>6,205</u>	<u>5,336</u>	<u>869</u>
Net change in fund balances	(952)	(952)	(1,127)	(175)
Fund balances - beginning	952	952	1,700	748
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573</u>	<u>\$ 573</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes	\$ 86,995	\$ 86,995	\$ 87,476	\$ 481
Intergovernmental	100	1,600	111	(1,489)
Licenses and permits	85	85	22	(63)
Charges for services	754	754	482	(272)
Interest	100	100	706	606
Non-governmental grants	1,746	1,746	1,696	(50)
Miscellaneous	-	-	12	12
Total revenues	<u>89,780</u>	<u>91,280</u>	<u>90,505</u>	<u>(775)</u>
EXPENDITURES				
Current:				
Library	89,819	91,319	86,014	5,305
Contingency	500	500	-	500
Total expenditures	<u>90,319</u>	<u>91,819</u>	<u>86,014</u>	<u>5,805</u>
Revenues over (under) expenditures	(539)	(539)	4,491	5,030
OTHER FINANCING SOURCES (USES)				
Transfers out	(8,883)	(8,883)	(8,883)	-
Total other financing sources (uses)	<u>(8,883)</u>	<u>(8,883)</u>	<u>(8,883)</u>	<u>-</u>
Net change in fund balances	(9,422)	(9,422)	(4,392)	5,030
Fund balances - beginning	18,121	18,121	16,965	(1,156)
Fund balances - ending	<u>\$ 8,699</u>	<u>\$ 8,699</u>	<u>12,573</u>	<u>\$ 3,874</u>
Reconciliation to GAAP Basis:				
Reimbursements from the Library District are reported as Transfers Out on the GAAP Basis, rather than as Intergovernmental Revenues				
Library District Expenditures			(86,014)	
Transfers Out			86,014	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 12,573</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Supportive Housing Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 750	\$ 750	\$ 2,500	\$ 1,750
Interest	-	-	72	72
Total revenues	<u>750</u>	<u>750</u>	<u>2,572</u>	<u>1,822</u>
EXPENDITURES				
Current:				
Nondepartmental	750	4,750	4,040	710
Total expenditures	<u>750</u>	<u>4,750</u>	<u>4,040</u>	<u>710</u>
Net change in fund balances	-	(4,000)	(1,468)	2,532
Fund balances - beginning	-	4,000	5,414	1,414
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,946</u>	<u>\$ 3,946</u>

DEBT SERVICE FUNDS

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

- **Capital Debt Retirement Fund** - accounts for lease-purchase and full faith credit principal and interest payments for buildings and major pieces of equipment acquired by the issuance of certificates of participation, lease-purchase agreements and full faith and credit bonds. Revenues consist of certificates of participation proceeds, bond proceeds, service reimbursements and cash transfers from other County funds.
- **PERS Bond Sinking Fund** - accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's unfunded liability with OPERS. Revenues consist of charges to departments and interest.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2020
(amounts expressed in thousands)

	Capital Debt Retirement	PERS Bond Sinking	Total
ASSETS			
Unrestricted:			
Cash and investments	\$ 8,201	\$ 17,349	\$ 25,550
Accounts, net	151	-	151
Total assets	<u>\$ 8,352</u>	<u>\$ 17,349</u>	<u>\$ 25,701</u>
FUND BALANCES			
Committed	\$ 8,352	\$ 17,349	\$ 25,701
Total fund balances	<u>8,352</u>	<u>17,349</u>	<u>25,701</u>
Total liabilities and fund balances	<u>\$ 8,352</u>	<u>\$ 17,349</u>	<u>\$ 25,701</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Capital Debt Retirement	PERS Bond Sinking	Total
REVENUES			
Intergovernmental	\$ 302	\$ -	\$ 302
Charges for services	1,069	-	1,069
Interest	120	600	720
Service reimbursements	30,651	29,069	59,720
Total revenues	<u>32,142</u>	<u>29,669</u>	<u>61,811</u>
EXPENDITURES			
Current:			
General government	2	25,001	25,003
Debt service:			
Principal	19,714	5,319	25,033
Interest	11,921	19,876	31,797
Total expenditures	<u>31,637</u>	<u>50,196</u>	<u>81,833</u>
Revenues over (under) expenditures	505	(20,527)	(20,022)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	10,056	10,056
Total other financing sources	<u>-</u>	<u>10,056</u>	<u>10,056</u>
Net change in fund balances	<u>505</u>	<u>(10,471)</u>	<u>(9,966)</u>
Fund balances - beginning	7,847	27,820	35,667
Fund balances - ending	<u>\$ 8,352</u>	<u>\$ 17,349</u>	<u>\$ 25,701</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 299	\$ 299	\$ 302	\$ 3
Charges for services	1,230	1,230	1,069	(161)
Interest	20	20	120	100
Service reimbursements	29,626	29,626	30,651	1,025
Total revenues	<u>31,175</u>	<u>31,175</u>	<u>32,142</u>	<u>967</u>
EXPENDITURES				
Current:				
Nondepartmental	3	3	2	1
Debt service:				
Principal	19,945	19,945	19,714	231
Interest expense	12,360	12,360	11,921	439
Total expenditures	<u>32,308</u>	<u>32,308</u>	<u>31,637</u>	<u>671</u>
Net change in fund balances	(1,133)	(1,133)	505	1,638
Fund balances - beginning	6,005	6,005	7,847	1,842
Fund balances - ending	<u>\$ 4,872</u>	<u>\$ 4,872</u>	<u>\$ 8,352</u>	<u>\$ 3,480</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
PERS Bond Sinking Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ 553	\$ 553	\$ 600	\$ 47
Service reimbursements	25,257	25,257	29,069	3,812
Total revenues	<u>25,810</u>	<u>25,810</u>	<u>29,669</u>	<u>3,859</u>
EXPENDITURES				
Current:				
Nondepartmental	25,461	25,461	25,001	460
Debt service:				
Principal	5,319	5,319	5,319	-
Interest expense	19,876	19,876	19,876	-
Total expenditures	<u>50,656</u>	<u>50,656</u>	<u>50,196</u>	<u>460</u>
Revenues over (under) expenditures	<u>(24,846)</u>	<u>(24,846)</u>	<u>(20,527)</u>	<u>4,319</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,055	10,055	10,056	1
Total other financing sources (uses)	<u>10,055</u>	<u>10,055</u>	<u>10,056</u>	<u>1</u>
Net change in fund balances	(14,791)	(14,791)	(10,471)	4,320
Fund balances - beginning	27,661	27,661	27,820	159
Fund balances - ending	<u>\$ 12,870</u>	<u>\$ 12,870</u>	<u>\$ 17,349</u>	<u>\$ 4,479</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 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

- **Downtown Courthouse Capital Fund** - accounts for the planning, land acquisition, and construction of a new County courthouse. Construction will be funded by a combination of County General Fund and debt issuance proceeds. (See Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds reported in Fund Financial Statements).

Nonmajor Funds

- **Asset Replacement Revolving 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.
- **Library Capital Construction Fund** - accounts for the capital improvement project fees collected from County libraries to provide for needed capital projects for the Library District.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Information Technology Capital Fund** - accounts for the expenditures for information technology capital projects. Resources are derived from transfers from the Information Technology Internal Service and General Funds.
- **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.
- **Health Headquarters Capital Fund** - accounts for the construction and relocation of current Department operations to a new location. The location has been strategically selected to better serve the vulnerable citizens of the County. Funding sources are expected to be met by a combination of County General Fund, Prosper Portland, and issuance of debt.
- **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.
- **Hansen Building Replacement Fund** - accounts for planning, relocation, and construction of a new County Sheriff's Office operation facility. Resources are derived from debt issuance or other financing proceeds.
- **Enterprise Resource Planning Project Fund** - accounts for expenditures associated with the implementation of the new enterprise resource planning (ERP) system. Resources are derived from debt issuance and internal service reimbursements.
- **Library District Capital Fund** - accounts for revenues transferred from the Multnomah County Library District General Fund. Revenues are transferred according to financial policies adopted by the Multnomah County Library District Board. Expenditures are dedicated to Library District capital projects, as defined by the Library District adopted financial policies. Normal Library Operations will continue out of the Library Fund.
- **Burnside Bridge Fund** - accounts for expenditures for rehabilitating or replacing the Burnside Bridge. Resources are derived from Vehicle Registration Fees. It is anticipated that a consortium of federal, state, and regional agencies, including Multnomah County, will fund the future environmental study, final design, and construction efforts.
- **Behavioral Health Resource Center Capital Fund** - accounts for expenditures for the planning and construction of a behavioral health resource center. The principal resources in the fund are derived from County General Fund.

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020
(amounts expressed in thousands)

	Asset Replacement Revolving	Financed Projects	Library Capital Construction	Capital Improvement	Information Technology Capital
ASSETS					
Unrestricted:					
Cash and investments	\$ 131	\$ 1,622	\$ -	\$ 16,101	\$ 5,416
Receivables:					
Accounts, net	-	-	-	613	-
Loans	375	-	-	-	-
Prepays and deposits	-	-	-	-	233
Restricted:					
Cash and investments	-	-	3,264	-	-
Receivables:					
Accounts, net	-	-	-	-	-
Total assets	<u>\$ 506</u>	<u>\$ 1,622</u>	<u>\$ 3,264</u>	<u>\$ 16,714</u>	<u>\$ 5,649</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ 692	\$ -	\$ 2,177	\$ 206
Payroll payable	-	-	-	23	3
Unearned revenue	375	-	-	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	-	271	-	-
Payroll payable	-	-	-	-	-
Total liabilities	<u>375</u>	<u>692</u>	<u>271</u>	<u>2,200</u>	<u>209</u>
FUND BALANCES					
Nonspendable	-	-	-	-	233
Restricted	-	-	2,993	-	-
Committed	-	930	-	14,514	5,207
Assigned	131	-	-	-	-
Total fund balances	<u>131</u>	<u>930</u>	<u>2,993</u>	<u>14,514</u>	<u>5,440</u>
Total liabilities and fund balances	<u>\$ 506</u>	<u>\$ 1,622</u>	<u>\$ 3,264</u>	<u>\$ 16,714</u>	<u>\$ 5,649</u>

	Asset Preservation	Health Headquarters Capital	Sellwood Bridge Replacement	Hansen Building Replacement	Enterprise Resource Planning Project	Library District Capital
ASSETS						
Unrestricted:						
Cash and investments	\$ 14,865	\$ 6,446	\$ 2,896	\$ 3,107	\$ -	\$ -
Receivables:						
Accounts, net	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Prepays and deposits	-	-	-	-	-	-
Restricted:						
Cash and investments	-	-	2,635	-	3,206	29,694
Receivables:						
Accounts, net	-	-	699	-	-	-
Total assets	<u>\$ 14,865</u>	<u>\$ 6,446</u>	<u>\$ 6,230</u>	<u>\$ 3,107</u>	<u>\$ 3,206</u>	<u>\$ 29,694</u>
LIABILITIES						
Liabilities payable from unrestricted assets:						
Accounts payable	\$ 581	\$ 1,224	\$ -	\$ -	\$ -	\$ -
Payroll payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Liabilities payable from restricted assets:						
Accounts payable	-	-	6	-	105	-
Payroll payable	-	-	-	-	7	-
Total liabilities	<u>581</u>	<u>1,224</u>	<u>6</u>	<u>-</u>	<u>112</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	3,327	-	3,094	29,694
Committed	14,284	5,222	2,419	3,107	-	-
Assigned	-	-	478	-	-	-
Total fund balances	<u>14,284</u>	<u>5,222</u>	<u>6,224</u>	<u>3,107</u>	<u>3,094</u>	<u>29,694</u>
Total liabilities and fund balances	<u>\$ 14,865</u>	<u>\$ 6,446</u>	<u>\$ 6,230</u>	<u>\$ 3,107</u>	<u>\$ 3,206</u>	<u>\$ 29,694</u>

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020
(amounts expressed in thousands)

	Burnside Bridge	Behavioral Health Resource Center Capital	Total
ASSETS			
Unrestricted:			
Cash and investments	\$ -	\$ 907	\$ 51,491
Receivables:			
Accounts, net	-	-	613
Loans	-	-	375
Prepays and deposits	-	-	233
Restricted:			
Cash and investments	10,691	-	49,490
Receivables:			
Accounts, net	-	-	699
Total assets	<u>\$ 10,691</u>	<u>\$ 907</u>	<u>\$ 102,901</u>
LIABILITIES			
Liabilities payable from unrestricted assets:			
Accounts payable	\$ -	\$ 217	\$ 5,097
Payroll payable	-	-	26
Unearned revenue	-	-	375
Liabilities payable from restricted assets:			
Accounts payable	1,424	-	1,806
Payroll payable	-	-	7
Total liabilities	<u>1,424</u>	<u>217</u>	<u>7,311</u>
FUND BALANCES			
Nonspendable	-	-	233
Restricted	9,267	-	48,375
Committed	-	690	46,373
Assigned	-	-	609
Total fund balances	<u>9,267</u>	<u>690</u>	<u>95,590</u>
Total liabilities and fund balances	<u>\$ 10,691</u>	<u>\$ 907</u>	<u>\$ 102,901</u>

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MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Asset Replacement Revolving	Financed Projects	Library Capital Construction	Capital Improvement	Information Technology Capital
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 58
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	584	-
Interest	9	41	63	441	91
Service reimbursements	-	-	2,633	6,564	-
Miscellaneous	-	-	13	1	25
Total revenues	9	41	2,709	7,590	174
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Health services	-	-	-	-	-
Public safety and justice	-	-	-	-	-
Community services	-	-	-	8,211	672
Library services	-	-	1,890	-	-
Roads, bridges, and bike path improvements	-	-	-	-	-
Capital outlay	-	-	665	7,410	102
Total expenditures	-	-	2,555	15,621	774
Revenues over (under) expenditures	9	41	154	(8,031)	(600)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	314	3,468
Transfers out	-	(559)	-	-	-
Proceeds from issuance of debt	-	-	-	-	-
Internal loan remittances	-	-	-	-	-
Total other financing sources (uses)	-	(559)	-	314	3,468
Net change in fund balances	9	(518)	154	(7,717)	2,868
Fund balances - beginning	122	1,448	2,839	22,231	2,572
Fund balances - ending	\$ 131	\$ 930	\$ 2,993	\$ 14,514	\$ 5,440

	Asset Preservation	Health Headquarters Capital	Sellwood Bridge Replacement	Hansen Building Replacement	Enterprise Resource Planning Project	Library District Capital
	\$ -	\$ -	\$ 1,786	\$ -	\$ -	\$ -
	-	-	9,700	-	-	-
	-	-	125	-	2	-
	270	164	277	76	101	427
	5,693	-	-	-	-	-
	1	24	-	-	-	-
	5,964	188	11,888	76	103	427
	-	-	-	-	3,510	-
	-	417	-	-	-	-
	-	-	-	8	-	-
	3,441	-	-	-	-	-
	-	-	-	-	-	48
	-	-	5,335	-	-	-
	1,598	307	9,390	-	103	-
	5,039	724	14,725	8	3,613	48
	925	(536)	(2,837)	68	(3,510)	379
	1,074	-	-	-	-	8,883
	-	-	-	(241)	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,074	-	-	(241)	-	8,883
	1,999	(536)	(2,837)	(173)	(3,510)	9,262
	12,285	5,758	9,061	3,280	6,604	20,432
	\$ 14,284	\$ 5,222	\$ 6,224	\$ 3,107	\$ 3,094	\$ 29,694

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Burnside Bridge	Behavioral Health Resource Center Capital	Total
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 1,844
Licenses and permits	-	-	9,700
Charges for services	-	-	711
Interest	294	20	2,274
Service reimbursements	-	-	14,890
Miscellaneous	-	10	74
Total revenues	<u>294</u>	<u>30</u>	<u>29,493</u>
EXPENDITURES			
Current:			
General government	-	-	3,510
Health services	-	158	575
Public safety and justice	-	-	8
Community services	-	-	12,324
Library services	-	-	1,938
Roads, bridges, and bike path improvements	7,673	-	13,008
Capital outlay	79	1,382	21,036
Total expenditures	<u>7,752</u>	<u>1,540</u>	<u>52,399</u>
Revenues over (under) expenditures	<u>(7,458)</u>	<u>(1,510)</u>	<u>(22,906)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	509	2,200	16,448
Transfers out	-	-	(800)
Proceeds from issuance of debt	16,075	-	16,075
Internal loan remittances	(3,000)	-	(3,000)
Total other financing sources (uses)	<u>13,584</u>	<u>2,200</u>	<u>28,723</u>
Net change in fund balances	6,126	690	5,817
Fund balances - beginning	<u>3,141</u>	<u>-</u>	<u>89,773</u>
Fund balances - ending	<u>\$ 9,267</u>	<u>\$ 690</u>	<u>\$ 95,590</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Downtown Courthouse Capital Project Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
REVENUES				
Intergovernmental	\$ 37,842	\$ 37,842	\$ 35,693	\$ (2,149)
Charges for services	5,125	5,125	10,721	5,596
Interest	-	-	846	846
Non-governmental grants	400	400	-	(400)
Miscellaneous	375	375	891	516
Total revenues	<u>43,742</u>	<u>43,742</u>	<u>48,151</u>	<u>4,409</u>
EXPENDITURES				
Current:				
County assets	111,683	111,683	86,439	25,244
County management	59	59	-	59
Total expenditures	<u>111,742</u>	<u>111,742</u>	<u>86,439</u>	<u>25,303</u>
Net change in fund balances	(68,000)	(68,000)	(38,288)	29,712
Fund balances - beginning	<u>68,000</u>	<u>68,000</u>	<u>41,759</u>	<u>(26,241)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,471</u>	<u>\$ 3,471</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Asset Replacement Revolving Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ 7	\$ 7	\$ 9	\$ 2
Total revenues	<u>7</u>	<u>7</u>	<u>9</u>	<u>2</u>
EXPENDITURES				
Current:				
County assets	127	127	-	127
Total expenditures	<u>127</u>	<u>127</u>	<u>-</u>	<u>127</u>
Net change in fund balances	(120)	(120)	9	129
Fund balances - beginning	<u>120</u>	<u>120</u>	<u>122</u>	<u>2</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131</u>	<u>\$ 131</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 41	\$ 41
Total revenues	<u>-</u>	<u>-</u>	<u>41</u>	<u>41</u>
EXPENDITURES				
Current:				
County management	1,386	827	-	827
Total expenditures	<u>1,386</u>	<u>827</u>	<u>-</u>	<u>827</u>
Revenues over (under) expenditures	<u>(1,386)</u>	<u>(827)</u>	<u>41</u>	<u>868</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(559)	(559)	-
Total other financing sources (uses)	<u>-</u>	<u>(559)</u>	<u>(559)</u>	<u>-</u>
Net change in fund balances	(1,386)	(1,386)	(518)	868
Fund balances - beginning	<u>1,386</u>	<u>1,386</u>	<u>1,448</u>	<u>62</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 930</u>	<u>\$ 930</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Library Capital Construction Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 63	\$ 63
Service reimbursements	2,633	2,633	2,633	-
Miscellaneous	-	-	13	13
Total revenues	<u>2,633</u>	<u>2,633</u>	<u>2,709</u>	<u>76</u>
EXPENDITURES				
Current:				
County assets	5,333	5,333	2,555	2,778
Total expenditures	<u>5,333</u>	<u>5,333</u>	<u>2,555</u>	<u>2,778</u>
Net change in fund balances	(2,700)	(2,700)	154	2,854
Fund balances - beginning	2,700	2,700	2,839	139
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,993</u>	<u>\$ 2,993</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 234	\$ 234	\$ 584	\$ 350
Interest	-	-	441	441
Service reimbursements	4,899	4,899	6,564	1,665
Miscellaneous	-	-	1	1
Total revenues	<u>5,133</u>	<u>5,133</u>	<u>7,590</u>	<u>2,457</u>
EXPENDITURES				
Current:				
County assets	30,031	30,031	15,621	14,410
Total expenditures	<u>30,031</u>	<u>30,031</u>	<u>15,621</u>	<u>14,410</u>
Revenues over (under) expenditures	<u>(24,898)</u>	<u>(24,898)</u>	<u>(8,031)</u>	<u>16,867</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	314	314	314	-
Total other financing sources (uses)	<u>314</u>	<u>314</u>	<u>314</u>	<u>-</u>
Net change in fund balances	(24,584)	(24,584)	(7,717)	16,867
Fund balances - beginning	24,584	24,584	22,231	(2,353)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,514</u>	<u>\$ 14,514</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Information Technology Capital Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 58	\$ 58
Interest	-	-	91	91
Miscellaneous	-	-	25	25
Total revenues	-	-	174	174
EXPENDITURES				
Current:				
County assets	5,842	5,842	774	5,068
Total expenditures	5,842	5,842	774	5,068
Revenues over (under) expenditures	(5,842)	(5,842)	(600)	5,242
OTHER FINANCING SOURCES (USES)				
Transfers in	3,468	3,468	3,468	-
Total other financing sources (uses)	3,468	3,468	3,468	-
Net change in fund balances	(2,374)	(2,374)	2,868	5,242
Fund balances - beginning	2,374	2,374	2,572	198
Fund balances - ending	\$ -	\$ -	\$ 5,440	\$ 5,440

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Asset Preservation Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 270	\$ 270
Service reimbursements	5,650	5,650	5,693	43
Miscellaneous	-	-	1	1
Total revenues	5,650	5,650	5,964	314
EXPENDITURES				
Current:				
County assets	17,644	18,524	5,038	13,486
Total expenditures	17,644	18,524	5,038	13,486
Revenues over (under) expenditures	(11,994)	(12,874)	926	13,800
OTHER FINANCING SOURCES (USES)				
Transfers in	194	1,074	1,074	-
Total other financing sources (uses)	194	1,074	1,074	-
Net change in fund balances	(11,800)	(11,800)	2,000	13,800
Fund balances - beginning	11,800	11,800	12,285	485
Fund balances - ending	\$ -	\$ -	\$ 14,285	\$ 14,285

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Health Headquarters Capital Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 164	\$ 164
Miscellaneous	-	-	24	24
Total revenues	-	-	188	188
EXPENDITURES				
Current:				
County assets	7,500	7,500	724	6,776
Total expenditures	7,500	7,500	724	6,776
Net change in fund balances	(7,500)	(7,500)	(536)	6,964
Fund balances - beginning	7,500	7,500	5,758	(1,742)
Fund balances - ending	\$ -	\$ -	\$ 5,222	\$ 5,222

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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,786	\$ 1,786
Licenses and permits	11,650	11,650	9,700	(1,950)
Charges for services	-	-	125	125
Interest	75	75	277	202
Total revenues	11,725	11,725	11,888	163
EXPENDITURES				
Current:				
Community services	21,003	21,003	14,725	6,278
Total expenditures	21,003	21,003	14,725	6,278
Net change in fund balances	(9,278)	(9,278)	(2,837)	6,441
Fund balances - beginning	9,278	9,278	9,061	(217)
Fund balances - ending	\$ -	\$ -	\$ 6,224	\$ 6,224

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Hansen Building Replacement Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 76	\$ 76
Total revenues	-	-	76	76
EXPENDITURES				
Current:				
County assets	4,256	4,015	8	4,007
Total expenditures	4,256	4,015	8	4,007
Revenues over (under) expenditures	(4,256)	(4,015)	68	4,083
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(241)	(241)	-
Total other financing sources (uses)	-	(241)	(241)	-
Net change in fund balances	(4,256)	(4,256)	(173)	4,083
Fund balances - beginning	4,256	4,256	3,280	(976)
Fund balances - ending	\$ -	\$ -	\$ 3,107	\$ 3,107

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Enterprise Resource Planning Project Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 2	\$ 2
Interest	-	-	101	101
Total revenues	-	-	103	103
EXPENDITURES				
Current:				
County assets	6,500	6,500	3,613	2,887
Total expenditures	6,500	6,500	3,613	2,887
Net change in fund balances	(6,500)	(6,500)	(3,510)	2,990
Fund balances - beginning	6,500	6,500	6,604	104
Fund balances - ending	\$ -	\$ -	\$ 3,094	\$ 3,094

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Library District Capital Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ 300	\$ 300	\$ 427	\$ 127
Total revenues	<u>300</u>	<u>300</u>	<u>427</u>	<u>127</u>
EXPENDITURES				
Current:				
Library	125	125	48	77
Contingency	29,573	29,573	-	29,573
Total expenditures	<u>29,698</u>	<u>29,698</u>	<u>48</u>	<u>29,650</u>
Revenues over (under) expenditures	<u>(29,398)</u>	<u>(29,398)</u>	<u>379</u>	<u>29,777</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,883	8,883	8,883	-
Total other financing sources (uses)	<u>8,883</u>	<u>8,883</u>	<u>8,883</u>	<u>-</u>
Net change in fund balances	(20,515)	(20,515)	9,262	29,777
Fund balances - beginning	20,515	20,515	20,432	(83)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,694</u>	<u>\$ 29,694</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Burnside Bridge Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 294	\$ 294
Total revenues	<u>-</u>	<u>-</u>	<u>294</u>	<u>294</u>
EXPENDITURES				
Current:				
Community services	11,904	11,904	7,752	4,152
Total expenditures	<u>11,904</u>	<u>11,904</u>	<u>7,752</u>	<u>4,152</u>
Revenues over (under) expenditures	<u>(11,904)</u>	<u>(11,904)</u>	<u>(7,458)</u>	<u>4,446</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	509	509	509	-
Proceeds from issuance of debt	16,000	16,000	16,075	75
Internal loan remittances	(3,000)	(3,000)	(3,000)	-
Total other financing sources (uses)	<u>13,509</u>	<u>13,509</u>	<u>13,584</u>	<u>75</u>
Net change in fund balances	1,605	1,605	6,126	4,521
Fund balances - beginning	239	239	3,141	2,902
Fund balances - ending	<u>\$ 1,844</u>	<u>\$ 1,844</u>	<u>\$ 9,267</u>	<u>\$ 7,423</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Behavioral Health Resource Center Capital Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 20	\$ 20
Miscellaneous	-	-	10	10
Total revenues	-	-	30	30
EXPENDITURES				
Current:				
County assets	-	2,200	1,540	660
Total expenditures	-	2,200	1,540	660
Revenues over (under) expenditures	-	(2,200)	(1,510)	690
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,200	2,200	-
Total other financing sources (uses)	-	2,200	2,200	-
Net change in fund balances	-	-	690	690
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 690	\$ 690

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES
PROPRIETARY FUNDS**

Enterprise Funds

- Dunthorpe-Riverdale Service District No. 1 Fund (Major fund)
- Mid County Service District No. 14 Fund (Major fund)
- Behavioral Health Managed Care Fund (Major fund)

Internal Service Funds

- Risk Management Fund
- Fleet Management Fund
- Fleet Asset Replacement Fund
- Information Technology Fund
- Mail Distribution Fund
- Facilities Management Fund

MAJOR 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 streetlights 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.

*See statements for Proprietary Funds Reported in Fund Financial Statements

ENTERPRISE FUNDS

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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Current assessments	\$ 994	\$ 994	\$ 1,008	\$ 14
Prior assessments	11	11	8	(3)
Intergovernmental charges for services	-	-	14	14
Licenses and permits	-	-	5	5
Interest	25	25	29	4
Total revenues	<u>1,030</u>	<u>1,030</u>	<u>1,064</u>	<u>34</u>
EXPENDITURES				
Current:				
Community services	1,141	1,141	711	430
Contingency	50	50	-	50
Total expenditures	<u>1,191</u>	<u>1,191</u>	<u>711</u>	<u>480</u>
Net change in fund balances	(161)	(161)	353	514
Fund balances - beginning	852	852	907	55
Fund balances - ending	<u>\$ 691</u>	<u>\$ 691</u>	1,260	<u>\$ 569</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			3,758	
Allowance for uncollectible accounts, assessments			(5)	
Assessment revenues that were not available to fund current expenditures and therefore were not reported in the budgetary basis schedule			22	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 5,035</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Current assessments	\$ 450	\$ 450	\$ 450	\$ -
Prior assessments	5	5	5	-
Charges for services	-	-	2	2
Interest	5	5	8	3
Miscellaneous	-	-	13	13
Total revenues	<u>460</u>	<u>460</u>	<u>478</u>	<u>18</u>
EXPENDITURES				
Current:				
Community services	<u>529</u>	<u>529</u>	<u>355</u>	<u>174</u>
Total expenditures	<u>529</u>	<u>529</u>	<u>355</u>	<u>174</u>
Net change in fund balances	(69)	(69)	123	192
Fund balances - beginning	<u>228</u>	<u>228</u>	<u>255</u>	<u>27</u>
Fund balances - ending	<u>\$ 159</u>	<u>\$ 159</u>	<u>378</u>	<u>\$ 219</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			2,127	
Allowance for uncollectible accounts, assessments			(2)	
Assessment revenues that were not available to fund current expenditures and therefore were not reported in the budgetary basis schedule			<u>12</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 2,515</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Intergovernmental charges for services	\$ 41,650	\$ 41,650	\$ 26,433	\$ (15,217)
Interest	-	-	193	193
Miscellaneous	-	-	7	7
Total revenues	<u>41,650</u>	<u>41,650</u>	<u>26,633</u>	<u>(15,017)</u>
EXPENDITURES				
Current:				
Health services	<u>41,650</u>	<u>41,650</u>	<u>27,807</u>	<u>13,843</u>
Total expenditures	<u>41,650</u>	<u>41,650</u>	<u>27,807</u>	<u>13,843</u>
Net change in fund balances	-	-	(1,174)	(1,174)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>8,409</u>	<u>8,409</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>7,235</u>	<u>\$ 7,235</u>
Reconciliation to GAAP Basis:				
OPEB - County Plan:				
Deferred outflows - County Plan			236	
Total OPEB liability - County Plan			(1,981)	
Deferred inflows - County Plan			(300)	
OPEB - RHIA:				
Net OPEB asset - RHIA			64	
Deferred outflows - RHIA			26	
Deferred inflows - RHIA			(13)	
Pension Plan:				
Deferred outflows - pension			4,434	
Net pension liability			(9,710)	
Deferred inflows - pension			<u>(492)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (501)</u>	

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NONMAJOR 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 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.
- **Fleet Asset Replacement Fund** -accounts for the County's replacement of motor vehicle fleet assets.
- **Information Technology Fund** - accounts for the County's data processing and telephone service operations.
- **Mail Distribution Fund** - accounts for the County's mail distribution 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, 2020
(amounts expressed in thousands)

	Government Activities - Internal Service Funds			
	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
ASSETS				
Current assets:				
Cash and investments	\$ 89,409	\$ 445	\$ 6,179	\$ 7,018
Accounts receivable, net	10	-	-	82
Inventories	-	521	-	-
Prepaid items	564	-	-	5,268
Total current assets	<u>89,983</u>	<u>966</u>	<u>6,179</u>	<u>12,368</u>
Noncurrent assets:				
Net OPEB asset - RHIA	55	9	-	176
Capital assets:				
Construction in progress	-	-	-	1,627
Other capital assets (net of accumulated depreciation)	-	1,750	4,067	10,587
Total noncurrent assets	<u>55</u>	<u>1,759</u>	<u>4,067</u>	<u>12,390</u>
Total assets	<u>90,038</u>	<u>2,725</u>	<u>10,246</u>	<u>24,758</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB - County Plan	201	32	-	646
OPEB - RHIA	22	4	-	72
Pension plan	3,688	597	-	12,034
Total deferred outflows of resources	<u>3,911</u>	<u>633</u>	<u>-</u>	<u>12,752</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,685	387	179	5,349
Payroll payable	137	26	-	517
Unearned revenue	-	-	-	14
Compensated absences	335	69	-	1,359
Total current liabilities	<u>2,157</u>	<u>482</u>	<u>179</u>	<u>7,239</u>
Noncurrent liabilities:				
Compensated absences	95	1	-	357
Claims and judgments payable	10,579	-	-	-
Other accrued payables	-	-	-	407
Total OPEB liability - County Plan	1,691	270	-	5,430
Net pension liability	8,076	1,307	-	26,352
Total noncurrent liabilities	<u>20,441</u>	<u>1,578</u>	<u>-</u>	<u>32,139</u>
Total liabilities	<u>22,598</u>	<u>2,060</u>	<u>179</u>	<u>39,378</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB - County Plan	256	41	-	821
OPEB - RHIA	11	2	-	35
Pension plan	410	66	-	1,337
Total deferred inflows of resources	<u>677</u>	<u>109</u>	<u>-</u>	<u>2,193</u>
NET POSITION				
Investment in capital assets	-	1,750	4,067	12,214
Unrestricted	70,674	(561)	6,000	(16,275)
Total net position	<u>\$ 70,674</u>	<u>\$ 1,189</u>	<u>\$ 10,067</u>	<u>\$ (4,061)</u>

Government Activities - Internal Service Funds			Total Internal Service Funds
Mail Distribution	Facilities Management		
\$ 722	\$ 7,783	\$ 111,556	
-	814	906	
76	536	1,133	
95	171	6,098	
<u>893</u>	<u>9,304</u>	<u>119,693</u>	
7	81	328	
-	-	1,627	
5	6,093	22,502	
<u>12</u>	<u>6,174</u>	<u>24,457</u>	
<u>905</u>	<u>15,478</u>	<u>144,150</u>	
25	298	1,202	
3	33	134	
493	5,491	22,303	
<u>521</u>	<u>5,822</u>	<u>23,639</u>	
172	4,347	12,119	
24	249	953	
-	-	14	
56	606	2,425	
<u>252</u>	<u>5,202</u>	<u>15,511</u>	
-	15	468	
-	-	10,579	
-	407	407	
214	2,510	10,115	
<u>1,080</u>	<u>12,024</u>	<u>48,839</u>	
<u>1,294</u>	<u>14,956</u>	<u>70,408</u>	
<u>1,546</u>	<u>20,158</u>	<u>85,919</u>	
32	379	1,529	
1	16	65	
55	610	2,478	
<u>88</u>	<u>1,005</u>	<u>4,072</u>	
5	6,093	24,129	
(213)	(5,956)	53,669	
<u>\$ (208)</u>	<u>\$ 137</u>	<u>\$ 77,798</u>	

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

Government Activities - Internal Service Funds				
	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
OPERATING REVENUES				
Charges for services	\$ 111,588	\$ 5,341	\$ 2,153	\$ 60,354
Intergovernmental charges for services	-	1	-	-
Insurance premiums	10,329	-	-	-
Licenses and permits	2	-	-	-
Miscellaneous	1,094	74	10	-
Total revenues	<u>123,013</u>	<u>5,416</u>	<u>2,163</u>	<u>60,354</u>
OPERATING EXPENSES				
Cost of sales and services	112,084	4,988	18	58,965
Administration	1,912	700	-	3,218
Depreciation and amortization	-	1,189	717	2,443
Total operating expenses	<u>113,996</u>	<u>6,877</u>	<u>735</u>	<u>64,626</u>
Operating income (loss)	<u>9,017</u>	<u>(1,461)</u>	<u>1,428</u>	<u>(4,272)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	1,697	6	118	177
Gain (loss) on disposal of capital assets	-	-	140	-
Total nonoperating revenues	<u>1,697</u>	<u>6</u>	<u>258</u>	<u>177</u>
Income (loss) before contributions and transfers	10,714	(1,455)	1,686	(4,095)
Transfers in	-	-	-	559
Transfers out	-	-	-	(1,468)
Capital contributions in	-	-	12	650
Capital contributions out	-	-	(8)	-
Change in net position	<u>10,714</u>	<u>(1,455)</u>	<u>1,690</u>	<u>(4,354)</u>
Total net position - beginning	<u>59,960</u>	<u>2,644</u>	<u>8,377</u>	<u>293</u>
Total net position - ending	<u>\$ 70,674</u>	<u>\$ 1,189</u>	<u>\$ 10,067</u>	<u>\$ (4,061)</u>

Government Activities - Internal Service Funds		
Mail Distribution	Facilities Management	Total Internal Service Funds
\$ 3,263	\$ 58,791	\$ 241,490
-	935	936
-	-	10,329
-	-	2
-	32	1,210
<u>3,263</u>	<u>59,758</u>	<u>253,967</u>
3,274	61,310	240,639
448	1,557	7,835
5	97	4,451
<u>3,727</u>	<u>62,964</u>	<u>252,925</u>
(464)	(3,206)	1,042
15	141	2,154
-	-	140
<u>15</u>	<u>141</u>	<u>2,294</u>
(449)	(3,065)	3,336
-	185	744
-	(508)	(1,976)
-	8	670
-	(12)	(20)
<u>(449)</u>	<u>(3,392)</u>	<u>2,754</u>
241	3,529	75,044
<u>\$ (208)</u>	<u>\$ 137</u>	<u>\$ 77,798</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,486	\$ 76	\$ 10	\$ 222
Receipts for interfund services provided	111,523	5,342	2,154	60,172
Payments to suppliers	(109,285)	(2,992)	(129)	(19,849)
Payments to employees	(9,931)	(1,537)	-	(29,063)
Receipts for interfund services used	445	(769)	-	(9,856)
Net cash provided by (used for) operating activities	<u>4,238</u>	<u>120</u>	<u>2,035</u>	<u>1,626</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	559
Transfers out	-	-	-	(1,468)
Net cash provided by (used for) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(909)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions in	-	-	12	650
Capital contributions out	-	-	(8)	-
Internal loan remittance	3,000	-	-	-
Acquisition of capital assets	-	(279)	(1,852)	(2,447)
Gain (Loss) on disposal of capital assets	-	-	140	-
Net cash provided by (used for) capital and related financing activities	<u>3,000</u>	<u>(279)</u>	<u>(1,708)</u>	<u>(1,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	<u>1,697</u>	<u>6</u>	<u>118</u>	<u>177</u>
Net cash provided by (used for) investing activities	<u>1,697</u>	<u>6</u>	<u>118</u>	<u>177</u>
Net increase (decrease) in cash and cash equivalents	8,935	(153)	445	(903)
Cash and cash equivalents - beginning	<u>80,474</u>	<u>598</u>	<u>5,734</u>	<u>7,921</u>
Cash and cash equivalents - ending	<u>\$ 89,409</u>	<u>\$ 445</u>	<u>\$ 6,179</u>	<u>\$ 7,018</u>

	Mail Distribution	Facilities Management	Total Internal Service Funds
	\$ 1	\$ 2,015	\$ 13,810
	3,261	57,202	239,654
	(1,507)	(32,234)	(165,996)
	(1,292)	(13,803)	(55,626)
	(806)	(13,299)	(24,285)
	<u>(343)</u>	<u>(119)</u>	<u>7,557</u>
	-	185	744
	-	(508)	(1,976)
	<u>-</u>	<u>(323)</u>	<u>(1,232)</u>
	-	8	670
	-	(12)	(20)
	-	-	3,000
	-	(1,714)	(6,292)
	<u>-</u>	<u>-</u>	<u>140</u>
	<u>-</u>	<u>(1,718)</u>	<u>(2,502)</u>
	<u>15</u>	<u>141</u>	<u>2,154</u>
	<u>15</u>	<u>141</u>	<u>2,154</u>
	(328)	(2,019)	5,977
	<u>1,050</u>	<u>9,802</u>	<u>105,579</u>
	<u>\$ 722</u>	<u>\$ 7,783</u>	<u>\$ 111,556</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 9,017	\$ (1,461)	\$ 1,428	\$ (4,272)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization of capital assets	-	1,189	717	2,443
Changes in assets, liabilities and deferred inflows/outflows:				
Receivables, net	(4)	-	-	40
Inventories	-	117	-	-
Prepaid items	75	-	-	(126)
Capital assets	-	55	10	103
Accounts payable	(1,652)	63	(120)	1,116
Claims and judgments payable	(1,768)	-	-	-
Payroll Payable	14	3	-	76
Unearned revenue	-	-	-	-
Compensated absences	109	2	-	270
Other accrued payables	-	-	-	-
Total OPEB liability - County Plan	178	40	-	659
Deferred outflows - OPEB - County Plan	(119)	(20)	-	(388)
Deferred inflows - OPEB - County Plan	(4)	1	-	3
Net OPEB asset - RHIA	(2)	(1)	-	(11)
Deferred outflows - OPEB - RHIA	(8)	(1)	-	(28)
Deferred inflows - OPEB - RHIA	(4)	(1)	-	(12)
Net pension liability	(2,238)	270	-	3,917
Deferred outflows - pension	1,053	(120)	-	(1,720)
Deferred inflows - pension	(409)	(16)	-	(444)
Total adjustments	(4,779)	1,581	607	5,898
Net cash provided by (used for) operating activities	<u>\$ 4,238</u>	<u>\$ 120</u>	<u>\$ 2,035</u>	<u>\$ 1,626</u>
Noncash financing activities:				
None	\$ -	\$ -	\$ -	\$ -

	Mail Distribution	Facilities Management	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (464)	\$ (3,206)	\$ 1,042
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization of capital assets	5	97	4,451
Changes in assets, liabilities and deferred inflows/outflows:			
Receivables, net	-	(542)	(506)
Inventories	(9)	(59)	49
Prepaid items	(95)	35	(111)
Capital assets	-	-	168
Accounts payable	23	665	95
Claims and judgments payable	-	-	(1,768)
Payroll Payable	3	39	135
Unearned revenue	-	-	-
Compensated absences	15	74	470
Other accrued payables	-	(5)	(5)
Total OPEB liability - County Plan	44	235	1,156
Deferred outflows - OPEB - County Plan	(16)	(176)	(719)
Deferred inflows - OPEB - County Plan	3	(11)	(8)
Net OPEB asset - RHIA	(1)	(2)	(17)
Deferred outflows - OPEB - RHIA	(1)	(12)	(50)
Deferred inflows - OPEB - RHIA	-	(6)	(23)
Net pension liability	286	4,942	7,177
Deferred outflows - pension	(128)	(2,235)	(3,150)
Deferred inflows - pension	(8)	48	(829)
Total adjustments	121	3,087	6,515
Net cash provided by (used for) operating activities	<u>\$ (343)</u>	<u>\$ (119)</u>	<u>\$ 7,557</u>
Noncash financing activities:			
None	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 117,148	\$ 117,755	\$ 111,588	\$ (6,167)
Insurance premiums	10,991	10,991	10,329	(662)
Licenses and permits	-	-	2	2
Interest	1,574	1,574	1,697	123
Miscellaneous	625	625	1,094	469
Total revenues	<u>130,338</u>	<u>130,945</u>	<u>124,710</u>	<u>(6,235)</u>
EXPENDITURES				
Current:				
County management	126,836	127,442	111,377	16,065
Nondepartmental	6,503	6,503	5,831	672
Contingency	10,715	10,715	-	10,715
Total expenditures	<u>144,054</u>	<u>144,660</u>	<u>117,208</u>	<u>27,452</u>
Revenues over (under) expenditures	<u>(13,716)</u>	<u>(13,715)</u>	<u>7,502</u>	<u>21,217</u>
OTHER FINANCING SOURCES (USES)				
Internal loan proceeds	3,000	3,000	3,000	-
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balances	(10,716)	(10,715)	10,502	21,217
Fund balances - beginning	<u>71,433</u>	<u>71,433</u>	<u>77,658</u>	<u>6,225</u>
Fund balances - ending	<u>\$ 60,717</u>	<u>\$ 60,718</u>	<u>88,160</u>	<u>\$ 27,442</u>
Reconciliation to GAAP Basis:				
Compensated absences			(429)	
Claims and judgments payable			(10,579)	
OPEB - County Plan:				
Deferred outflows - County Plan			201	
Total OPEB liability - County Plan			(1,691)	
Deferred inflows - County Plan			(256)	
OPEB - RHIA:				
Net OPEB asset - RHIA			55	
Deferred outflows - RHIA			22	
Deferred inflows - RHIA			(11)	
Pension Plan:				
Deferred outflows - pension			3,688	
Net pension liability			(8,076)	
Deferred inflows - pension			(410)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 70,674</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 5,793	\$ 5,793	\$ 5,341	\$ (452)
Intergovernmental charges for services	-	-	1	1
Interest	16	16	6	(10)
Miscellaneous	-	-	74	74
Total revenues	<u>5,809</u>	<u>5,809</u>	<u>5,422</u>	<u>(387)</u>
EXPENDITURES				
Current:				
County assets	6,516	6,516	5,772	744
Contingency	100	100	-	100
Total expenditures	<u>6,616</u>	<u>6,616</u>	<u>5,772</u>	<u>844</u>
Net change in fund balances	(807)	(807)	(350)	457
Fund balances - beginning	<u>807</u>	<u>807</u>	<u>887</u>	<u>80</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>537</u>	<u>\$ 537</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			1,766	
Compensated absences			(70)	
OPEB - County Plan:				
Deferred outflows - County Plan			32	
Total OPEB liability - County Plan			(270)	
Deferred inflows - County Plan			(41)	
OPEB - RHIA:				
Net OPEB asset - RHIA			9	
Deferred outflows - RHIA			4	
Deferred inflows - RHIA			(2)	
Pension Plan:				
Deferred outflows - pension			597	
Net pension liability			(1,307)	
Deferred inflows - pension			(66)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 1,189</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fleet Asset Replacement Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 2,654	\$ 2,654	\$ 2,153	\$ (501)
Licenses and permits	1	1	-	(1)
Interest	85	85	118	33
Miscellaneous	-	-	10	10
Total revenues	<u>2,740</u>	<u>2,740</u>	<u>2,281</u>	<u>(459)</u>
EXPENDITURES				
Current:				
County assets	9,019	9,019	1,856	7,163
Total expenditures	<u>9,019</u>	<u>9,019</u>	<u>1,856</u>	<u>7,163</u>
Revenues over (under) expenditures	<u>(6,279)</u>	<u>(6,279)</u>	<u>425</u>	<u>6,704</u>
NONOPERATING REVENUES				
Gain (loss) on disposal of capital assets	-	-	140	140
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>
Net change in fund balances	(6,279)	(6,279)	565	6,844
Fund balances - beginning	<u>6,279</u>	<u>6,279</u>	<u>5,435</u>	<u>(844)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,000</u>	<u>\$ 6,000</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			<u>4,067</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 10,067</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Information Technology Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 61,188	\$ 61,188	\$ 60,354	\$ (834)
Interest	-	-	177	177
Total revenues	<u>61,188</u>	<u>61,188</u>	<u>60,531</u>	<u>(657)</u>
EXPENDITURES				
Current:				
County assets	67,488	68,047	61,630	6,417
County management	-	-	1,377	(1,377)
NOT CODED	-	-	(1,377)	1,377
Total expenditures	<u>67,488</u>	<u>68,047</u>	<u>61,630</u>	<u>6,417</u>
Revenues over (under) expenditures	<u>(6,300)</u>	<u>(6,859)</u>	<u>(1,099)</u>	<u>5,760</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	559	559	-
Transfers out	(1,468)	(1,468)	(1,468)	-
Total other financing sources (uses)	<u>(1,468)</u>	<u>(909)</u>	<u>(909)</u>	<u>-</u>
Net change in fund balances	(7,768)	(7,768)	(2,008)	5,760
Fund balances - beginning	<u>7,768</u>	<u>7,768</u>	<u>8,496</u>	<u>728</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,488</u>	<u>\$ 6,488</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			12,214	
Compensated absences			(1,716)	
OPEB - County Plan:				
Deferred outflows - County Plan			646	
Total OPEB liability - County Plan			(5,430)	
Deferred inflows - County Plan			(821)	
OPEB - RHIA:				
Net OPEB asset - RHIA			176	
Deferred outflows - RHIA			72	
Deferred inflows - RHIA			(35)	
Pension Plan:				
Deferred outflows - pension			12,034	
Net pension liability			(26,352)	
Deferred inflows - pension			(1,337)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (4,061)</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 3,368	\$ 3,368	\$ 3,263	\$ (105)
Interest	-	-	15	15
Total revenues	<u>3,368</u>	<u>3,368</u>	<u>3,278</u>	<u>(90)</u>
EXPENDITURES				
Current:				
County assets	4,280	4,280	3,529	751
Contingency	53	53	-	53
Total expenditures	<u>4,333</u>	<u>4,333</u>	<u>3,529</u>	<u>804</u>
Net change in fund balances	(965)	(965)	(251)	714
Fund balances - beginning	<u>965</u>	<u>965</u>	<u>948</u>	<u>(17)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>697</u>	<u>\$ 697</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			5	
Compensated absences			(56)	
OPEB - County Plan:				
Deferred outflows - County Plan			25	
Total OPEB liability - County Plan			(214)	
Deferred inflows - County Plan			(32)	
OPEB - RHIA:				
Net OPEB asset - RHIA			7	
Deferred outflows - RHIA			3	
Deferred inflows - RHIA			(1)	
Pension Plan:				
Deferred outflows - pension			493	
Net pension liability			(1,080)	
Deferred inflows - pension			(55)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (208)</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, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 63,506	\$ 63,576	\$ 58,791	\$ (4,785)
Intergovernmental charges for services	949	949	935	(14)
Interest	-	-	141	141
Miscellaneous	50	50	32	(18)
Total revenues	<u>64,505</u>	<u>64,575</u>	<u>59,899</u>	<u>(4,676)</u>
EXPENDITURES				
Current:				
County assets	67,453	68,981	61,743	7,238
Contingency	329	329	-	329
Total expenditures	<u>67,782</u>	<u>69,310</u>	<u>61,743</u>	<u>7,567</u>
Revenues over (under) expenditures	(3,277)	(4,735)	(1,844)	2,891
OTHER FINANCING SOURCES (USES)				
Transfers in	185	185	185	-
Transfers out	(508)	(508)	(508)	-
Total other financing sources (uses)	<u>(323)</u>	<u>(323)</u>	<u>(323)</u>	<u>-</u>
Net change in fund balances	(3,600)	(5,058)	(2,167)	2,891
Fund balances - beginning	<u>3,600</u>	<u>5,058</u>	<u>6,864</u>	<u>1,806</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,697</u>	<u>\$ 4,697</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			6,104	
Compensated absences			(621)	
Other accrued payables			(407)	
OPEB - County Plan:				
Deferred outflows - County Plan			298	
Total OPEB liability - County Plan			(2,510)	
Deferred inflows - County Plan			(379)	
OPEB - RHIA:				
Net OPEB asset - RHIA			81	
Deferred outflows - RHIA			33	
Deferred inflows - RHIA			(16)	
Pension Plan:				
Deferred outflows - pension			5,491	
Net pension liability			(12,024)	
Deferred inflows - pension			(610)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 137</u>	

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES
FIDUCIARY FUNDS**

Custodial 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 an agreement or applicable legislative enactment for each particular fund. The accrual basis of accounting is used to record transactions in the custodial funds. The funds included are:

- **Client Custodian Funds** - accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- **Property Tax Funds** - 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 of County Management Custodial Funds** - accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity.
- **Multnomah County Sheriff Custodial Funds** - accounts for receipts and disbursements for individuals who are incarcerated.
- **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 STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2020
(amounts expressed in thousands)

	Client Custodian Funds	Property Tax Funds	Department of County Management Custodial Funds	Multnomah County Sheriff Custodial Funds	Visitors Facility Trust Fund	MCSO Criminal Forfeiture Funds	Total
ASSETS							
Restricted assets:							
Cash and investments	\$ 729	\$ 21,825	\$ 1,740	\$ 200	\$ 22,387	\$ 343	\$ 47,224
Taxes receivable	-	42,342	-	-	718	-	43,060
Total assets	<u>729</u>	<u>64,167</u>	<u>1,740</u>	<u>200</u>	<u>23,105</u>	<u>343</u>	<u>90,284</u>
LIABILITIES							
Liabilities payable from restricted assets:							
Accounts payable	28	12,193	1,740	185	276	335	14,757
Due to other governmental units	-	42,126	-	-	-	-	42,126
Total liabilities	<u>28</u>	<u>54,319</u>	<u>1,740</u>	<u>185</u>	<u>276</u>	<u>335</u>	<u>56,883</u>
NET POSITION							
Individuals, organizations, and other governments	701	9,848	-	15	22,829	8	33,401
Total net position	<u>\$ 701</u>	<u>\$ 9,848</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 22,829</u>	<u>\$ 8</u>	<u>\$ 33,401</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Client Custodian Funds	Property Tax Funds	Department of County Management Custodial Funds	Multnomah County Sheriff Custodial Funds	Visitors Facility Trust Fund	MCSO Criminal Forfeiture Funds	Total
ADDITIONS							
Taxes collected	\$ -	\$ 3,379,735	\$ -	\$ -	\$ -	\$ -	\$ 3,379,735
Taxes collected for other governments	-	12,765	763	-	18,746	-	32,274
Deposits held for others	-	-	-	6,860	-	-	6,860
Charges for services	-	162	-	7,085	-	-	7,247
Interest	15	1,941	-	-	580	7	2,543
Miscellaneous	2,906	-	-	-	-	4	2,910
Total additions	2,921	3,394,603	763	13,945	19,326	11	3,431,569
DEDUCTIONS							
Administrative Support	-	-	-	-	131	-	131
Payments of taxes to other governments	2,781	3,384,755	763	-	22,069	-	3,410,368
Payments paid to others	-	-	-	6,850	-	-	6,850
Distributions to others	-	-	-	7,080	-	3	7,083
Total deductions	2,781	3,384,755	763	13,930	22,200	3	3,424,432
Net increase (decrease) in fiduciary net position	140	9,848	-	15	(2,874)	8	7,137
Total net position - beginning	-	-	-	-	-	-	-
Restatement per GASB 84 Implementation (Note I. E.)	561	-	-	-	25,703	-	26,264
Total net position - ending	\$ 701	\$ 9,848	\$ -	\$ 15	\$ 22,829	\$ 8	\$ 33,401

OTHER FINANCIAL SCHEDULES

- Property Tax Collections and Outstanding Balances
- Capitalized Lease Obligations
- Loans Payable Outstanding
- Full Faith and Credit Bonds Outstanding

OTHER FINANCIAL
SCHEDULES

MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2019	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, 2020
2019-20	\$ -	\$ 1,947,427	\$ (8,275)	\$ 541	\$ (51,352)	\$ (1,858,748)	\$ 29,593
2018-19	28,059	-	(1,143)	932	5	(16,139)	11,714
2017-18	13,391	-	(3,058)	696	3	(4,759)	6,273
2016-17	5,542	-	(205)	783	(1)	(3,694)	2,425
2015-16	2,439	-	(128)	605	-	(2,414)	502
2014-15 and prior	4,319	-	(649)	172	-	(417)	3,425
Total	\$ 53,750	\$ 1,947,427	\$ (13,458)	\$ 3,729	\$ (51,345)	\$ (1,886,171)	\$ 53,932

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2020

	Current Years' Levy	Prior Years' Levies	Total Property Taxes	Other Taxes*	Total
General Fund	\$ 4,964	\$ 4,259	\$ 9,223	\$ 23,138	\$ 32,361
Special revenue funds:					
Road Fund	-	-	-	2,025	2,025
Library Fund	-	87	87	-	87
Special Excise Tax Fund	-	-	-	574	574
Land Corner Preservation Fund	-	-	-	15	15
Oregon Historical Society Levy Fund	53	42	95	-	95
Library District Fund	1,375	993	2,368	-	2,368
Total special revenue funds	1,428	1,122	2,550	2,614	5,164
Custodial funds	23,179	18,947	42,126	934	43,060
Subtotal taxes receivable	29,571	24,328	53,899	26,686	80,585
Special assessments: collected through taxes					
Dunthorpe-Riverdale Service District No. 1 Fund	15	7	22	-	22
Mid County Service District No. 14 Fund	7	4	11	-	11
Total special assessments	22	11	33	-	33
Total receivables	\$ 29,593	\$ 24,339	\$ 53,932	\$ 26,686	\$ 80,618

*Note: Other taxes include business income, transient lodging, motor vehicle, County gasoline, and other tax-related transactions.

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Obligations
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	Sellwood Lofts Dated 1/1/2002 10.31%		West Gresham Plaza Dated 6/15/2016 1.75%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 38	\$ 80	\$ 175	\$ 8	\$ 213	\$ 88
2022	42	76	179	5	221	81
2023	47	71	181	2	228	73
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	87	31	-	-	87	31
2030	96	22	-	-	96	22
2031	106	12	-	-	106	12
2032	57	2	-	-	57	2
Total	<u>\$ 794</u>	<u>\$ 564</u>	<u>535</u>	<u>\$ 15</u>	<u>\$ 1,329</u>	<u>\$ 579</u>

MULTNOMAH COUNTY, OREGON
Schedule of Loans Payable Outstanding
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	OTIB* Dated 9/4/2008 3.98%	
	Principal	Interest
2021	\$ 231	\$ 61
2022	240	52
2023	250	42
2024	260	32
2025	270	22
2026	280	11
Total	<u>\$ 1,531</u>	<u>\$ 220</u>

*Amendment to loan agreement with Oregon Transportation Infrastructure Bank (OTIB) made September 1, 2016

Additional obligation: the County received loan draws through the Oregon Infrastructure Finance Authority for the Levee Ready Columbia Project. However, these loans are not yet in repayment status as of June 30, 2020. See Note III.G. *Long-term debt - Loans payable* for more detail.

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	Series 1999		Series 2010B		Series 2012	
	Date of Issue: 12/1/1999		Date of Issue 12/14/2010		Date of Issue 12/13/2012	
	6.49 to 7.74%		4.00 to 4.70%		3.00 to 5.00%	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 5,208	\$ 21,407	\$ 1,350	\$ 713	\$ 5,530	\$ 3,942
2022	5,098	23,012	1,380	659	5,805	3,666
2023	4,989	24,687	1,410	600	6,095	3,376
2024	4,881	26,444	1,440	537	6,400	3,071
2025	4,772	28,285	1,475	471	6,720	2,751
2026	4,670	30,215	1,510	401	7,055	2,415
2027	4,566	32,234	1,545	325	7,410	2,062
2028	4,463	34,347	1,585	247	7,705	1,766
2029	4,362	36,563	1,630	167	8,015	1,458
2030	4,265	38,888	1,675	84	8,335	1,137
2031	-	-	-	-	8,665	804
2032	-	-	-	-	8,925	544
2033	-	-	-	-	9,195	274
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
2047	-	-	-	-	-	-
Total	<u>\$ 47,274</u>	<u>\$ 296,082</u>	<u>\$ 15,000</u>	<u>\$ 4,204</u>	<u>\$ 95,855</u>	<u>\$ 27,266</u>

Series 2017		Series 2019		Total	
Date of Issue 11/30/17		Date of Issue 9/12/19			
3.00 to 5.00%		1.74%			
Principal	Interest	Principal	Interest	Principal	Interest
\$ 8,770	\$ 6,195	\$ 1,551	\$ 261	\$ 22,409	\$ 32,518
9,205	5,756	1,578	234	23,066	33,327
9,670	5,296	1,606	206	23,770	34,165
10,145	4,813	1,634	178	24,500	35,043
3,875	4,305	1,662	150	18,504	35,962
4,065	4,112	1,691	121	18,991	37,264
4,270	3,908	1,720	91	19,511	38,620
4,480	3,695	1,750	61	19,983	40,116
4,710	3,471	1,781	31	20,498	41,690
4,940	3,235	-	-	19,215	43,344
5,185	2,988	-	-	13,850	3,792
5,450	2,729	-	-	14,375	3,273
5,665	2,511	-	-	14,860	2,785
5,835	2,341	-	-	5,835	2,341
6,015	2,166	-	-	6,015	2,166
6,190	1,986	-	-	6,190	1,986
6,375	1,800	-	-	6,375	1,800
3,305	1,545	-	-	3,305	1,545
3,405	1,442	-	-	3,405	1,442
3,545	1,306	-	-	3,545	1,306
3,685	1,164	-	-	3,685	1,164
3,830	1,016	-	-	3,830	1,016
3,985	863	-	-	3,985	863
4,145	704	-	-	4,145	704
4,310	538	-	-	4,310	538
4,480	366	-	-	4,480	366
4,660	188	-	-	4,660	188
<u>\$ 144,195</u>	<u>\$ 70,439</u>	<u>\$ 14,973</u>	<u>\$ 1,333</u>	<u>\$ 317,297</u>	<u>\$ 399,324</u>

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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.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental Activities:				
Net investment in capital assets	\$ 1,086,931	\$ 971,759	\$ 818,361	\$ 959,484
Restricted	78,256	114,253	186,049	88,143
Unrestricted	<u>(221,030)</u>	<u>(157,498)</u>	<u>(179,240)</u>	<u>(183,146)</u>
Total governmental activities net position	<u>\$ 944,157</u>	<u>\$ 928,514</u>	<u>\$ 825,170</u>	<u>\$ 864,481</u>
Business-Type Activities:				
Net investment in capital assets	\$ 5,770	\$ 6,001	\$ 5,688	\$ 5,589
Unrestricted	<u>1,279</u>	<u>1,454</u>	<u>4,296</u>	<u>3,027</u>
Total business-type activities net position	<u>\$ 7,049</u>	<u>\$ 7,455</u>	<u>\$ 9,984</u>	<u>\$ 8,616</u>
Primary Government:				
Net investment in capital assets	\$ 1,092,701	\$ 977,760	\$ 824,049	\$ 965,073
Restricted	78,256	114,253	186,049	88,143
Unrestricted	<u>(219,751)</u>	<u>(156,044)</u>	<u>(174,944)</u>	<u>(180,119)</u>
Total primary government net position	<u>\$ 951,206</u>	<u>\$ 935,969</u>	<u>\$ 835,154</u>	<u>\$ 873,097</u>

	<u>2016</u>	<u>2015</u>	<u>Restated 2014</u>	<u>2013</u>	<u>Restated 2012</u>	<u>2011</u>
Governmental Activities:						
Net investment in capital assets	\$ 850,159	\$ 768,977	\$ 705,519	\$ 670,483	\$ 686,874	\$ 637,922
Restricted	81,351	100,186	99,882	29,565	29,565	103,600
Unrestricted	<u>(130,430)</u>	<u>1,360</u>	<u>(132,245)</u>	<u>74,009</u>	<u>74,009</u>	<u>81,502</u>
Total governmental activities net position	<u>\$ 801,080</u>	<u>\$ 870,523</u>	<u>\$ 673,156</u>	<u>\$ 774,057</u>	<u>\$ 790,448</u>	<u>\$ 823,024</u>
Business-Type Activities:						
Net investment in capital assets	\$ 5,315	\$ 3,775	\$ 3,672	\$ 3,752	\$ 3,612	\$ 3,696
Unrestricted	<u>1,529</u>	<u>19,550</u>	<u>18,241</u>	<u>13,402</u>	<u>17,442</u>	<u>13,600</u>
Total business-type activities net position	<u>\$ 6,844</u>	<u>\$ 23,325</u>	<u>\$ 21,913</u>	<u>\$ 17,154</u>	<u>\$ 21,054</u>	<u>\$ 17,296</u>
Primary Government:						
Net investment in capital assets	\$ 855,474	\$ 772,752	\$ 709,191	\$ 674,235	\$ 690,486	\$ 641,618
Restricted	81,351	100,186	99,882	29,565	29,565	103,600
Unrestricted	<u>(128,901)</u>	<u>20,910</u>	<u>(114,004)</u>	<u>87,411</u>	<u>91,451</u>	<u>95,102</u>
Total primary government net position	<u>\$ 807,924</u>	<u>\$ 893,848</u>	<u>\$ 695,069</u>	<u>\$ 791,211</u>	<u>\$ 811,502</u>	<u>\$ 840,320</u>

Source: Current and prior years' financial statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues										
Governmental activities:										
Fees, fines and charges for services:										
General government	\$ 90,752	\$ 94,345	\$ 73,551	\$ 74,584	\$ 62,857	\$ 83,516	\$ 71,664	\$ 26,466	\$ 27,239	\$ 27,789
Health services	107,636	110,503	95,628	102,403	100,720	89,951	72,286	68,943	72,910	77,276
Social services	7,321	941	619	262	624	3,604	2,038	1,064	1,568	1,321
Public safety and justice	34,103	26,220	28,786	20,014	30,080	19,472	15,473	17,167	16,809	16,056
Community services	14,503	14,593	11,283	9,590	7,406	5,120	3,779	3,514	2,914	2,325
Library	3,203	2,530	2,130	1,842	2,189	3,126	1,652	1,639	1,747	1,759
Roads, bridges, and bike path improvements	15,654	13,684	13,104	12,893	13,314	13,401	13,011	12,853	11,866	9,131
Operating grants and contributions	434,998	587,246	466,906	445,317	383,728	350,767	340,367	318,956	308,392	316,218
Capital grants and contributions	27,782	15,474	23,937	43,958	10,364	20,455	60,776	68	839	16,415
Total governmental activities program revenues	<u>735,952</u>	<u>865,536</u>	<u>715,944</u>	<u>710,863</u>	<u>611,282</u>	<u>589,412</u>	<u>581,046</u>	<u>450,670</u>	<u>444,284</u>	<u>468,290</u>
Business-type activities:										
Charges for services:										
Dunthorpe-Riverdale Service Dist. No. 1	50	889	722	730	896	893	877	852	837	816
Mid County Service Dist. No. 14	24	481	449	456	453	454	452	377	380	363
Behavioral Health Managed Care	26,633	37,268	37,169	34,767	61,700	71,149	53,112	42,857	44,712	46,110
Capital grants and contributions	-	-	-	267	-	-	-	10	6	36
Total business-type activities program revenues	<u>26,707</u>	<u>38,638</u>	<u>38,340</u>	<u>36,220</u>	<u>63,049</u>	<u>72,496</u>	<u>54,441</u>	<u>44,096</u>	<u>45,935</u>	<u>47,325</u>
Total primary government program revenues	<u>762,659</u>	<u>904,174</u>	<u>754,284</u>	<u>747,083</u>	<u>674,331</u>	<u>661,908</u>	<u>635,487</u>	<u>494,766</u>	<u>490,219</u>	<u>515,615</u>
Expenses										
Governmental activities:										
General government	358,021	269,029	420,189	306,755	271,016	101,137	97,325	72,049	65,813	58,642
Health services	268,679	278,820	242,155	222,213	242,366	147,909	152,854	148,528	150,421	151,327
Social services	215,204	193,215	217,044	219,884	227,737	244,858	245,233	233,990	224,975	222,515
Public safety and justice	186,941	254,494	221,307	215,267	255,904	200,669	228,463	221,744	217,842	216,403
Community services	57,867	244,965	94,327	91,297	54,495	53,731	39,182	36,895	34,511	26,683
Library	119,455	70,323	64,736	56,932	63,640	60,150	64,708	58,488	61,641	60,343
Roads, bridges, and bike path improvements	92,592	68,287	111,526	64,730	64,539	50,327	66,622	55,383	54,287	51,772
Interest on long-term debt	30,499	10,190	10,494	8,572	18,362	19,785	20,822	18,932	10,695	11,774
Total governmental activities expenses	<u>1,329,258</u>	<u>1,389,323</u>	<u>1,381,778</u>	<u>1,185,650</u>	<u>1,198,059</u>	<u>878,566</u>	<u>915,209</u>	<u>846,009</u>	<u>820,185</u>	<u>799,459</u>
Business-type activities:										
Dunthorpe-Riverdale Service Dist. No. 1	706	798	687	649	607	622	573	554	507	486
Mid County Service Dist. No. 14	476	384	416	321	329	404	420	389	411	427
Behavioral Health Managed Care	27,399	40,260	34,207	34,260	79,420	69,242	53,156	38,586	49,014	43,640
Total business-type activities expenses	<u>28,581</u>	<u>41,442</u>	<u>35,310</u>	<u>35,230</u>	<u>80,356</u>	<u>70,268</u>	<u>54,149</u>	<u>39,529</u>	<u>49,932</u>	<u>44,553</u>
Total primary government expenses	<u>1,357,839</u>	<u>1,430,765</u>	<u>1,417,088</u>	<u>1,220,880</u>	<u>1,278,415</u>	<u>948,834</u>	<u>969,358</u>	<u>885,538</u>	<u>870,117</u>	<u>844,012</u>

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

(continued)

	2020	2019	2018	2017
Net Revenue (Expense)				
Governmental activities	\$ (593,306)	\$ (523,787)	\$ (665,834)	\$ (474,787)
Business-type activities	(1,874)	(2,804)	3,030	990
Total primary government net expense	<u>(595,180)</u>	<u>(526,591)</u>	<u>(662,804)</u>	<u>(473,797)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:				
Property and other local taxes levied for:				
General purposes	406,450	390,396	383,074	360,178
Debt service	-	-	-	108
Personal income taxes	3	5	11	9
Business income taxes	104,300	99,500	93,400	84,450
Selective excise and use taxes	66,258	84,485	76,825	76,163
Payments in lieu of taxes	384	519	786	568
State government shared revenues	12,399	12,668	13,192	10,475
Grants and contributions not restricted to specific programs	8	9	2,958	24
Interest and investment earnings	12,742	14,954	6,235	2,045
Gain/(loss) on investments	151	-	-	-
Miscellaneous	6,250	-	-	1,559
Gain (loss) on sale of capital assets	4	24,595	29,811	2,609
Total governmental activities	<u>608,949</u>	<u>627,131</u>	<u>606,292</u>	<u>538,188</u>

Business-type activities:

Property taxes, levied for general purposes	1,468	-	-	-
Interest and investment earnings	-	275	124	48
Miscellaneous	-	-	42	734
Total business-type activities	<u>1,468</u>	<u>275</u>	<u>166</u>	<u>782</u>
Total primary government	<u>610,417</u>	<u>627,406</u>	<u>606,458</u>	<u>538,970</u>

Change in Net Position

Governmental activities	15,643	103,344	(59,542)	63,401
Cumulative effect of change in accounting principle	-	-	-	-
Total governmental activities	<u>15,643</u>	<u>103,344</u>	<u>(59,542)</u>	<u>63,401</u>
Business-type activities	(406)	(2,529)	3,196	1,772
Total primary government change in net position	<u>\$ 15,237</u>	<u>\$ 100,815</u>	<u>\$ (56,346)</u>	<u>\$ 65,173</u>

Source: Current and prior years' financial statements

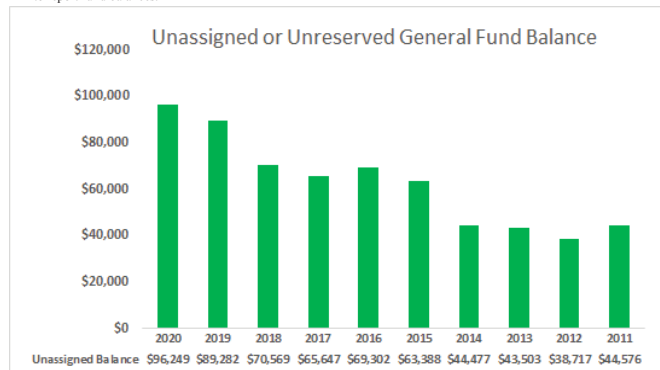
	2016	2015	2014	2013	2012	2011
Net Revenue (Expense)						
Governmental activities	\$ (586,777)	\$ (289,154)	\$ (334,163)	\$ (395,339)	\$ (375,901)	\$ (331,169)
Business-type activities	(17,307)	2,228	292	4,567	(3,997)	2,772
Total primary government net expense	<u>(604,084)</u>	<u>(286,926)</u>	<u>(333,871)</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	342,128	323,898	303,871	271,664	272,299	268,605
Debt service	6,075	6,116	6,999	8,067	8,842	8,246
Personal income taxes	15	32	16	77	235	683
Business income taxes	80,710	73,825	61,800	58,750	52,250	48,570
Selective excise and use taxes	74,594	67,192	58,456	52,934	48,777	46,167
Payments in lieu of taxes	486	659	821	1,019	697	1,500
State government shared revenues	9,998	9,534	9,198	9,090	10,108	7,423
Grants and contributions not restricted to specific programs	13	-	24	15	10	1
Interest and investment earnings	3,016	2,363	2,119	1,638	2,604	2,946
Gain/(loss) on investments	-	-	-	-	-	-
Miscellaneous	2,304	2,713	2,302	2,613	1,194	667
Gain (loss) on sale of capital assets	(2,005)	189	279	119	607	175
Total governmental activities	<u>517,334</u>	<u>486,521</u>	<u>445,885</u>	<u>405,986</u>	<u>397,623</u>	<u>384,983</u>
Business-type activities:						
Property taxes, levied for general purposes	-	-	-	-	-	-
Interest and investment earnings	100	119	102	95	97	115
Miscellaneous	726	100	10	97	-	871
Total business-type activities	<u>826</u>	<u>219</u>	<u>112</u>	<u>192</u>	<u>97</u>	<u>986</u>
Total primary government	<u>518,160</u>	<u>486,740</u>	<u>445,997</u>	<u>406,178</u>	<u>397,720</u>	<u>385,969</u>
Change in Net Position						
Governmental activities	(69,443)	197,367	111,722	10,647	21,722	53,814
Cumulative effect of change in accounting principle	-	-	-	-	(504)	-
Total governmental activities	<u>(69,443)</u>	<u>197,367</u>	<u>111,722</u>	<u>10,647</u>	<u>21,218</u>	<u>53,814</u>
Business-type activities	(16,481)	2,447	404	4,759	(3,900)	3,758
Total primary government change in net position	<u>\$ (85,924)</u>	<u>\$ 199,814</u>	<u>\$ 112,126</u>	<u>\$ 15,406</u>	<u>\$ 17,318</u>	<u>\$ 57,572</u>

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

	2020	2019	2018	2017
General Fund:				
Nonspendable	\$ 883	\$ 979	\$ 595	\$ 682
Restricted	553	7,967	5,389	5,152
Committed	14,490	3,412	-	3,802
Unassigned	96,249	89,282	70,569	65,647
Total General Fund	<u>112,175</u>	<u>101,640</u>	<u>76,553</u>	<u>75,283</u>
All other governmental funds:				
Nonspendable	1,084	718	1,000	855
Restricted	77,704	106,286	180,660	82,991
Committed	73,185	90,829	93,872	101,025
Assigned	9,356	12,419	16,557	15,475
Unassigned	-	-	(2)	(27)
Total all other governmental funds	<u>161,329</u>	<u>210,252</u>	<u>292,087</u>	<u>200,319</u>
Total governmental funds	<u>\$ 273,504</u>	<u>\$ 311,892</u>	<u>\$ 368,640</u>	<u>\$ 275,602</u>

	2016	2015	2014	2013	2012	2011
	\$ 619	\$ 781	\$ 622	\$ 576	\$ 364	\$ 654
	3,427	176	254	429	534	487
	-	-	-	-	42	487
	<u>69,302</u>	<u>63,388</u>	<u>44,477</u>	<u>43,503</u>	<u>38,717</u>	<u>44,576</u>
	<u>73,348</u>	<u>64,345</u>	<u>45,353</u>	<u>44,508</u>	<u>39,657</u>	<u>46,204</u>
	1,378	1,358	1,115	1,269	1,418	1,237
	84,111	106,261	104,838	105,341	28,506	48,942
	117,925	104,004	99,651	86,123	86,457	94,237
	18,335	15,594	14,494	9,255	11,282	20,914
	(425)	-	(207)	(446)	(396)	(312)
	<u>221,324</u>	<u>227,217</u>	<u>219,891</u>	<u>201,542</u>	<u>127,267</u>	<u>165,018</u>
	<u>\$ 294,672</u>	<u>\$ 291,562</u>	<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 No. 54, effective fiscal year 2011, which affected the categories used to report fund balances.

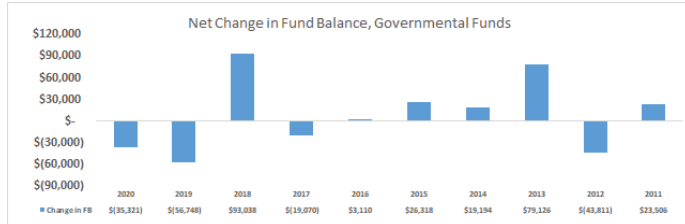


Source: Current and prior years' financial statements

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

	2020	2019	2018	2017
Revenues				
Taxes	\$ 577,047	\$ 574,385	\$ 553,499	\$ 519,718
Payments in lieu of taxes	384	519	601	568
Intergovernmental	423,403	589,112	468,765	456,252
Licenses and permits	29,730	30,309	31,894	31,999
Charges for services	139,738	132,878	112,662	125,090
Interest	9,130	10,226	5,988	3,172
Miscellaneous	139,745	132,445	100,482	101,207
Total revenues	1,319,177	1,469,874	1,273,891	1,238,006
Expenditures				
Current:				
General government	148,955	128,807	142,156	128,043
Health services	293,347	284,840	267,459	273,545
Social services	243,530	221,836	262,382	246,614
Public safety and justice	308,522	289,023	276,142	261,961
Community services	56,816	237,941	92,331	90,065
Library	86,212	81,635	70,208	67,682
Roads, bridges, and bike path improvements	69,688	63,277	68,595	59,320
Capital outlay	107,972	199,990	142,965	94,026
Debt service:				
Principal	25,033	39,964	32,880	35,368
Interest	31,808	14,230	12,426	11,130
Total expenditures	1,371,883	1,561,543	1,367,544	1,267,754
Revenues over (under) expenditures	(52,706)	(91,669)	(93,653)	(29,748)
Other Financing Sources (Uses)				
Proceeds from issuance of debt	16,129	107	181,208	1,432
Premium on long-term debt	-	-	-	-
Issuance of capital lease	-	-	-	-
Proceeds from sale of capital assets	24	39,700	5,018	3,837
Transfers in	114,282	123,285	126,573	107,493
Transfers out	(113,050)	(128,171)	(126,108)	(102,084)
Total other financing sources (uses)	17,385	34,921	186,691	10,678
Net change in fund balances	\$ (35,321)	\$ (56,748)	\$ 93,038	\$ (19,070)
Debt service as a percentage of noncapital expenditures	4.5%	4.0%	3.7%	4.0%

	2016	2015	2014	2013	2012	2011
Revenues						
Taxes	\$ 503,745	\$ 470,486	\$ 429,539	\$ 391,722	\$ 379,334	\$ 373,435
Payments in lieu of taxes	517	659	858	1,019	697	1,500
Intergovernmental	376,935	369,654	401,312	318,878	312,588	317,944
Licenses and permits	30,059	29,113	27,244	27,685	27,727	23,535
Charges for services	129,206	86,212	85,153	87,307	80,001	68,875
Interest	1,898	2,024	1,796	1,315	1,180	1,486
Miscellaneous	99,840	98,031	86,706	64,816	56,823	64,335
Total revenues	1,142,200	1,056,179	1,032,608	892,742	858,350	851,110
Expenditures						
Current:						
General government	77,333	79,363	73,641	69,384	61,380	62,951
Health services	257,759	171,896	159,095	155,451	156,344	158,283
Social services	237,085	259,391	247,007	236,253	226,460	223,815
Public safety and justice	261,326	240,126	231,694	225,707	221,094	220,279
Community services	52,927	42,226	38,833	34,517	34,137	26,283
Library	65,206	62,673	58,193	52,438	55,088	54,223
Roads, bridges, and bike path improvements	55,292	53,269	55,419	44,704	43,623	40,790
Capital outlay	86,450	74,973	100,355	79,769	80,888	32,804
Debt service:						
Principal	22,437	22,731	48,931	60,212	28,526	23,947
Interest	20,785	22,407	23,253	19,702	10,583	11,759
Total expenditures	1,136,600	1,029,055	1,036,421	978,137	918,123	855,134
Revenues over (under) expenditures	5,600	27,124	(3,813)	(85,395)	(59,773)	(4,024)
Other Financing Sources (Uses)						
Proceeds from issuance of debt	1,000	-	22,530	153,262	15,101	16,282
Premium on long-term debt	-	-	2,562	21,113	-	-
Issuance of capital lease	-	-	-	-	-	815
Proceeds from sale of capital assets	9	276	15	20	1,713	24
Transfers in	106,193	103,198	75,187	21,870	37,351	33,521
Transfers out	(109,692)	(104,280)	(77,287)	(31,744)	(38,203)	(23,112)
Total other financing sources (uses)	(2,490)	(806)	23,007	164,521	15,962	27,530
Net change in fund balances	\$ 3,110	\$ 26,318	\$ 19,194	\$ 79,126	\$ (43,811)	\$ 23,506
Debt service as a percentage of noncapital expenditures	4.1%	4.7%	7.7%	8.9%	4.7%	4.3%



Source: Current and prior years' financial statements

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government	\$ 113,538	\$ 102,776	\$ 74,698	\$ 79,161	\$ 78,014	\$ 87,840	\$ 76,839	\$ 31,273	\$ 32,200	\$ 34,230
Health services	206,924	203,720	178,702	210,508	181,336	126,335	116,869	100,994	107,371	113,591
Social services	176,498	147,255	248,955	201,187	184,797	205,639	185,991	194,176	172,360	180,874
Public safety and justice	119,135	139,242	100,627	78,917	88,203	63,252	61,636	57,886	57,705	60,451
Community services	18,062	195,611	13,358	42,309	9,393	6,684	5,389	5,104	5,898	7,184
Library	25,494	4,507	3,915	5,273	5,474	7,035	4,233	5,724	5,318	4,948
Roads and bridges	76,301	72,425	95,689	93,508	64,065	92,627	130,089	55,513	63,432	67,012
Total governmental activities	<u>735,952</u>	<u>865,536</u>	<u>715,944</u>	<u>710,863</u>	<u>611,282</u>	<u>589,412</u>	<u>581,046</u>	<u>450,670</u>	<u>444,284</u>	<u>468,290</u>
Business-type activities:										
Dunthorpe-Riverdale Service District No. 1	50	889	722	730	896	893	877	852	837	822
Mid County Service District No. 14	24	481	449	723	453	454	452	387	386	393
Behavioral Health Managed Care	26,633	37,268	37,169	34,767	61,700	71,149	53,112	42,857	44,712	46,110
Total business-type activities	<u>26,707</u>	<u>38,638</u>	<u>38,340</u>	<u>36,220</u>	<u>63,049</u>	<u>72,496</u>	<u>54,441</u>	<u>44,096</u>	<u>45,935</u>	<u>47,325</u>
Total primary government	<u>\$ 762,659</u>	<u>\$ 904,174</u>	<u>\$ 754,284</u>	<u>\$ 747,083</u>	<u>\$ 674,331</u>	<u>\$ 661,908</u>	<u>\$ 635,487</u>	<u>\$ 494,766</u>	<u>\$ 490,219</u>	<u>\$ 515,615</u>

Source: Current and prior years' financial statements

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>
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
2015	329,437	73,825	29,692	30,450	6,822	63	886	471,175
2016	348,238	80,710	34,341	33,039	7,215	15	711	504,269
2017	359,043	84,450	35,237	33,839	7,086	9	622	520,286
2018	383,075	93,400	34,806	35,018	6,970	11	786	554,066
2019	390,396	99,500	59,296	42,192	6,920	5	519	598,828
2020	406,450	104,300	31,860	28,206	6,192	3	384	577,395

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)
(modified accrual basis of accounting)
(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>
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	2,718,960	2,123,276	60,622,604	5.27	98,078,710
2015	38,871,143	19,435,231	3,004,706	2,208,621	63,519,701	5.34	108,173,728
2016	40,298,453	20,452,051	3,095,038	2,296,521	66,142,063	5.43	119,581,740
2017	41,591,891	21,404,366	3,437,762	2,397,666	68,831,685	5.38	139,355,901
2018	42,999,453	22,889,841	3,725,018	2,498,622	72,112,934	5.38	158,551,847
2019	44,465,359	23,334,977	4,028,504	2,552,244	74,381,084	5.40	172,752,206
2020	46,166,387	24,692,491	3,974,266	2,775,834	77,608,978	5.42	176,570,949

(1) See Property Tax Rates - Direct and Overlapping Governments, Total Direct Rates

Source: Multnomah County Division of Assessment and Taxation

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 Subsequent Years	Total Collections to Date	
	Adjustments			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 285,605	\$ (8,600)	\$ 277,005	\$ 269,609	94.40 %	\$ 7,153	\$ 276,762	96.90 %
2012	288,355	(8,686)	279,669	270,714	93.88	7,661	278,375	96.54
2013	287,384	(8,212)	279,172	271,302	94.40	7,305	278,607	96.95
2014	253,024	(7,092)	245,932	239,352	94.60	5,943	245,295	96.95
2015	269,118	(7,620)	261,498	255,164	94.81	5,702	260,866	96.93
2016	284,628	(8,129)	276,499	270,282	94.96	4,669	274,951	96.60
2017	292,298	(8,575)	283,723	278,093	95.14	3,735	281,828	96.42
2018	305,936	(13,615)	292,321	291,133	95.16	2,105	293,238	95.85
2019	315,817	(10,376)	305,441	302,313	95.72	2,578	304,891	96.54
2020	329,763	(11,013)	318,750	319,223	96.80	-	319,223	96.80

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)
Last Ten Fiscal Years
(Per \$1,000 of Assessed Valuation)
(unaudited)

Year	Multnomah County Direct Rates				Overlapping Rates						Total
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	
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
2015	4.10	1.14	0.10	5.34	6.41	0.67	8.29	0.01	0.08	2.02	22.82
2016	4.17	1.17	0.09	5.43	6.46	0.61	8.41	0.01	0.08	1.99	22.99
2017	4.20	1.18	-	5.38	6.52	0.63	8.53	0.01	0.08	2.12	23.27
2018	4.20	1.18	-	5.38	6.66	0.65	9.59	0.01	0.08	2.31	24.68
2019	4.20	1.20	-	5.40	6.73	0.72	9.72	0.01	0.08	2.41	25.07
2020	4.21	1.21	-	5.42	6.65	0.92	9.62	0.01	0.07	2.40	25.09

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

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

MULTNOMAH COUNTY, OREGON
Principal Taxpayers
Current Calendar Year and Nine Years Ago
(dollar amounts expressed in thousands)
(unaudited)

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

Taxpayer	December 31, 2019			
	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
	Port of Portland	\$ 13,809	\$ 670,145	1
Portland General Electric Co.	10,212	629,271	2	0.81
Alaska Airlines Inc	6,456	423,588	3	0.55
Pacificorp (PP&L)	6,264	386,148	4	0.50
CenturyLink	5,383	333,100	5	0.43
Weston Investment Co. LLC	6,179	281,110	6	0.36
Boeing Co	4,066	270,158	7	0.35
Comcast Corporation	4,174	254,263	8	0.33
AT&T, Inc.	3,875	238,146	9	0.31
Southwest Airlines Co.	3,595	235,900	10	0.30
Totals	<u>\$ 64,013</u>	<u>\$ 3,721,829</u>		<u>4.80 %</u>
Total Assessed Valuation		<u>\$ 77,608,978</u>		

Taxpayer	December 31, 2010			
	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
	Port of Portland	\$ 9,929	\$ 474,287	1
Portland General Electric	6,352	395,740	2	0.71
Comcast Corporation	5,406	338,520	3	0.60
Pacificorp (PP&L)	5,076	315,637	4	0.56
Weston Investment Co. LLC	4,937	236,682	5	0.42
QWEST Corporation	3,516	217,505	6	0.39
Fred Meyer Stores	3,479	181,524	7	0.32
Evrax Inc NA	2,810	175,714	8	0.31
LC Portland LLC	3,666	168,334	9	0.30
Boeing Co	2,682	165,440	10	0.30
Totals	<u>\$ 47,853</u>	<u>\$ 2,669,383</u>		<u>4.77 %</u>
Total Assessed Valuation		<u>\$ 55,987,408</u>		

(1) Assessed valuation based on the valuation of property for tax collection years 2019-20 and 2010-11 respectively.

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds (1)	Capitalized Lease Obligations	Full Faith and Credit Bonds (1)	Revenue Bonds	Loans Payable				
	2011	\$ 42,794	\$ 1,719	\$ 218,330	\$ 2,430	\$ 3,414			
2012	35,274	1,597	199,363	-	18,164	254,398	0.78	340	
2013	27,718	1,468	337,075	-	3,133	369,394	1.11	488	
2014	19,812	1,333	317,452	-	2,919	341,516	0.93	446	
2015	12,961	1,191	299,648	-	2,723	316,523	0.81	407	
2016	6,601	2,477	281,674	-	3,520	294,272	0.71	372	
2017	-	2,016	252,520	-	3,289	257,825	0.58	321	
2018	-	1,736	398,059	-	3,466	403,261	0.86	496	
2019	-	1,536	355,698	-	3,358	360,592	0.67	403	
2020	-	1,329	344,351	-	3,125	348,805	0.65	388	

Note: 2020 percentages calculated using 2019 personal income data, which is the most recent available.
(1) Amounts shown are net of associated discounts or premiums.
(2) See population and personal income data on Demographic and Economic Statistics schedule.

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 (1)	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (3)	Per Capita (2)
2011	\$ 42,794	\$ (7,454)	\$ 35,340	0.10 %	0.06 %	\$ 42
2012	35,274	(7,753)	27,521	0.08	0.04	32
2013	27,718	(7,714)	20,004	0.06	0.03	23
2014	19,812	(6,578)	13,234	0.06	0.02	14
2015	12,961	(5,947)	7,014	0.02	0.01	7
2016	6,601	(5,905)	696	-	-	-
2017	- (4)	-	-	-	-	-
2018	- (4)	-	-	-	-	-
2019	- (4)	-	-	-	-	-
2020	- (4)	-	-	-	-	-

- (1) Amounts shown are net of associated discounts or premiums.
(2) See population and personal income data on Demographic and Economic Statistics schedule.
(3) See taxable assessed value schedule on Assessed Valuation and Actual Values of Taxable Property schedule.
(4) No general obligation bonds outstanding at June 30, 2020.

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

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

Fiscal Year	Revenue Bonds						Coverage
	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2011	\$ 36	\$ 5	\$ 31	\$ 415	\$ 133	0.06 %	
2012	39	1	38	2,430	78	0.02	
2013	-	-	-	-	-	-	
2014	-	-	-	-	-	-	
2015	-	-	-	-	-	-	
2016	-	-	-	-	-	-	
2017	-	-	-	-	-	-	
2018	-	-	-	-	-	-	
2019	-	-	-	-	-	-	
2020	-	-	-	-	-	-	

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

Source: Current and prior years' financial statements

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

ORS 287A.100 provides a debt limit on general obligation bonds of 2 percent 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Real market value	\$ 176,570,949	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901
Debt limit rate	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Debt limit	<u>3,531,419</u>	<u>3,455,044</u>	<u>3,171,037</u>	<u>2,787,118</u>
Less bonded debt at June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 3,531,419</u>	<u>\$ 3,455,044</u>	<u>\$ 3,171,037</u>	<u>\$ 2,787,118</u>

Total net debt applicable to the limit as a percentage of debt limit. - % - % - % - %

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Real market value	\$ 176,570,949	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901
Debt limit rate	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Debt limit	<u>1,765,709</u>	<u>1,727,522</u>	<u>1,585,518</u>	<u>1,393,559</u>
Less bonded debt at June 30	<u>344,351</u>	<u>354,844</u>	<u>290,990</u>	<u>140,085</u>
Legal debt margin	<u>\$ 1,421,358</u>	<u>\$ 1,454,082</u>	<u>\$ 1,294,528</u>	<u>\$ 1,253,474</u>

Total net debt applicable to the limit as a percentage of debt limit. 19.50 % 15.83 % 18.35 % 10.05 %

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Real market value	\$ 176,570,949	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901
Debt limit rate	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>
Debt limit	<u>8,828,547</u>	<u>8,637,610</u>	<u>7,927,592</u>	<u>6,967,795</u>
Less bonded debt at June 30	<u>47,274</u>	<u>52,593</u>	<u>74,793</u>	<u>94,263</u>
Legal debt margin	<u>\$ 8,781,273</u>	<u>\$ 8,585,017</u>	<u>\$ 7,852,799</u>	<u>\$ 6,873,532</u>

Total net debt applicable to the limit as a percentage of debt limit. 0.54 % 0.61 % 0.94 % 1.35 %

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Real market value	\$ 119,581,740	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
Debt limit rate	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Debt limit	<u>2,391,635</u>	<u>2,163,475</u>	<u>1,961,574</u>	<u>1,874,708</u>	<u>1,907,089</u>	<u>2,031,187</u>
Less bonded debt at June 30	<u>5,905</u>	<u>11,570</u>	<u>17,725</u>	<u>24,935</u>	<u>31,795</u>	<u>38,620</u>
Legal debt margin	<u>\$ 2,385,730</u>	<u>\$ 2,151,905</u>	<u>\$ 1,943,849</u>	<u>\$ 1,849,773</u>	<u>\$ 1,875,294</u>	<u>\$ 1,992,567</u>

0.25 % 0.53 % 0.90 % 1.33 % 1.67 % 1.90 %

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Real market value	\$ 119,581,740	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
Debt limit rate	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Debt limit	<u>1,195,817</u>	<u>1,081,737</u>	<u>980,787</u>	<u>937,354</u>	<u>953,544</u>	<u>1,015,594</u>
Less bonded debt at June 30	<u>150,690</u>	<u>160,255</u>	<u>172,025</u>	<u>186,395</u>	<u>198,353</u>	<u>217,158</u>
Legal debt margin	<u>\$ 1,045,127</u>	<u>\$ 921,482</u>	<u>\$ 808,762</u>	<u>\$ 750,959</u>	<u>\$ 755,191</u>	<u>\$ 798,436</u>

12.60 % 14.81 % 17.54 % 19.89 % 20.80 % 21.38 %

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Real market value	\$ 119,581,740	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
Debt limit rate	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>
Debt limit	<u>5,979,087</u>	<u>5,408,686</u>	<u>4,903,936</u>	<u>4,686,771</u>	<u>4,767,722</u>	<u>5,077,938</u>
Less bonded debt at June 30	<u>111,248</u>	<u>118,093</u>	<u>122,562</u>	<u>127,034</u>	<u>131,513</u>	<u>142,223</u>
Legal debt margin	<u>\$ 5,867,839</u>	<u>\$ 5,290,593</u>	<u>\$ 4,781,374</u>	<u>\$ 4,559,737</u>	<u>\$ 4,636,209</u>	<u>\$ 4,935,745</u>

1.86 % 2.18 % 2.50 % 2.71 % 2.76 % 2.80 %

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)
(unaudited)

MULTNOMAH COUNTY, OREGON
Demographic and Economic Statistics
Last Ten Fiscal Years
(dollar amounts expressed in thousands, except per capita)
(unaudited)

<u>Overlapping District (1)</u>	<u>Gross (2) Property-tax Backed Debt</u>	<u>Net (3) Property-tax Backed Debt</u>	<u>Percent (4) Overlapping</u>	<u>Total Overlapping Debt</u>
Burlington Water District	\$ 1,203	\$ 1,203	100.00 %	\$ 1,203
City of Fairview	6,874	6,874	100.00	6,874
City of Gresham	85,272	56,115	100.00	56,115
City of Lake Oswego	237,620	88,550	5.00	4,428
City of Milwaukie	40,112	37,192	0.77	287
City of Portland	838,525	463,339	99.70	461,949
City of Troutdale	10,570	10,570	100.00	10,570
City of Wood Village	3,435	3,435	100.00	3,435
Clackamas County ESD	20,637	20,637	0.05	10
Clackamas County RFPD #1	42,041	28,156	0.11	30
Clackamas County SD 7J (Lake Oswego)	265,746	265,746	0.30	789
Columbia County SD 1J (Scappoose)	23,120	23,120	20.73	4,793
Corbett Water District	687	687	100.00	687
Lusted Water District	605	605	100.00	605
Metro	9,797,745	964,085	51.83	499,703
Mt Hood Community College	52,318	20,510	82.88	16,999
Multnomah County Drainage Dist No 1	9,641	9,641	100.00	9,641
Multnomah County RFPD 10	1,680	1,680	100.00	1,680
Multnomah County SD 10J (Gresham-Barlow)	334,402	334,402	81.25	271,702
Multnomah County SD 1 (Portland)	1,191,002	1,191,002	99.46	1,184,571
Multnomah County SD 28J (Centennial)	15,045	15,045	91.56	13,775
Multnomah County SD 3 (Parkrose)	73,404	73,404	100.00	73,404
Multnomah County SD 39 (Corbett)	4,627	4,627	100.00	4,627
Multnomah County SD 40 (David Douglas)	69,002	69,002	100.00	69,002
Multnomah County SD 51J (Riverdale)	17,076	17,076	95.10	16,239
Multnomah County SD 7 (Reynolds)	193,823	192,395	100.00	192,395
Multnomah ESD	25,230	-	98.13	-
Northwest Regional ESD	2,643	-	0.56	-
Pleasant Home Water District	1,400	1,400	93.43	1,308
Port of Portland	56,255	-	48.09	-
Portland Community College	644,797	575,107	50.41	289,911
Rockwood Water PUD	4,375	-	-	-
Tualatin Valley Fire & Rescue District	34,195	23,785	1.39	331
Valley View Water District	1,233	1,233	100.00	1,233
Washington County SD 1J (Hillsboro 7 Bd)	778	778	-	-
Washington County SD 1J (Hillsboro)	576,810	576,810	-	-
Washington County SD 48J (Beaverton)	955,104	955,104	0.34	3,247
Subtotal, overlapping debt	\$ 15,639,032	\$ 6,033,315		\$ 3,201,543
Multnomah County direct debt	\$ 348,805	\$ 322,192	100.00	348,805
Total direct and overlapping debt				\$ 3,550,348

<u>June 30,</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Income (2)</u>	<u>PMSA* Unemployment Rate (3)</u>
2011	741,925	\$ 31,161,157	\$ 41,658	8.9 %
2012	748,445	32,715,802	43,089	7.9
2013	756,530	33,376,029	43,564	7.3
2014	765,775	36,588,018	47,106	6.1
2015	777,490	38,906,295	49,230	5.4
2016	790,670	41,194,678	51,508	5.1
2017	803,000	44,261,075	54,726	3.8
2018	813,300	46,966,887	57,850	3.6
2019	821,730	49,399,774	60,773	3.9
2020	829,560	N/A (4)	N/A (4)	8.0 (5)

N/A: Data was not available for this calendar year.
* Portland Metropolitan Statistical Area
(1) Population Research Center, PSU
(2) US BEA, Dept of Commerce, Bureau of Economic Analysis
(3) OLMIS, Oregon Labor Market Information System
(4) Most recent information available is November 2019
(5) Information available as of September 2020

(1) The overlapping debt calculation was performed by Municipal Debt Advisory Commission as of June 30, 2020.
(2) Gross Property-tax Backed Debt includes all General Obligation (GO) bonds and Full Faith & Credit bonds, including premiums, capital lease obligations, and loans payable.
(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

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

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

Employer	Fiscal Year 2019-20		
	Employees	Rank	Percentage of Total PMSA* Employment
Intel Corporation	21,394	1	1.90 %
Providence Health & Services	19,326	2	1.72
Oregon Health & Science University	17,441	3	1.55
Legacy Health	12,896	4	1.15
Kaiser Permanente	12,074	5	1.07
Nike, Inc.	12,000	6	1.07
Fred Meyer Stores	8,163	7	0.73
City of Portland	7,409	8	0.66
Portland Public Schools	7,005	9	0.62
Beaverton School District	5,646	10	0.50
Total	<u>123,354</u>		<u>10.97 %</u>
Total PMSA* employment	<u>1,124,000</u> (1)		

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Employer	Fiscal Year 2010-11		
	Employees	Rank	Percentage of Total PMSA* Employment
State of Oregon	22,600	1	1.90 %
U.S. Government	17,500	2	1.47
Intel Corporation	15,636	3	1.31
Providence Health System	14,089	4	1.18
Oregon Health and Science University	13,636	5	1.14
Fred Meyer Stores	9,858	6	0.83
Legacy Health System	9,732	7	0.82
Kaiser Foundation Health Plan	9,039	8	0.76
City of Portland	8,876	9	0.74
Nike, Inc.	7,000	10	0.59
Total	<u>127,966</u>		<u>10.74 %</u>
Total PMSA* employment	<u>1,191,821</u>		

* Portland Metropolitan Statistical Area
(1) As of August 2020

MULTNOMAH COUNTY, OREGON
Full Time Equivalent (FTE) County Employees
by Function/Program and Bargaining Unit
(dollar amounts expressed in thousands)
(unaudited)

	2020	2019	2018	2017
Function/Program				
Governmental activities:				
General government	812	798	767	669
Health services	1,295	1,312	1,439	1,373
Social services	769	735	639	643
Public safety and justice	1,439	1,463	1,536	1,472
Community services	15	17	183	88
Library	354	369	545	515
Roads and bridges	115	124	102	110
Total governmental activities	<u>4,799</u>	<u>4,818</u>	<u>5,211</u>	<u>4,870</u>
Business-type activities:				
Behavioral health	-	-	1	3
Total business-type activities	<u>-</u>	<u>-</u>	<u>1</u>	<u>3</u>
Total primary government budgeted FTE	<u><u>4,799</u></u>	<u><u>4,818</u></u>	<u><u>5,212</u></u>	<u><u>4,873</u></u>
MULTNOMAH COUNTY EMPLOYEES				
Management and exempt	<u>796</u>	<u>782</u>	<u>796</u>	<u>816</u>
Bargaining units:				
Multnomah County Employees Union - Local 88 and Physicians Unit - Local 88-4, AFSCME AFL-CIO	3,112	3,260	3,121	3,081
International Brotherhood of Electrical Workers (IBEW) - Local 48, AFL-CIO	21	24	23	24
International Union of Operating Engineers - Local 701, AFL-CIO	15	15	16	15
International Union of Painters and Allied Trades - District Council 5, Local 1094, AFL-CIO	-	1	1	1
Multnomah County Corrections Deputy Association (MCCDA)	332	409	411	420
Multnomah County Deputy Sheriff's Association (MCDSA)	95	124	126	113
Oregon Nurses Association (ONA)	238	224	208	186
Multnomah County Employees Union - Juvenile Custody Services Specialists Unit (JCSS) - Local 86, AFSCME AFL-CIO	91	108	58	59
Multnomah County Prosecuting Attorneys Association	68	72	74	75
Federation of Oregon Parole and Probation Officers (FOPPO)	92	122	122	128
Total bargaining units	<u>4,064</u>	<u>4,359</u>	<u>4,160</u>	<u>4,102</u>
Temporary County employees	<u>59</u>	<u>105</u>	<u>256</u>	<u>489</u>
Total actual County employees	<u><u>4,919</u></u>	<u><u>5,246</u></u>	<u><u>5,212</u></u>	<u><u>5,407</u></u>

Source: Multnomah County payroll records

	2016	2015	2014	2013	2012	2011
Governmental activities:						
General government	679	654	653	618	614	637
Health services	1,411	1,039	973	969	955	967
Social services	682	846	760	672	660	650
Public safety and justice	1,531	1,532	1,443	1,424	1,445	1,476
Community services	78	73	69	69	62	63
Library	504	514	502	434	461	480
Roads and bridges	128	130	136	140	144	146
Total governmental activities	<u>5,013</u>	<u>4,788</u>	<u>4,536</u>	<u>4,326</u>	<u>4,341</u>	<u>4,419</u>
Business-type activities:						
Behavioral health	3	3	5	5	8	6
Total business-type activities	<u>3</u>	<u>3</u>	<u>5</u>	<u>5</u>	<u>8</u>	<u>6</u>
Total primary government budgeted FTE	<u><u>5,016</u></u>	<u><u>4,791</u></u>	<u><u>4,541</u></u>	<u><u>4,331</u></u>	<u><u>4,349</u></u>	<u><u>4,425</u></u>
Management and exempt	<u>778</u>	<u>740</u>	<u>694</u>	<u>678</u>	<u>675</u>	<u>764</u>
Bargaining units:						
Multnomah County Employees Union - Local 88 and Physicians Unit - Local 88-4, AFSCME AFL-CIO	3,217	3,013	2,893	2,729	2,750	2,771
International Brotherhood of Electrical Workers (IBEW) - Local 48, AFL-CIO	19	19	19	17	19	19
International Union of Operating Engineers - Local 701, AFL-CIO	14	13	14	13	12	13
International Union of Painters and Allied Trades - District Council 5, Local 1094, AFL-CIO	1	1	1	1	-	1
Multnomah County Corrections Deputy Association (MCCDA)	433	429	413	415	421	411
Multnomah County Deputy Sheriff's Association (MCDSA)	110	89	92	90	88	87
Oregon Nurses Association (ONA)	229	196	188	192	189	199
Multnomah County Employees Union - Juvenile Custody Services Specialists Unit (JCSS) - Local 86, AFSCME AFL-CIO	62	70	58	51	54	52
Multnomah County Prosecuting Attorneys Association	77	78	74	69	73	68
Federation of Oregon Parole and Probation Officers (FOPPO)	129	128	114	111	115	121
Total bargaining units	<u>4,291</u>	<u>4,036</u>	<u>3,866</u>	<u>3,688</u>	<u>3,721</u>	<u>3,742</u>
Temporary County employees	<u>1,119</u>	<u>1,215</u>	<u>1,213</u>	<u>132</u>	<u>129</u>	<u>128</u>
Total actual County employees	<u><u>6,188</u></u>	<u><u>5,991</u></u>	<u><u>5,773</u></u>	<u><u>4,498</u></u>	<u><u>4,525</u></u>	<u><u>4,634</u></u>

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

FUNCTION/PROGRAM	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
General Government										
Number of property tax accounts - residential	233,211	232,436	233,744	231,873	243,358	243,036	242,721	242,566	242,228	242,210
Number of property tax accounts - personal	11,988	12,228	35,535	61,078	65,070	64,215	62,437	62,085	61,876	62,125
Number of property tax accounts - commercial	14,450	14,586	17,590	17,852	33,574	33,682	33,785	33,895	34,042	34,063
Number of marriage licenses issued	5,891	6,825	6,906	7,676	7,899	7,766	7,045	6,608	6,306	6,201
Health Services										
Total clinic visits	N/A	289,493	314,865	328,255	312,735	309,484	307,137	314,940	339,794	362,546
County residents who rate their health good or better	N/A %	84 %	86 %	86 %	85 %	83 %	84 %	85 %	85 %	85 %
Environmental health inspections	N/A	14,156	14,733	14,574	13,425	12,850	14,263	12,793	13,109	13,371
Women, infants, and children (WIC) served in the WIC program	N/A	21,290	22,613	24,458	25,706	28,400	29,072	30,424	31,277	32,107
Flu vaccinations at health clinics	N/A	15,225	15,875	16,028	18,052	25,127	26,154	24,755	22,687	20,982
Social Services										
Households that have received assistance with energy bills	14,567	18,156	17,287	17,555	21,169	17,340	16,286	17,249	17,160	17,383
Clients with developmental disabilities served	4,569	6,072	6,033	5,706	5,566	5,383	4,921	4,704	4,485	4,336
Senior and physically disabled clients served	216	N/A	N/A	N/A	N/A	60,753	62,877	61,602	N/A	39,136
Alcohol and drug treatment clients	N/A	3,953	3,925	3,519	2,450	2,266	3,638	4,576	4,255	N/A
Early childhood mental health clients	3,587	3,623	3,642	3,644	5,564	5,485	5,410	5,874	5,327	4,025
Families served in early childhood programs	1,505	869	998	935	1,291	1,218	801	504	472	505
Students enrolled in extended day school activities	19,202	22,598	22,383	24,552	31,589	24,270	21,108	19,529	19,958	19,127
Public Safety and Justice										
Sheriff										
Responses to calls for services (a)	60,026	64,426	63,310	56,661	59,063	54,350	48,975	49,105	46,749	40,655
Number of arrests (parts 1, 2 and 3 crimes)	3,174	3,657	3,374	3,234	3,136	N/A	2,712	2,652	2,812	2,776
Corrections										
Number of inmates booked	24,294	31,971	31,795	30,896	34,421	35,952	39,731	39,162	37,166	36,557
Average daily jail population	988	1,074	1,087	1,077	1,193	1,145	1,220	1,264	1,240	1,187
Average length of jail stay in days	14	13	13	13	13	12	12	12	13	13
Number of transports to courthouse	5,923	14,410	15,793	19,335	19,035	19,200	19,196	17,846	18,280	17,536
Juvenile										
Youth admitted to detention center	362	456	539	1,304	1,504	1,508	1,453	1,554	1,566	1,638
Monthly average length of stay in days in youth detention center	22.0	15.5	24.1	12	12	13	10	10	10	9
Community service hours completed	7,592	5,530	6,395	2,890	3,780	4,446	3,107	3,766	2,180	3,277
Monthly average number of youth on supervision/probation (b)	533	546	75	315	343	350	324	337	339	378

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

(a) Beginning in 2012, 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

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

(continued)

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

(continued)

FUNCTION/PROGRAM	2020	2019	2018
Public Safety and Justice (continued)			
Adult			
Community service hours completed	19,897	31,424	30,915
Adults participating in educational classes	-	-	-
Clients receiving GEDs	-	-	-
Average no. adults on probation & post-prison supervision/month	7,366	7,615	8,125
District Attorney			
Cases of adult criminal activity prosecuted	10,375	12,525	12,562
Juvenile delinquency cases prosecuted	729	893	855
Hours of Community Court community service completed	1,010	2,260	2,916
Community Services			
Number of registered voters	539,385	531,729	513,498
Number of votes cast in last general election (a)	278,072	383,325	157,932
Percent of registered voters who voted in last general election	52 %	72 %	31 %
Animal control - total intake - dogs and cats	4,376	5,552	5,382
Library			
New library cards issued annually	47,847	52,554	52,685
Books circulated (total circulation) (b)	14,784,837	18,349,763	18,554,896
Borrowers who used their cards in last three years (c)	404,587	416,935	465,828
Library satisfaction (d)	N/A	98.0 %	96.0 %
Web site visits/hits	2,885,016	3,717,521	3,868,361
Catalog visits	N/A	N/A	N/A
Website visits, including catalog	N/A	N/A	N/A
Business-type Activities:			
Dunthorpe-Riverdale Service District No. 1			
Sewage disposal - number of accounts	567	565	566
Mid County Service District No. 14			
Lighting - number of accounts	7,895	7,923	7,928

- (a) Community Service general elections are held in November on even years.
 (b) Total circulation as of 2012.
 (c) Cardholder count is lower due to correction of a long-standing overcount.
 (d) Library satisfaction is from a patron survey beginning in 2012. Satisfaction rating is percent of respondents that found library materials of interest starting in fiscal year 2004.

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

2017	2016	2015	2014	2013	2012	2011
38,273	59,580	73,787	N/A	89,204	98,240	101,392
203	225	450	689	689	801	710
29	27	14	125	93	85	78
8,463	8,666	8,823	9,351	8,300	8,284	8,278
12,870	15,111	16,273	25,880	26,932	26,137	24,241
838	808	666	491	528	550	476
2,925	3,589	7,471	11,930	10,380	14,295	13,869
505,145	466,964	441,157	434,898	437,729	451,659	408,126
404,059	302,584	302,584	367,992	370,142	284,104	284,104
80 %	69 %	69 %	85 %	83 %	70 %	70 %
5,810	5,728	6,433	6,894	6,740	7,563	8,606
56,019	59,026	66,884	60,715	57,592	69,198	73,566
18,728,761	19,221,448	20,268,163	19,486,176	21,984,923	24,794,942	23,939,091
444,459	436,476	444,231	432,685	441,505	444,618	436,949
96.5 %	97.0 %	96.8 %	97.0 %	96.9 %	98.4 %	91.5 %
4,267,424	4,810,497	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	5,476,348	6,230,998	6,629,449	6,888,701	7,158,805
595	595	563	563	595	593	592
7,894	7,934	7,952	7,942	7,944	7,986	7,993

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

FUNCTION/PROGRAM	2020	2019	2018	2017
Governmental Activities:				
General Government				
Buildings owned	80	80	80	79
Buildings leased	62	62	61	56
Automobiles	270	287	293	294
Vehicles (excluding automobiles)	340	339	321	303
Heavy equipment	174	95	93	80
Health Services				
Health and dental centers	7	8	8	8
School based health centers	10	12	12	12
Social Services				
Aging and disability offices	9	9	8	5
Public Safety and Justice				
Sheriff				
Vehicular patrol units	92	90	78	71
Number of employees (sworn and civilian)	773	768	774	764
River patrol offices	3	4	3	2
Corrections				
Jails:				
Facilities	2	2	2	2
Population	1,192	1,074	1,086	1,251
Community Justice				
Adult probation and parole offices	5	5	6	4
Adult housing program offices	-	-	-	-
Juvenile counseling offices	2	2	2	1
Library				
Regional branches	5	5	5	5
Neighborhood branches	13	13	13	13
Leased branches	6	6	6	6
Roads & Bridges				
Miles of streets maintained by County				
Paved	274	274	274	268
Unpaved	24	24	24	29
Bridges				
Major	6	6	6	6
Minor	20	20	19	20
Business-type Activities:				
Dunthorpe-Riverdale Service District No. 1				
Pump stations	1	1	1	1
Miles of sewer (approximate)	15	15	15	15
Mid County Service District No. 14				
Street lighting - lights and poles	4,786	4,779	4,738	4,742

Source: Multnomah County Departments

2016	2015	2014	2013	2012	2011
76	77	79	80	79	78
57	48	48	48	55	54
311	321	294	297	308	310
303	267	276	281	294	253
80	90	96	103	105	100
8	7	8	8	7	7
13	13	12	12	14	14
5	5	5	5	5	5
78	68	58	55	63	65
781	781	759	762	766	763
2	2	3	3	3	3
2	2	2	2	2	2
1,310	1,310	1,310	1,310	1,310	1,310
5	5	7	7	7	7
-	-	1	4	4	4
1	1	3	4	4	4
5	3	2	2	2	2
13	13	11	11	11	11
6	6	6	6	6	6
268	268	270	270	270	270
29	29	24	24	24	24
6	6	6	6	6	6
20	21	19	19	19	19
1	1	1	1	1	1
15	15	15	15	15	15
4,742	4,535	4,535	4,526	4,507	4,507



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, 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 and the provision of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, and the Federal/State Program Fund of Multnomah County, Oregon (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 23, 2020. Our report includes a reference to other auditors who audited the financial statements of The Library Foundation, a discretely presented component unit of the County, which represents 100% of the assets, net position, and revenues of the discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2020 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

AUDIT COMMENTS AND DISCLOSURES

- 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*
- 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*

AUDIT COMMENTS AND DISCLOSURES

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 instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. The County experienced budgetary over-expenditures in one fund and four funds were in a deficit net position, which are disclosed in the notes to the financial statements.

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 noted certain additional matters that we reported to the County in a separately issued letter to management.

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.



James C. Lanzarotta, Partner
for Moss Adams LLP
Eugene, Oregon
December 23, 2020



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, and the aggregate remaining fund information of Multnomah County, Oregon (the County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 23, 2020. 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. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) as a basis for designing 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.

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 financial statements. 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 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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moore Adams, LLP

Eugene, Oregon
December 23, 2020

Appendix C

Book Entry Only System

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**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed

by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Continuing Disclosure Certificate

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$89,580,000

**Multnomah County, Oregon
Full Faith and Credit Refunding Obligations
Series 2021 (Federally Taxable)**

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by Multnomah County, Oregon (the “Issuer”) in connection with the issuance of the above-captioned Obligations (the “Securities”).

Section 1. Purpose of Certificate. This Certificate constitutes the Issuer’s written undertaking for the benefit of the holders of the Securities and to assist the underwriter of the Securities in complying with paragraph (b)(5) of the United States Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) as amended (the “Rule”).

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for purposes of this Certificate, have the meanings herein specified.

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Securities, including persons holding Securities through nominees or depositories.

“Commission” means the United States Securities and Exchange Commission.

“MSRB” means the United States Municipal Securities Rulemaking Board or any successor to its functions.

“Official Statement” means the final official statement for the Securities dated January 7, 2021.

“Rule” means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as it has been and may be amended.

Section 3. Financial Information. The Issuer, as the “obligated person,” agrees to provide or cause to be provided to the MSRB, the Issuer’s latest publicly available annual financial statements prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) and generally of the type included in the Official Statement in Appendix B entitled “Financial Statements.”

To the extent not included in its annual financial statements, the Issuer shall also provide information, of the type set forth in the Official Statement, containing: (1) the total real market value and total assessed value of taxable property within the Issuer (as indicated in the records of the county assessor), or other statement of property valuation that reflects then current Oregon statutes pertaining to property valuation; (2) the amount or rate of property taxes levied by the Issuer for the fiscal year for both operations and debt service for both operations and debt service for both operations and debt service, and the amount of property taxes the Issuer received during

the fiscal year; (3) the total principal amount of general obligation bonds and other tax-supported obligations of the Issuer which are outstanding at the end of the fiscal year; and (4) the major taxpayers for Multnomah County as presented in the Official Statement.

Section 4. Timing. The information described in Section 3 of this Certificate shall be provided on or before nine months after the end of the Issuer's fiscal year, commencing with information for fiscal year 2020-2021. The information described in the preceding paragraph will be provided in the form of audited financial statements if they are then available, and otherwise will be provided in the form of unaudited financial statements. The Issuer's current fiscal year ends June 30. The Issuer may adjust this fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing this annual financial information separately, the Issuer may cross-reference to other documents provided to the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in Section 3 on or prior to the date set forth in this Section 4.

If not provided as part of the annual financial information discussed above, the Issuer shall provide the Issuer's audited annual financial statement prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) when and if available to the MSRB.

Section 5. Material Events. The Issuer agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Security;
7. Modifications to the rights of Security holders, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person; (note: for the purposes of the event identified in this paragraph 12, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of the obligated person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material. For the purposes of this paragraph 15 and paragraph 16 below, “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); the term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Securities, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Termination. The Issuer's obligation under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. This Certificate, or any provision of this Certificate, shall be null and void if the Issuer (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Certificate, or any provision of this Certificate, are invalid, have been repealed retroactively or otherwise do not apply to the Securities; and (b) notifies the MSRB of such opinion and the termination of its obligations under this Certificate.

Section 7. Amendment. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, provided that the following conditions are satisfied:

A. If the amendment relates to the provisions of Sections 3 or 5 of this Certificate, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer with respect to the Securities, or the type of business conducted; and,

B. If this Certificate, as amended, would, have complied with the requirements of the Rule at the time of the original issuance of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment either (i) is approved by the owners of the Securities pursuant to the terms of the governing instrument for the Securities as it is in effect at the time of the amendment or (ii) does not materially impair the interests of the owners or Beneficial Owners of the Securities as determined by a party unaffiliated with the obligated person.

In the event of any amendment of a provision of this Certificate, the Issuer shall describe such amendment in its next annual filing pursuant to Section 3 of this Certificate, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of the amendment shall be given in the same manner as for a material event under Section 5 of this Certificate, and (ii) the annual filing pursuant to Section 3 of this Certificate for the first fiscal year that is affected by the change in accounting principles should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Securities Owner's Remedies Under This Certificate. The right of any holder of Securities or Beneficial Owner of Securities to enforce the provisions of this Certificate shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder, and any failure by the Issuer to comply with the provisions of this undertaking shall not be an event of default with respect to the obligations hereunder. Owners of the Securities may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed a default or an event of default under the documents authorizing issuance of the Securities, and no monetary damages shall arise or be payable

hereunder, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

Section 9. Form of Information. All information required to be provided under this certificate will be provided in an electronic format as prescribed by the MSRB and with the identifying information prescribed by the MSRB.

Section 10. Submitting Information Through EMMA. So long as the MSRB continues to approve the use of the Electronic Municipal Market Access (“EMMA”) continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is emma.msrb.org.

Section 11. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the “Dissemination Agent”). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 12. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated as of January 21, 2021.

Multnomah County, Oregon

Authorized Officer

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Appendix E

Form of Financing Agreement and Form of Escrow Agreement

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FINANCING AGREEMENT

between

U.S. BANK, NATIONAL ASSOCIATION

“Escrow Agent”

and

MULTNOMAH COUNTY, OREGON

“County”

Relating to:

MULTNOMAH COUNTY, OREGON

\$89,580,000

**FULL FAITH AND CREDIT REFUNDING OBLIGATIONS
SERIES 2021 (FEDERALLY TAXABLE)**

DATED: JANUARY 21, 2021

HAWKINS DELAFIELD & WOOD LLP

TABLE OF CONTENTS

ARTICLE I. RECITALS, DEFINITIONS AND RULES OF CONSTRUCTION..... 1

 Section 1.1 Recitals..... 1

 Section 1.2 Definitions..... 1

 Section 1.3 Rules of Construction..... 2

ARTICLE II. REPRESENTATIONS, WARRANTIES AND COVENANTS OF COUNTY AND ESCROW AGENT 2

 Section 2.1 Representations, Warranties and Covenants of County..... 2

 Section 2.2 Representations, Warranties and Covenants of Escrow Agent..... 3

ARTICLE III. THE FINANCING AND THE PAYMENTS 3

 Section 3.1 The Financing..... 3

 Section 3.2 The Financing Payments and Additional Charges..... 3

 Section 3.3 Prepayment..... 4

 Section 3.4 Nature of County’s Obligations..... 5

 Section 3.5 Estoppel..... 5

ARTICLE IV. ASSIGNMENT..... 5

 Section 4.1 By the Escrow Agent..... 5

 Section 4.2 By the County..... 5

ARTICLE V. TITLE; FUTURE ENCUMBRANCES AND PARITY OBLIGATIONS 6

 Section 5.1 Title..... 6

 Section 5.2 Future Encumbrances and Parity Obligations..... 6

 Section 5.3 Maintenance; Modification; Taxes; Insurance and Other Matters..... 6

 Section 5.4 Substitution..... 6

ARTICLE VI. EVENTS OF DEFAULT AND REMEDIES 6

 Section 6.1 Event of Default Defined..... 6

 Section 6.2 Remedies on Default..... 6

 Section 6.3 Force Majeure..... 7

ARTICLE VII. MISCELLANEOUS..... 8

 Section 7.1 Notices..... 8

 Section 7.2 Binding Effect..... 8

 Section 7.3 Severability..... 8

 Section 7.4 Amendments..... 8

 Section 7.5 Applicable Law..... 8

 Section 7.6 Headings..... 8

 Section 7.7 Execution in Counterparts..... 9

EXHIBIT A – Financing Payment Schedule

EXHIBIT B – Prepayment Provisions

FINANCING AGREEMENT

THIS FINANCING AGREEMENT is dated as of January 21, 2021, and is entered into by and between **U.S. BANK NATIONAL ASSOCIATION**, having corporate trust offices in Portland, Oregon, and being qualified to accept and administer the escrow hereby created, as escrow agent, paying agent and registrar (the “Escrow Agent”), and the **MULTNOMAH COUNTY, OREGON** (the “County”). The parties hereby agree as follows:

ARTICLE I. RECITALS, DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Recitals.

The County recites:

(a) The County is authorized to finance and refinance real and personal property by means of a financing agreement pursuant to ORS 271.390, and to refund outstanding borrowings pursuant to ORS 287A.365 and other applicable provisions of ORS 287A, and executes this Financing Agreement, as defined below, to refinance the Projects pursuant to these statutes.

(b) The County and the Escrow Agent recite:

(i) The Escrow Agent desires to finance the Financing Amount to the County to refinance the Projects, but only from the proceeds of the Obligations.

(ii) The County desires to borrow the Financing Amount from the Escrow Agent to refinance the Projects, subject to the terms and conditions of and for the purposes set forth herein.

Section 1.2 Definitions.

All capitalized terms not defined in this Financing Agreement shall have the meanings defined for those terms in the Escrow Agreement. Unless the context clearly requires use of a different definition, the following capitalized terms shall have the meanings defined for those terms in this section:

“Additional Charges” means the amounts specified as such pursuant to Section 3.2(d) of this Financing Agreement.

“Agreements” means this Financing Agreement and the Escrow Agreement as defined herein.

“Escrow Agreement” means the Escrow Agreement relating to the Obligations, which is dated January 21, 2021, between the County and the Escrow Agent, as it may be amended or supplemented.

“Financing Agreement” means this Financing Agreement, including the exhibits, and any amendments to this Financing Agreement and its exhibits.

“Financing Amount” means the sum of the principal components of the Financing Payments, as shown in Exhibit A, attached hereto.

“Financing Payments” means the installment payments of principal and interest which the County is required to make under this Financing Agreement to repay the Financing Amount. “Financing Payments” includes both the scheduled payments as shown in Exhibit A, attached hereto, of this Financing Agreement and any permitted prepayments of those scheduled payments as shown in Exhibit B, attached hereto, of this Financing Agreement.

“Obligations” means the County’s Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable).

“Payment Account” means the Full Faith and Credit Refunding Obligations, Series 2021 Payment Account established pursuant to Section 3.1 of the Escrow Agreement.

“Payment Date” means each June 1 and December 1, as provided in Exhibit A, attached hereto, or the date on which any Financing Payment will be prepaid in accordance with the Escrow Agreement and this Financing Agreement.

“Projects” means the projects financed by the “Refundable Obligations” as defined in the Resolution.

“Resolution” means Resolution No. 2020-092 adopted by the Board of County Commissioners on October 22, 2020, as it may be amended.

Section 1.3 Rules of Construction.

References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Financing Agreement.

ARTICLE II. REPRESENTATIONS, WARRANTIES AND COVENANTS OF COUNTY AND ESCROW AGENT

Section 2.1 Representations, Warranties and Covenants of County.

The County represents, covenants and warrants for the benefit of the Escrow Agent and its assignees as follows:

- (a) The County is Multnomah County, Oregon, a political subdivision of the State of Oregon.
- (b) The County is authorized under ORS 271.390, ORS 287A.365 and other applicable provisions of ORS Chapter 287A, and the Resolution to enter into this Financing Agreement and to perform all of its obligations under this Financing Agreement.
- (c) The County represents, covenants and warrants that all required action has been taken to ensure the enforceability of this Financing Agreement (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights or contractual obligations generally).
- (d) The County has complied and will comply with all public bidding or other procurement requirements which apply to this Financing Agreement and the acquisition and construction of the Projects refinanced with the proceeds of this Financing Agreement.

(e) The estimated weighted average life of this Financing Agreement does not exceed the estimated dollar weighted average life of the Projects refinanced with the proceeds of this Financing Agreement.

(f) All Financing Payments and deposits required by Section 3.2(b) herein and the Additional Charges shall be paid to the Escrow Agent at the address stated in the invoice.

Section 2.2 Representations, Warranties and Covenants of Escrow Agent.

The Escrow Agent represents, covenants and warrants for the benefit of the County as follows:

(a) The Escrow Agent is a national banking association, duly qualified to transact business of the type contemplated by this Financing Agreement and the Escrow Agreement in the State of Oregon, and has all necessary power to own its properties and assets and to carry on its business as now conducted.

(b) The consummation of the transactions contemplated by this Financing Agreement will not violate the provisions of, or constitute a breach or default under, the articles of incorporation, charter or bylaws of the Escrow Agent or any agreement to which the Escrow Agent is a party.

(c) The execution, delivery and performance by the Escrow Agent of this Financing Agreement and all related agreements, instruments and documents to which the Escrow Agent is a party have been duly authorized and constitute legal, valid and binding obligations of the Escrow Agent, enforceable against the Escrow Agent in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

ARTICLE III. THE FINANCING AND THE PAYMENTS

Section 3.1 The Financing.

The Escrow Agent agrees to finance for the County an amount equal to the Financing Amount, but solely from the proceeds of sale of the Obligations as provided in this Financing Agreement and the Escrow Agreement. This financing to the County will be deemed to have been made when the deposits and transfers to the County have been made at the Closing Date and as specified in Section 3.3 of the Escrow Agreement. The County agrees to borrow the Financing Amount from the Escrow Agent and to repay that principal amount in installments, with interest, by making the Financing Payments and paying the Additional Charges as provided in this Financing Agreement. This Financing Agreement shall commence on the Closing Date and shall end on the date all Financing Payments and Additional Charges that the County is required to pay under this Financing Agreement have been paid or defeased in accordance with the provisions set forth in the Escrow Agreement. The Escrow Agent is not selling, arranging for sale or establishing the terms of the Obligations.

Section 3.2 The Financing Payments and Additional Charges.

(a) The County agrees to pay the Escrow Agent, its successors or assigns, without deduction or offset of any kind, as payment for the financing made under this Financing Agreement, the Financing Payments and the Additional Charges.

(b) The County shall pay the Financing Payments to the Escrow Agent three (3) Business Days preceding the scheduled payment dates shown in Exhibit A, attached hereto, as those amounts may be reduced by any prepayment of the Financing Payments.

(i) To secure the performance of its obligation to pay Financing Payments, the County shall deposit an amount equal to each scheduled Financing Payment with the Escrow Agent three (3) Business Days preceding the scheduled Payment Date. Each deposit made under this Section 3.2(b) shall be applied toward Financing Payments due from the County as provided in the Escrow Agreement. If such deposit is not made in full on the date it is due, the Escrow Agent shall notify the County and the County shall transfer to the Escrow Agent an amount equal to the deficiency as provided in the Escrow Agreement.

(ii) In making deposits under this Section 3.2(b), the County shall be credited on each deposit date for any amounts then on hand in the Payment Account and available to pay the Financing Payment for which such deposit is being made and the County shall only be required to pay the difference, if any, between the amount of the deposit then due and the amounts then on hand in the Payment Account.

(c) In addition to the Financing Payments, the County covenants to pay the following Additional Charges, as and when the same become due and payable:

(i) to the extent permitted by law, all costs and expenses which the Escrow Agent may incur because of any default by the County under this Financing Agreement, including reasonable attorneys' fees and costs of suit or action at law to enforce the terms and conditions of this Financing Agreement; and

(ii) the fees, costs and expenses of the Escrow Agent as provided in the Escrow Agreement, and the reasonable fees, costs and expenses of any successor Escrow Agent.

(d) Additional Charges shall be paid by County when due, unless such payment may be delayed without penalty or interest, or within thirty (30) days after notice in writing from the Escrow Agent to the County stating the amount of Additional Charges then due and payable and the purpose thereof. Additional Charges described in Section 3.2(c) herein shall be paid to the Escrow Agent.

Section 3.3 Prepayment.

(a) The Financing Payments may be subject to prepayment solely as provided in Exhibit B, attached hereto. The County may prepay the deposits as required by Section 3.2(b)(i) herein at any time and may defease the Obligations pursuant to the provisions set forth in the Escrow Agreement.

(b) Unless waived by the Escrow Agent, the County shall give notice of prepayment of Financing Payments to the Escrow Agent not later than 5 calendar days before the notice of redemption of the Obligations is required to be made. The notice shall state the date of the prepayment and the amount of the principal component to be prepaid. The Escrow Agent will select the Obligations to be redeemed thereby pursuant to Section 2.8 of the Escrow Agreement. If the prepayment date is other than a Payment Date, the accrued portion of the interest component of Financing Payments due on the prepayment date shall be equal to the interest owed on the redemption date with respect to the Obligations selected by the Escrow Agent for redemption.

(c) If the principal component of a Financing Payment is prepaid, the schedule of Financing Payments in the attached Exhibit A shall be revised to reflect the prepayment.

Section 3.4 Nature of County's Obligations.

(a) The Financing Payments are payable from and secured by all legally available funds of the County. Pursuant to ORS 287A.315, the County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to make payments due under this Financing Agreement. The obligation of the County to make the Financing Payments is a full faith and credit obligation of the County, and is not subject to appropriation.

(b) To the extent permitted by law, the County hereby covenants to budget and appropriate in each Fiscal Year, in accordance with the law, sums sufficient to pay when due the Financing Payments and other amounts due under this Financing Agreement.

(c) The County hereby agrees that its obligation to pay all Financing Payments and Additional Charges is absolute and unconditional, and shall not be subject to any of the following:

- (i) any setoff, counterclaim, recoupment, defense or other right which the County may have against the Escrow Agent, any contractor or anyone else for any reason whatsoever;
- (ii) any insolvency, bankruptcy, reorganization or similar proceedings by the County;
- (iii) abatement through damage, destruction or non-availability of the Projects; or
- (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing.

Section 3.5 Estoppel.

The County hereby certifies, recites and declares that all things, conditions and acts required by the constitution and statutes of the State of Oregon and by this Financing Agreement and the Escrow Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Financing Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Financing Agreement is a valid and binding obligation of the County which is enforceable against the County in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

ARTICLE IV. ASSIGNMENT

Section 4.1 By the Escrow Agent.

The Escrow Agent may assign its rights under this Financing Agreement only as specifically permitted by the Escrow Agreement.

Section 4.2 By the County.

The rights and obligations of County under this Financing Agreement may be assigned or transferred to any entity which succeeds or replaces the County, or any entity into which the County may be merged, but only if the assignee or transferee assumes all of the County's obligations under this Financing Agreement. The rights and obligations of County under this Financing Agreement shall not otherwise be assigned or transferred.

ARTICLE V. TITLE; FUTURE ENCUMBRANCES AND PARITY OBLIGATIONS

Section 5.1 Title.

The Escrow Agent agrees that the County shall be entitled to exclusive possession and enjoyment of the Projects while this Financing Agreement is in effect, without interference from the Escrow Agent or the Owners. THE ESCROW AGENT SHALL HAVE NO MORTGAGE, SECURITY INTEREST OR OTHER RIGHT TO THE PROJECTS.

Section 5.2 Future Encumbrances and Parity Obligations.

The Obligations are not secured by any interest in the Projects and the County reserves the right to sell, lease or grant other interests in the Projects. The County reserves the right to commit its full faith and credit and available general funds for other purposes without limitation.

Section 5.3 Maintenance; Modification; Taxes; Insurance and Other Matters.

The County will pay, or cause to be paid, all taxes, insurance and other governmental charges that are lawfully assessed or levied against the Projects. The County will also pay, when due, all utility, as that term is defined in ORS 757.005(1)(a)(A), charges incurred in the operation, maintenance, use occupancy and upkeep of the Projects.

As between the parties hereto, the County has the sole responsibility to maintain, repair and make improvements or additions to the Projects.

The Escrow Agent shall have no obligation to maintain or modify the Projects, or to pay any taxes, fees or charges associated with the Projects or to obtain insurance coverage for the Projects, or to take any action related to the Projects except actions specifically required by this Financing Agreement or the Escrow Agreement.

Section 5.4 Substitution.

The County may substitute for any item of property constituting a portion of the Projects refinanced under this Financing Agreement another item of real or personal property. The County shall be responsible for all costs and expenses, including counsel fees, of the Escrow Agent in connection with any such substitution.

ARTICLE VI. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Event of Default Defined.

Event of Default shall have the meaning set forth in Section 9.1 of the Escrow Agreement.

Section 6.2 Remedies on Default.

(a) Whenever any Event of Default shall have happened and be continuing, the Escrow Agent shall have the right, at its sole option without any further demand or notice, to exercise any remedy described in Section 9.2 of the Escrow Agreement.

(b) The Escrow Agent shall exercise its rights hereunder only in accordance with the Escrow Agreement. No remedy referred to in this Section 6.2 is exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to the Escrow Agent at law or in

equity. In the event that the Escrow Agent exercises or begins to exercise any one or more of such remedies, such action shall not preclude the simultaneous or later exercise by the Escrow Agent of any other remedies. No express or implied waiver by the Escrow Agent of an Event of Default shall constitute a waiver of any other or subsequent Event of Default.

Section 6.3 Force Majeure.

If by reason of force majeure, the County is unable in whole or in part to carry out its agreement herein contained, other than the obligation of the County to pay the Financing Payments when due, the County shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; orders or restraints of any kind of the government of the United States of America, the State of Oregon, or Multnomah County, Oregon, or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the County.

ARTICLE VII. MISCELLANEOUS

Section 7.1 Notices.

(a) All written notices to be given under this Financing Agreement to any party to this Financing Agreement shall be given via mail or via facsimile to the following addressees (unless the addressee has previously notified the other party in writing of a change in address):

If to the Escrow Agent:

U.S. Bank National Association
Global Corporate Trust Services
555 S.W. Oak Street, PD-OR-P7TD
Portland, OR 97204

Telephone: (503) 464-3758
Facsimile: (503) 464-4155

If to the County

Multnomah County
Attn: Chief Financial Officer
501 SE Hawthorne Boulevard
Portland, Oregon 97214

Telephone: (503) 988-3312

(b) All notices, obligations or other communications hereunder shall be sufficiently given and shall be deemed given when delivered via facsimile or mailed by registered mail (return receipt requested), postage prepaid.

Section 7.2 Binding Effect.

This Financing Agreement shall inure to the benefit of and shall be binding upon the Escrow Agent and the County and their respective successors and assigns.

Section 7.3 Severability.

In the event any provisions of this Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

Section 7.4 Amendments.

This Financing Agreement may be amended only as provided in the Escrow Agreement.

Section 7.5 Applicable Law.

This Financing Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Financing Agreement or the transactions contemplated hereby shall be brought in an appropriate court for Multnomah County, Oregon.

Section 7.6 Headings.

The headings, titles and table of contents in this Financing Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Financing Agreement. All references herein to sections, and other subdivisions which do not specify the document in which the subdivision is located shall be construed as references to this Financing Agreement.

Section 7.7 Execution in Counterparts.

This Financing Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(REMAINDER OF PAGE LEFT BLANK INTENTIONALLY)

IN WITNESS WHEREOF, the Escrow Agent has executed this Financing Agreement in its corporate name by its duly authorized officer and the County has caused this Financing Agreement to be executed in its name by its duly authorized officer, all as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Authorized Officer

MULTNOMAH COUNTY, OREGON,
as County

By: _____
Authorized Representative

EXHIBIT A

FINANCING PAYMENT SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2021	960,000	2.000%	410,027.22	1,370,027.22	1,370,027.22
12/01/2021	-	-	558,130.00	558,130.00	-
06/01/2022	1,375,000	2.000%	558,130.00	1,933,130.00	2,491,260.00
12/01/2022	-	-	544,380.00	544,380.00	-
06/01/2023	7,495,000	1.250%	544,380.00	8,039,380.00	8,583,760.00
12/01/2023	-	-	497,536.25	497,536.25	-
06/01/2024	7,590,000	1.000%	497,536.25	8,087,536.25	8,585,072.50
12/01/2024	-	-	459,586.25	459,586.25	-
06/01/2025	7,665,000	1.000%	459,586.25	8,124,586.25	8,584,172.50
12/01/2025	-	-	421,261.25	421,261.25	-
06/01/2026	7,740,000	1.000%	421,261.25	8,161,261.25	8,582,522.50
12/01/2026	-	-	382,561.25	382,561.25	-
06/01/2027	7,820,000	1.000%	382,561.25	8,202,561.25	8,585,122.50
12/01/2027	-	-	343,461.25	343,461.25	-
06/01/2028	7,900,000	1.050%	343,461.25	8,243,461.25	8,586,922.50
12/01/2028	-	-	301,986.25	301,986.25	-
06/01/2029	7,980,000	1.300%	301,986.25	8,281,986.25	8,583,972.50
12/01/2029	-	-	250,116.25	250,116.25	-
06/01/2030	8,085,000	1.450%	250,116.25	8,335,116.25	8,585,232.50
12/01/2030	-	-	191,500.00	191,500.00	-
06/01/2031	8,200,000	1.500%	191,500.00	8,391,500.00	8,583,000.00
12/01/2031	-	-	130,000.00	130,000.00	-
06/01/2032	8,320,000	1.500%	130,000.00	8,450,000.00	8,580,000.00
12/01/2032	-	-	67,600.00	67,600.00	-
06/01/2033	8,450,000	1.600%	67,600.00	8,517,600.00	8,585,200.00
	89,580,000		8,706,264.72	98,286,264.72	98,286,264.72

EXHIBIT B
PREPAYMENT PROVISIONS
MULTNOMAH COUNTY, OREGON
FULL FAITH AND CREDIT REFUNDING OBLIGATIONS
SERIES 2021 (FEDERALLY TAXABLE)
FINANCING AMOUNT: \$89,580,000

Prepayment Provisions

Optional Redemption. The County reserves the right to redeem all or any portion of the Obligations maturing on or after June 1, 2032 at the option of the County on June 1, 2031 and on any date thereafter in whole or in part, in any order of maturity with maturities selected by the County, at a price of par, plus accrued interest to the date of redemption.

For as long as the Obligations are in book-entry only form, if fewer than all of the Obligations of a maturity are called for redemption, the selection of Obligations within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Obligations are no longer held in book-entry only form, then the Paying Agent would select Obligations for redemption by lot.

ESCROW AGREEMENT

between

U.S. BANK NATIONAL ASSOCIATION

“Escrow Agent”

and

MULTNOMAH COUNTY, OREGON

“County”

Relating to:

MULTNOMAH COUNTY, OREGON

\$89,580,000

**FULL FAITH AND CREDIT REFUNDING OBLIGATIONS
SERIES 2021 (FEDERALLY TAXABLE)**

DATED: JANUARY 21, 2021

HAWKINS DELAFIELD & WOOD LLP

TABLE OF CONTENTS

ARTICLE I.	DEFINITIONS; RECITALS; AND TRANSFER OF RIGHTS	1
Section 1.1	Definitions.....	1
Section 1.2	Recitals.....	3
ARTICLE II.	THE SERIES 2021 FULL FAITH AND CREDIT REFUNDING OBLIGATIONS	3
Section 2.1	Authorization, Delivery and Terms of Obligations.....	3
Section 2.2	Payment of Obligations.....	4
Section 2.3	Book-Entry Only System.	4
Section 2.4	Form of Obligations.	5
Section 2.5	Execution.	5
Section 2.6	Execution of Documents.	5
Section 2.7	Obligation Register.	5
Section 2.8	Redemption.	5
Section 2.9	Provisions for Printed Obligations.....	7
ARTICLE III.	ACCOUNTS	7
Section 3.1	Obligation Payment Account.	7
Section 3.2	Additional Charges.	8
Section 3.3	Deposits at Closing.	8
ARTICLE IV.	MONEYS IN FUNDS; INVESTMENT	8
Section 4.1	Moneys and Investments Held in Escrow.....	8
Section 4.2	Investments Authorized.	8
Section 4.3	Accounting.....	9
Section 4.4	Allocation of Earnings.	9
Section 4.5	Disposition of Investments.....	9
Section 4.6	Deposit and Investment of Moneys in Accounts.	9
ARTICLE V.	THE ESCROW AGENT	9
Section 5.1	Compensation of the Escrow Agent.....	9
Section 5.2	Removal of Escrow Agent.	10
Section 5.3	Resignation of Escrow Agent.	10
Section 5.4	Merger or Consolidation.	11
Section 5.5	Acceptance of Appointment by Successor Escrow Agent.....	11
Section 5.6	Duties and Responsibilities of the Escrow Agent Prior to and During Default.	11
Section 5.7	Protection and Rights of the Escrow Agent.	12
Section 5.8	Indemnification	13
ARTICLE VI.	CONCERNING THE OBLIGATION OWNERS	13
Section 6.1	Evidence of Action Taken by Owners.	13
Section 6.2	Action Taken by Owners Irrevocable.	14
Section 6.3	Certain Obligations Disregarded.....	14
ARTICLE VII.	MODIFICATION OF ESCROW AGREEMENT	14
Section 7.1	Limitations.	14
Section 7.2	Supplemental Escrow Agreement Without Consent of Owners.	14
Section 7.3	Supplemental Escrow Agreement with Consent of the Owners.	15
Section 7.4	Effect of Supplemental Escrow Agreement.....	16
Section 7.5	Amendments to Financing Agreement Not Requiring Consent of Owners.....	16
Section 7.6	Amendments to Financing Agreement Requiring Consent of the Owners.....	16
ARTICLE VIII.	COVENANTS; NOTICES	17
Section 8.1	Compliance With and Enforcement of Financing Agreement.	17

Section 8.2	Notice in Event of Late Financing Payment	17
Section 8.3	Notice of Default.....	17
Section 8.4	Further Assurances.....	17
ARTICLE IX.	EVENTS OF DEFAULT	18
Section 9.1	Events of Default.	18
Section 9.2	Remedies on Default.....	18
Section 9.3	Force Majeure.	18
Section 9.4	No Remedy Exclusive.....	18
Section 9.5	Agreement to Pay Attorneys' Fees and Expenses.....	19
Section 9.6	No Additional Waiver Implied by One Waiver.	19
Section 9.7	Application of Moneys Upon Default.....	19
Section 9.8	Action by Owners.	20
ARTICLE X.	LIMITATION OF LIABILITY	20
Section 10.1	Limited Liability of County.	20
Section 10.2	No Liability of County for Escrow Agent Performance.	20
Section 10.3	No Liability of Escrow Agent for Financing Payments by County.	20
Section 10.4	Opinion of Counsel; Experts.....	20
Section 10.5	Limitation of Rights to Parties and Owners.....	21
ARTICLE XI.	MISCELLANEOUS.....	21
Section 11.1	Defeasance.	21
Section 11.2	Notices.	21
Section 11.3	Applicable Law.....	22
Section 11.4	Partial Invalidity.....	22
Section 11.5	Binding Effect; Successors.	22
Section 11.6	Headings.....	22
Section 11.7	Execution in Counterparts.....	22

EXHIBIT A - Form of Full Faith and Credit Refunding Obligation

EXHIBIT B – Redemption Provisions

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of January 21, 2021, is entered into by and between **U.S. BANK NATIONAL ASSOCIATION**, having corporate trust offices in Portland, Oregon, and being qualified to accept and administer the escrow hereby created, as escrow agent (the “Escrow Agent”), and **MULTNOMAH COUNTY, OREGON** (the “County”). The parties hereby agree as follows:

ARTICLE I. DEFINITIONS; RECITALS; AND TRANSFER OF RIGHTS

Section 1.1 Definitions.

Unless the context clearly requires otherwise, capitalized terms not defined in this Section 1.1 shall have the meanings defined for such terms in the Financing Agreement. Capitalized terms used in this Escrow Agreement which are defined in this Section 1.1 shall have the following meanings, unless the context clearly requires otherwise:

“Additional Charges” means the amounts specified as such pursuant to Section 3.2 of the Financing Agreement.

“Authorized Representative” means the Chief Financial Officer or his designee, as described in the Resolution.

“Beneficial Owner” means the Beneficial Owner of the Obligations as described in this Escrow Agreement and the rules and procedures of the Depository.

“Business Day” means any day other than a Saturday, Sunday or a day on which the County or the Escrow Agent is authorized by law to remain closed.

“Closing Date” means January 21, 2021.

“County” means Multnomah County, Oregon, or its successors.

“Defeasance Obligations” means direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America. Defeasance obligations may not be subject to prepayment.

“Escrow Agent” means the entity serving as escrow agent, paying agent and registrar under this Escrow Agreement, which as of the date of this Escrow Agreement, is U.S. Bank National Association.

“Escrow Agreement” means this Escrow Agreement, as it may be amended and supplemented.

“Event of Default” has the meaning defined for that term in Section 9.1 of this Escrow Agreement.

“Financing Agreement” means the Financing Agreement for the Projects which is dated as of January 21, 2021 and is signed by the Escrow Agent and the County, including the exhibits attached thereto, as it may be amended and supplemented.

“Financing Payments” means the installment payments of principal and interest which the County is required to make under the Financing Agreement to repay the Financing Amount. “Financing Payments” includes both the scheduled payments and any permitted prepayments of those scheduled payments.

“Fiscal Year” means each year beginning on July 1 and ending on the following June 30.

“Obligation Register” or “Register” means the records kept for the registration of Obligations by the Escrow Agent pursuant to Section 2.7 herein.

“Obligations” means the Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable) authorized by Section 2.1 herein.

“Outstanding” means, when used as of any particular time with respect to Obligations, all Obligations theretofore executed by the Escrow Agent and registered and delivered by the Escrow Agent under this Escrow Agreement except:

(i) Obligations previously canceled by the Escrow Agent or surrendered to the Escrow Agent for cancellation;

(ii) Obligations for the payment or redemption of which funds or Defeasance Obligations in the necessary amount have previously been deposited with the Escrow Agent (whether upon or prior to the maturity or redemption date of such Obligations); and,

(iii) Obligations in lieu of or in exchange for which other Obligations have previously been executed and delivered by the Escrow Agent pursuant to Section 2.3 herein.

“Owner” means the person in whose name an Outstanding Obligation is registered as of the Record Date.

“Payment Account” means the Full Faith and Credit Refunding Obligations, Series 2021 Payment Account established pursuant to Section 3.1 herein.

“Payment Date” means each June 1 and December 1, as provided in Exhibit A to the Financing Agreement, or the date on which any Financing Payment will be prepaid in accordance with this Escrow Agreement and the Financing Agreement.

“Qualified Investments” means the investments in which the County may invest surplus funds pursuant to Oregon Revised Statutes Section 294.035, as amended from time to time.

“Record Date” means the fifteenth day of the month immediately preceding a Payment Date, whether or not such date is a Business Day.

“Registered Owner” means the Registered Owner as described in Section 2.3 herein.

“Resolution” means Resolution No. 2020-092 adopted by the County Board on October 22, 2020, as it may be amended.

“Special Counsel” means Hawkins Delafield & Wood LLP, or other counsel nationally recognized for their expertise in municipal finance, that is appointed by the County.

Section 1.2 Recitals.

(a) County’s Recitals.

(i) The County is authorized by ORS 271.390, ORS 287A.365 and other applicable provisions of ORS Chapter 287A to enter into financing agreements to finance or refinance any real or personal property that the County Board of Commissioners determines is needed.

(ii) The County Board of Commissioners adopted its authorizing Resolution and has determined that the Projects being refinanced are needed, and the Escrow Agent and the County have entered into the Financing Agreement in which the Escrow Agent has agreed to finance certain amounts to the County, and the County has agreed to borrow those amounts from the Escrow Agent to refinance the Projects.

(iii) The County enters into this Escrow Agreement to provide for the issuance of the Obligations which will be paid from Financing Payments the County makes under the Financing Agreement.

(b) The Escrow Agent recites that it has placed its rights under the Financing Agreement, including the right to receive Financing Payments, in escrow for the benefit of the Owners of the Obligations, that it accepts its obligations and responsibilities under this Escrow Agreement and the Financing Agreement and has agreed to execute and deliver the Obligations evidencing proportionate interests in the Financing Payments. The Escrow Agent further recites that it is not in violation of any provision of its charter or bylaws, any applicable law or regulation, any order of a court or administrative body, or any agreement or other instrument to which it is a party or by which it presently is bound.

(c) The County and the Escrow Agent hereby agree that the following rights shall be held in escrow exclusively for the proportionate benefit of the Owners as provided in this Escrow Agreement:

(i) all rights of the Escrow Agent under the Financing Agreement (except for the Escrow Agent’s right to payment from Additional Charges), and,

(ii) all rights of the Escrow Agent and the County to amounts in the Payment Account.

ARTICLE II. THE SERIES 2021 FULL FAITH AND CREDIT REFUNDING OBLIGATIONS

Section 2.1 Authorization, Delivery and Terms of Obligations.

(a) The Obligations shall be dated, shall mature on the dates and in the stated principal amounts, and shall bear interest as shown in Exhibit A to the Financing Agreement. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(b) The Escrow Agent is hereby authorized to register, execute, authenticate and deliver the Obligations in substantially the form shown in Exhibit A, attached hereto, to DTC. The Obligations shall be numbered serially and shall be signed by manual or facsimile signature of an authorized officer of the Escrow Agent. The Escrow Agent agrees to apply the Financing Payments as provided in this Escrow Agreement.

Section 2.2 Payment of Obligations.

- (a) Each Obligation represents an ownership interest in and a right to receive:
- (i) a proportionate share of the principal component of the Financing Payments due on the maturity date of that Obligation, plus
 - (ii) a proportionate share of the interest components of the Financing Payments which are allocable to that principal component.
- (b) The County shall pay the Financing Payments to the Escrow Agent in immediately available funds as provided in the Financing Agreement. The Escrow Agent shall transfer the Financing Payments to the Owners as provided in Section 2.2(c) below.
- (c) While the Obligations are held in book-entry form, the Escrow Agent shall transfer the Financing Payments to the Owners as set forth in the rules and procedures of The Depository Trust Company (the “Depository”). If the Obligations cease to be in book-entry form, the Escrow Agent shall transfer the Financing Payments as provided in Section 2.3(b).

Section 2.3 Book-Entry Only System.

- (a) The Obligations shall be initially executed and delivered as a book-entry only security issue with no Obligations being made available to the Owners in accordance with the blanket letter of representations the County has filed with the Depository. While the Obligations are in book-entry form, the Obligations shall be subject to the rules and procedures of the Depository.
- (b) If the Depository ceases to act as depository for the Obligations, the County will request the Escrow Agent to, and the Escrow Agent and the County shall, amend this Escrow Agreement to provide for an alternative system of registration and payment for the Obligations that is of general acceptance in the municipal bond markets. If no better system is then available, the Escrow Agent and the County shall amend this Escrow Agreement to provide that printed, registered Obligations shall be issued to Beneficial Owners of the Obligations and providing the payment, transfer and exchange process, and shall give notice of those amendments to all Owners.
- (c) While the Obligations are in book entry form, the County and the Escrow Agent shall have no responsibility or obligation to any participant or correspondent of the depository or to any Beneficial Owner for:
- (i) the accuracy of the records of the depository, its nominee or any participant, correspondent or Beneficial Owner with respect to any ownership interest in the Obligations;
 - (ii) the delivery to any participant, correspondent, Beneficial Owner or any other person, other than an Owner as shown in the registration books maintained by the Escrow Agent, of any notice or consent with respect to the Obligations, including any notice of redemption;
 - (iii) the selection by the depository of the beneficial interest in Obligations to be redeemed if the County redeems the Obligations in part; or
 - (iv) the payment to any participant, correspondent, or any other person other than the Owner of the Obligations as shown in the registration books maintained by the Escrow Agent, of any amount with respect to principal, premium, if any, or interest with respect to the Obligations.

(d) Notwithstanding the book-entry-only system, the County and the Escrow Agent may treat and consider the person in whose name each Obligation is registered in the registration books maintained by the Escrow Agent as the absolute owner of such Obligation for the purpose of payment of principal, premium, if any, and interest with respect to such Obligation, or for the purpose of giving notices of redemption and other matters with respect to such Obligation, or for the purpose of registering transfers with respect to such Obligation, or for all other purposes whatsoever. The County shall pay or cause to be paid all principal, premium, if any, and interest with respect to the Obligations only to or upon the order of the Owners, as shown in the registration books maintained by the Escrow Agent and all such payments shall be valid and effective to fully satisfy and discharge the County's obligation with respect to payment thereof to the extent of the sum or sums so paid. Interest on the Obligations shall cease to accrue on the earlier of their final maturity date or the date they are redeemed.

Section 2.4 Form of Obligations.

The Obligations shall be executed and delivered in fully registered form in denominations of \$5,000 or any integral multiple thereof within a single maturity. The Obligations and the form of assignment shall be substantially in the form set forth in Exhibit A, attached hereto. The Obligations shall be numbered beginning with R-1.

Section 2.5 Execution.

The Obligations shall be executed by and in the name of the Escrow Agent by the manual or facsimile signature of an authorized officer of the Escrow Agent and shall be authenticated by manual signature of an authorized officer of the Escrow Agent. Only Obligations which are substantially in the form set forth in Exhibit A, attached hereto, and which have been manually authenticated by the Escrow Agent shall be valid for any purpose or entitled to the benefits of this Escrow Agreement.

Section 2.6 Execution of Documents.

The Escrow Agent may accept any evidence of execution of documents by Owners which the Escrow Agent reasonably deems sufficient. Any request or consent of the Owner of any Obligation shall bind every future Owner of the same Obligation.

Section 2.7 Obligation Register.

The Escrow Agent will maintain the Obligation Register, and shall record the registration and transfer of all Obligations in the Obligation Register. The Obligation Register shall be open to inspection by the County during regular business hours upon reasonable notice.

Section 2.8 Redemption.

(a) Terms of Redemption.

The Obligations may be subject to redemption as provided in Exhibit B to this Escrow Agreement and Exhibit B to the Financing Agreement and notice shall be given by the County pursuant to Section 3.3(b) of the Financing Agreement.

(b) Selection of Obligations for Redemption.

For as long as the Obligations are in book-entry only form, if fewer than all of the Obligations of a maturity are called for redemption, the selection of Obligations within a maturity to be redeemed shall

be made by the Depository in accordance with its operational procedures then in effect. If the Obligations are no longer held in book-entry only form, then the Escrow Agent will select the Obligations for redemption by lot.

(c) Notice of Redemption (No Depository).

During any period in which the Obligations are not in book-entry-only form, unless waived by any Owner of the Obligations to be redeemed, official notice of any redemption of the Obligations shall be given by the Escrow Agent on behalf of the County by mailing a copy of an official redemption notice, in a form generally accepted in the municipal bond markets, by first class mail, postage prepaid, no fewer than 30 calendar days nor more than 60 calendar days prior to the date fixed for redemption, to the Owners to be redeemed at the address shown on the Obligation Register or at such other address as is furnished in writing by such Owner to the Escrow Agent.

(d) Notice of Redemption (Depository).

So long as the Obligations are in book-entry only form and unless the Depository consents to a shorter period, the Escrow Agent shall notify the Depository of any redemption not less than twenty (20) days nor more than sixty (60) days prior to the redemption, and shall provide such information in connection therewith as required by the blanket issuer letter of representations the County has filed with the Depository Trust Company.

(e) Notice of Redemption Required by Continuing Disclosure Certificate.

In addition to the other notices of redemption required by this Escrow Agreement, the Escrow Agent shall give notices of redemption which are required to be provided by the County to the entities listed in the Continuing Disclosure Certificate for the Obligations.

(f) Partial Redemption of Obligations.

Upon surrender of any Obligation which is not in book-entry form and is redeemed in part only, the Escrow Agent shall execute and deliver to the Owner thereof, at the expense of that Owner, a new Obligation or Obligations of authorized denominations equal in aggregate principal amount to the portion of the surrendered Obligation which is not redeemed and with the same stated interest rate and the same maturity. Such partial redemption shall be valid upon payment of the amount thereby required to be paid to such Owner, and the County, the Escrow Agent and the Escrow Agent shall be released and discharged from all liability to the extent of such payment.

(g) Effect of Redemption.

If notice of redemption has been given as provided in this Section 2.8, and the moneys for the redemption (including the interest to the applicable date of redemption) have been set aside in the Payment Account, the Obligations shall become due and payable on the date of redemption upon presentation and surrender thereof at the office or offices specified in said notice, and interest with respect to the Obligations shall cease to accrue after the date fixed for redemption. All moneys held by or on behalf of the Escrow Agent for the redemption of Obligations shall be held in escrow for the account of the Owners of the Obligations so to be redeemed. All Obligations paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 2.8, if any, shall be canceled upon surrender thereof.

(h) Conditional Notice of Redemption.

Any notice of optional redemption given for the Obligations pursuant to this Section 2.8 may state that the optional redemption is conditional upon receipt by the Escrow Agent of moneys sufficient to pay the redemption price of such Obligations or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Escrow Agent to affected Owners as promptly as practicable.

Failure to give notice or any defect in notices shall not affect the validity of the proceedings for the redemption of the Obligations or portions thereof with respect to which no such failure or defect has occurred.

Section 2.9 Provisions for Printed Obligations.

If the County discontinues use of the book-entry only system or termination thereof occurs without designation of a new qualified securities depository, then the provisions of this Section 2.9 shall apply to the Obligations. Upon receipt of a printed Obligation, the Beneficial Owner shall become the Registered Owner. The principal with respect to such Obligations shall be payable upon presentation at the office of the Escrow Agent.

ARTICLE III. ACCOUNTS

Section 3.1 Obligation Payment Account.

The Escrow Agent shall establish a special account designated as the “Full Faith and Credit Refunding Obligations, Series 2021 Payment Account” which is defined in this Escrow Agreement as the “Payment Account.” The Escrow Agent shall keep the Payment Account separate and apart from all other funds and moneys held by it and shall administer and maintain the Payment Account as provided in this Escrow Agreement.

(a) To secure the payment of Financing Payments, three (3) Business Days preceding each Payment Date, the County shall transfer the deposits described in Section 3.2(b)(i) of the Financing Agreement to the Escrow Agent. The Escrow Agent shall credit these deposits in the Payment Account.

(b) If the amount transferred pursuant to Section 3.2 of the Financing Agreement is not sufficient, with other amounts then available in the Payment Account, to allow the Escrow Agent to make the withdrawal described in Section 3.1(c), below, the Escrow Agent shall notify the County as provided in Section 8.2 hereof and the County shall transfer the amount of any deficiency as provided in Section 3.2 of the Financing Agreement.

(c) On each Payment Date the Escrow Agent shall withdraw from the Payment Account and transfer to Owners an amount equal to the principal and interest components of the Financing Payment due and payable on such Payment Date, but solely from moneys on deposit in the Payment Account.

(d) Subject to the provisions of Section 9.7 hereof, if on any Payment Date, the amount of the Financing Payment then due and payable exceeds the amounts deposited with the Escrow Agent and available therefor, the Escrow Agent shall pay to the Owners the moneys on hand, and the Escrow Agent shall apply such money first to the payment of the interest component, which shall be distributed by the Escrow Agent pro rata among the Owners if necessary, and second, to the payment of the principal component, which shall be distributed by the Escrow Agent pro rata among the Owners if necessary.

(e) Any amounts in the Payment Account in excess of the amount necessary to pay the principal and interest components of the Financing Payments shall be retained in the Payment Account and upon written direction of the County, shall be invested until needed for payment of the Obligations; the excess and any earnings thereon shall be credited against the deposits due from the County as provided in Section 3.2(b)(ii) of the Financing Agreement. The Escrow Agent shall provide the County, not less than thirty (30) days before each date a deposit is required under Section 3.2(b) of the Financing Agreement, an invoice which sets forth the amount of the next deposit.

(f) Any surplus remaining in the Payment Account after payment of all Financing Payments and all Obligations Outstanding and payment of any applicable fees and expenses of the Escrow Agent, or provision for such prepayment or payment of all Financing Payments having been made to the satisfaction of the Escrow Agent in accordance with Section 11.1 herein, shall be remitted to the County within five (5) Business Days.

Section 3.2 Additional Charges.

If the Escrow Agent receives Additional Charges pursuant to the Financing Agreement, such Additional Charges shall be applied by the Escrow Agent solely to the payment of any costs in respect of which such Additional Charges were received, and shall not be commingled in any way with any other funds received by the Escrow Agent pursuant to the Financing Agreement or this Escrow Agreement, except as provided above.

Section 3.3 Deposits at Closing.

Proceeds of the Obligations shall be transferred pursuant to the Closing Memorandum for the Obligations prepared by Piper Sandler & Co. The County hereby agrees to establish a system for tracking such funds and such funds shall be invested in accordance with County investment policies.

ARTICLE IV. MONEYS IN FUNDS; INVESTMENT

Section 4.1 Moneys and Investments Held in Escrow.

The moneys and investments held by the Escrow Agent under this Escrow Agreement are irrevocably held in escrow for the purposes herein specified, and such moneys and any other income or interest earned thereon shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the County, the Escrow Agent or any Owner.

Section 4.2 Investments Authorized.

(a) Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent in Qualified Investments as directed in writing by the County. If the County notifies the Escrow Agent verbally, the County shall promptly confirm its notification and instructions in writing. In the event the Escrow Agent does not receive written direction regarding investments, Escrow Agent will hold the moneys received hereunder uninvested.

(b) Qualified Investments in the Payment Account shall mature on or before the date the amounts invested are required for use under this Escrow Agreement. The Escrow Agent shall not be liable for any gain or loss of funds on any investment made in accordance with the instructions from the County.

(c) The Escrow Agent may purchase or sell from itself or any affiliate, as principal or agent, investments authorized by this Section 4.2 and which shall be entitled to its customary fee. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available. The Escrow Agent may act as purchaser or agent in the making or disposing of any investment.

(d) The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of the security transactions as they occur. The County specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Escrow Agent which will detail all investment transactions.

Section 4.3 Accounting.

The Escrow Agent shall furnish to the County, at least annually, an accounting of each fund and account and of all investments made by the Escrow Agent. Except as provided in Section 5.6 herein, the Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Escrow Agreement.

Section 4.4 Allocation of Earnings.

Interest earnings and investment income on moneys held by the Escrow Agent shall inure to the benefit of the County, but shall be held by the Escrow Agent for application as provided in this Escrow Agreement and the Financing Agreement. Any interest or investment income earned on moneys deposited in the Payment Account shall be credited to the Payment Account.

Section 4.5 Disposition of Investments.

The Escrow Agent may sell at the then current market price, or present for prepayment, any Qualified Investment so purchased by the Escrow Agent whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Payment Account, and, except as provided in Section 5.6 herein, the Escrow Agent shall not be liable or responsible for any loss resulting from the disposition of such investment. The County may instruct the Escrow Agent at any time to sell any Qualified Investment which may be sold at a profit; proceeds of such sale shall be deposited in the account to which the Qualified Investment was credited.

Section 4.6 Deposit and Investment of Moneys in Accounts.

The Escrow Agent may commingle any of the funds held by it pursuant to this Escrow Agreement in a separate fund or funds for investment purposes; provided, however, that all funds or accounts held by the Escrow Agent hereunder shall be accounted for separately notwithstanding such commingling by the Escrow Agent.

ARTICLE V. THE ESCROW AGENT

Section 5.1 Compensation of the Escrow Agent.

The County shall from time to time pay to the Escrow Agent reasonable compensation for its services and will pay or reimburse Escrow Agent upon its request for all reasonable expenses, disbursements and advances made by the Escrow Agent in accordance with the provisions of this Escrow Agreement (including the reasonable expenses and fees of its counsel and agents), except any such expense, disbursement or advance as may arise from its negligence or bad faith. Fees for the Escrow

Agent's services shall be those specified in the contract between the County and the Escrow Agent. The Escrow Agent shall also be entitled to receive extraordinary fees and its extraordinary expenses if it is requested to render services in connection with a default or under circumstances not provided for in this Escrow Agreement.

Section 5.2 Removal of Escrow Agent.

- (a) The Escrow Agent may be removed and a successor Escrow Agent appointed:
 - (i) by the County at any time if, in the good faith opinion of the County, expressed in writing and delivered to the Escrow Agent and the successor Escrow Agent, it would not be materially adverse to the interests of the Owners of the Obligations that the Escrow Agent be removed and a successor Escrow Agent appointed, or
 - (ii) at any time by written demand thereof filed with the Escrow Agent and the successor Escrow Agent by the Owners of a majority in aggregate principal amount of all Obligations Outstanding. Such removal shall become effective upon acceptance of appointment by the successor Escrow Agent.
- (b) Any successor Escrow Agent appointed pursuant to the provisions of this section shall:
 - (i) be a trust company or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority,
 - (ii) have substantial prior experience as an Escrow Agent for the benefit of the owners of municipal debt securities; and,
 - (iii) be a bank or trust company having (either singly or together with its parent holding company) a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000) and subject to supervision or examination by federal or state authority.

Section 5.3 Resignation of Escrow Agent.

- (a) The Escrow Agent or any successor may at any time resign by giving written notice to the County and by giving notice by first-class mail to the Owners of its intention to resign and of the proposed date of resignation, which shall be a date not less than sixty (60) days after the mailing of such notice, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by the Owners of a majority in aggregate dollar amount of the Obligations then Outstanding.
- (b) Upon receiving such notice of resignation, the County shall promptly appoint a successor Escrow Agent by an instrument in writing; provided, however, that if the County fails to appoint a successor Escrow Agent within thirty (30) days following receipt of such written notice of resignation, the Owners of a majority in aggregate principal amount of all Obligations Outstanding may appoint a successor Escrow Agent and if the Owners fail to appoint a successor Escrow Agent, within thirty (30) days following the expiration of such initial 30-day period, the resigning Escrow Agent may petition the appropriate court having jurisdiction to appoint a successor Escrow Agent.
- (c) Notwithstanding any other provision of this Escrow Agreement, no removal, resignation or termination of the Escrow Agent shall take effect until a successor shall be appointed.

Section 5.4 Merger or Consolidation.

A merger or consolidation of the Escrow Agent with another entity shall not be treated as the appointment of a successor, and the entity into which the Escrow Agent is merged or consolidated shall become the successor Escrow Agent without any notice or filing, but only if: the merged or consolidated entity notifies the County that it has assumed the obligations of the Escrow Agent under this Escrow Agreement and the Financing Agreement, and the merged or consolidated entity meets the requirements of Section 5.2(b) above.

Section 5.5 Acceptance of Appointment by Successor Escrow Agent.

(a) Any successor Escrow Agent appointed as provided in Section 5.3 or Section 5.4 above shall execute, acknowledge and deliver to the County and to its predecessor Escrow Agent an instrument accepting its appointment, and the appointment shall take effect on execution of that acceptance. Upon request of any successor Escrow Agent, the County and the prior Escrow Agent shall execute any documents the successor Escrow Agent may reasonably require to confirm its rights and powers under this Escrow Agreement and the Financing Agreement.

(b) Upon acceptance of appointment by a successor Escrow Agent as provided in this Section 5.5, the successor Escrow Agent shall mail, first class, postage prepaid, notice of its appointment to the Owners.

Section 5.6 Duties and Responsibilities of the Escrow Agent Prior to and During Default.

(a) The Escrow Agent undertakes, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, to perform such duties and only such duties as are specifically set forth in this Escrow Agreement. In case any Event of Default has occurred (which has not been cured or waived) the Escrow Agent shall exercise such of the rights and powers vested in it by this Escrow Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) No provision of this Escrow Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent action, its negligent failure to act or its own willful misconduct, except that:

(i) Prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, the duties and obligations of the Escrow Agent shall be determined solely by the express provisions of this Escrow Agreement, and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Escrow Agreement, and no covenants or obligations shall be implied into this Escrow Agreement adverse to the Escrow Agent;

(ii) The Escrow Agent shall not be liable for any error of judgment made in good faith by a responsible officer of the Escrow Agent, unless it shall be proved that the Escrow Agent was negligent in ascertaining the pertinent facts;

(iii) The Escrow Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Obligations at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Escrow Agent, or

exercising any trust or power conferred upon the Escrow Agent, under this Escrow Agreement; and

(iv) No provision contained in this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur liability in the performance of any of its duties or the exercise of any of its rights or powers, if there is reasonable ground for the Escrow Agent's believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) The Escrow Agent may execute any of the duties or powers hereof and perform any of its duties by and through attorneys, agents, or receivers not affiliated with the Escrow Agent if selected with reasonable care, and shall be entitled to advice of counsel concerning all matters or duties hereunder, and may in all cases pay such reasonable compensation to such attorneys, agents, receivers and employees as may reasonably be employed in connection with the duties hereof. The Escrow Agent may act upon the opinion or advice of counsel approved by the Escrow Agent in the exercise of reasonable care. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action in good faith or reliance upon such opinion or advice.

Section 5.7 Protection and Rights of the Escrow Agent.

(a) The Escrow Agent shall be protected and shall incur no liability in acting or proceeding in good faith upon any ordinance, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Escrow Agreement, and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Escrow Agent shall not be bound to recognize any person as an Owner of any Obligation or to take any action at his request unless such Obligation shall be deposited with the Escrow Agent or satisfactory evidence of the ownership of such Obligation shall be furnished to the Escrow Agent. The Escrow Agent may consult with counsel, who may be counsel to the County, with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

(b) Whenever in the administration of its duties under this Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the Escrow Agent's representative or the County's Representative and such certificate shall be full warranty to the Escrow Agent for any action taken or suffered under the provisions of this Escrow Agreement upon the faith thereof, but in its discretion the Escrow Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(c) The Escrow Agent may become the Owner of Obligations with the same rights it would have if it were not the Escrow Agent; may acquire and dispose of other certificates or evidences of indebtedness of the County with the same rights it would have if it were not the Escrow Agent; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Obligations then Outstanding.

(d) The recitals, statements and representations by the County contained in this Escrow Agreement or in the Obligations shall be taken and construed as made by and on the part of the County, as the case may be, and not by the Escrow Agent, and the Escrow Agent does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof. The Escrow Agent shall have no responsibility with respect to any information, statement, or recital in an offering memorandum, official statement or other disclosure material prepared or distributed with respect to the Obligations.

(e) The Escrow Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

(f) The Escrow Agent shall not be required to take notice or be deemed to have notice of any default hereunder, except failure of the County to make Financing Payments to the Escrow Agent or any default of which the Escrow Agent has actual knowledge, unless the Escrow Agent shall have received written notice of such default from the County or from the Owners of at least twenty-five percent (25%) of the unpaid principal component of Financing Payments.

Section 5.8 Indemnification

(a) To the extent permitted by law, the County covenants and agrees to indemnify and save the Escrow Agent harmless against any loss, expense or liability which it may incur arising out of or in the exercise or performance of its duties and powers hereunder, including the costs and expenses of defending against any claim or liability, or enforcing any of the rights or remedies granted to it under the terms of this Escrow Agreement, excluding any losses or expenses which are due to the Escrow Agent's breach of fiduciary duties, negligence or willful misconduct. The obligations of the County under this Section 5.8 shall survive the resignation or removal of the Escrow Agent under this Escrow Agreement and the payment of the Obligations and discharge under this Escrow Agreement. The damages claimed against the County shall not exceed the damages which may be allowed under the Oregon Tort Claims Act, Oregon Revised Statutes Section 30.260, et seq., unless the provisions and limitations of such act are preempted by federal law, including, but not limited to the federal securities laws.

(b) Before taking any action under ARTICLE IX, Section 9.2 and Section 9.3 hereof or Section 5.3 of the Financing Agreement, the Escrow Agent may require payment of its fees and expenses, including reasonable attorney's fees, and upon receipt of indemnity satisfactory to it be furnished by Owners of the Obligations for the reimbursement of all further expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

ARTICLE VI. CONCERNING THE OBLIGATION OWNERS

Section 6.1 Evidence of Action Taken by Owners.

Whenever in this Escrow Agreement it is provided that the Owners of a specified percentage in aggregate principal amount of the Outstanding Obligations may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Owners of such specified percentage have joined therein may be evidenced:

- (a) by any instrument or any number of instruments of similar tenor executed by Owners in person or by agent or proxy appointed in writing, or
- (b) by the record of the Owners voting in favor thereof at any meeting of Owners, or
- (c) by a combination of such instrument or instruments and any such record of such a meeting of Owners.

Section 6.2 Action Taken by Owners Irrevocable.

Any consent to the taking of any action by any Owner of an Outstanding Obligation shall be irrevocable and shall be conclusive and binding upon such Owner and upon all future Owners of such Obligation and of any Obligation executed and delivered in exchange or substitution therefor, irrespective of whether or not any notation and regard thereto is made upon such Obligation. Any action taken by the Owners of the percentage in aggregate principal amount of the Outstanding Obligations specified in this Escrow Agreement in connection with such action shall be conclusive and binding upon the County, the Escrow Agent and the Owners of all the Obligations.

Section 6.3 Certain Obligations Disregarded.

In determining whether the Owners of the requisite aggregate principal amount of Obligations have concurred in any direction or consent under this Escrow Agreement, Obligations which are owned by the Escrow Agent or the County or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Escrow Agent or the County shall be disregarded and treated as though they were not Outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Escrow Agent shall be protected in relying on any such direction or consent only Obligations which the Escrow Agent knows are so owned shall be so disregarded. Obligations so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this section, if the pledgee shall establish to the satisfaction of the Escrow Agent the pledgee's right to vote such Obligations and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Escrow Agent or the County. In case of a dispute as to such right, any decision by the Escrow Agent taken upon the advice of counsel shall be full protection to the Escrow Agent.

ARTICLE VII. MODIFICATION OF ESCROW AGREEMENT

Section 7.1 Limitations.

This Escrow Agreement may be modified or amended only in accordance with this ARTICLE VII.

Section 7.2 Supplemental Escrow Agreement Without Consent of Owners.

The County and the Escrow Agent may at any time enter into supplemental Escrow Agreements without the consent of or notice to the Owners, for the following purposes:

- (a) To cure any formal defect, omission, inconsistency or ambiguity in this Escrow Agreement; provided that such action shall not, in the reasonable judgment of the County, materially and adversely affect the interests of the Owners;

(b) To grant to or confer or impose upon the Escrow Agent for the benefit of the Owners any additional rights, remedies, or powers or to amend this Escrow Agreement in any other way for the benefit of the Owners; provided that no such amendment may have, in the reasonable judgment of the County, a material and adverse effect on any Owner which has not consented to the Supplemental Escrow Agreement;

(c) To modify, alter, amend or supplement this Escrow Agreement in any other respect which is not materially adverse to the Owners and which does not involve a change described in Section 7.3(a)(i), Section 7.3(a)(ii), Section 7.3(a)(iii), Section 7.3(a)(iv) herein and which, in the judgment of the Escrow Agent, is not to the prejudice of the Escrow Agent;

Before the Escrow Agent and the County shall enter into any Supplemental Escrow Agreement pursuant to this Section, the County shall deliver to the Escrow Agent an opinion of Special Counsel stating that the supplemental Escrow Agreement is authorized or permitted by this Escrow Agreement, complies with its terms, will, upon the execution and delivery thereof, and be valid and binding upon the County in accordance with its terms.

Section 7.3 Supplemental Escrow Agreement with Consent of the Owners.

(a) Any amendment to this Escrow Agreement which is not described in Section 7.2 herein requires the consent of the County, the Escrow Agent and the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding. However, the consent of all affected Owners of all the Obligations then Outstanding is required for:

(i) a change in the terms of the payment or prepayment of any portion of the Financing Payments, or

(ii) the creation of a claim or lien upon, or a pledge of the security ranking prior to or (except as expressly permitted by this Escrow Agreement) on a parity with the claim, lien or pledge created by this Escrow Agreement, or

(iii) the creation of a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or

(iv) a reduction in the aggregate principal amount of Obligations the consent of the Owners of which is required for any supplemental Escrow Agreement or which is required, under Section 7.6 herein, for any modification, alteration, amendment or supplement to the Financing Agreement.

(b) If at any time the County shall request the Escrow Agent to enter into any supplemental Escrow Agreement for any of the purposes of this Section 7.3 which require Owners' consent, the Escrow Agent shall cause notice of the proposed supplemental Escrow Agreement to be given by first-class mail, postage prepaid, to all affected Owners at their addresses as they appear in the Obligation Register. Such notice shall briefly set forth the nature of the proposed supplemental Escrow Agreement and shall state that a copy thereof is on file at the office of the Escrow Agent for inspection by all Owners. Within two years after the date of the first mailing, the Escrow Agent and the County may enter into such supplemental Escrow Agreement in substantially the form described in such notice, but only if there shall have first been delivered to the Escrow Agent (i) the required consents, in writing, of Owners of Obligations then Outstanding, and (ii) an opinion of Special Counsel stating that such supplemental Escrow Agreement is authorized or permitted by this Escrow Agreement, complies with its terms, will,

upon the execution and delivery thereof, and be valid and binding upon the Escrow Agent and the County in accordance with its terms.

(c) If the Owners of not less than the percentage of Obligations then Outstanding required by this Section 7.3 shall have consented to and approved the execution and delivery thereof as herein provided, no Owner shall have any right to object to the execution and delivery of such supplemental Escrow Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Escrow Agent or the County from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Section 7.4 Effect of Supplemental Escrow Agreement.

Upon the execution and delivery of any supplemental Escrow Agreement pursuant to the provisions of this Section 7.4, this Escrow Agreement shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Escrow Agreement of the Escrow Agent, the County and all Owners of Obligations then Outstanding shall thereafter be determined, exercised and enforced under this Escrow Agreement subject in all respects to such modifications and amendments.

Section 7.5 Amendments to Financing Agreement Not Requiring Consent of Owners.

(a) The County, with the consent of the Escrow Agent but without the consent of or notice to the Owners, may amend, change or modify the Financing Agreement as may be required:

- (i) By the provisions of the Financing Agreement and this Escrow Agreement,
- (ii) To cure any ambiguity, formal defect or omission in the Financing Agreement,
- (iii) To make any other change to the Financing Agreement which, in the reasonable judgment of the County, does not materially and adversely affect the Owners.

(b) Before the County shall enter into, and the Escrow Agent shall consent to, any amendment change or modification pursuant to this Section 7.5 or Section 7.6 herein, there shall have been delivered to the Escrow Agent and the County an opinion of Special Counsel stating that such amendment, change or modification is authorized or permitted by this Escrow Agreement and the Financing Agreement, complies with their terms, will, upon the execution and delivery thereof, and be valid and binding upon Escrow Agent and the County in accordance with its terms.

Section 7.6 Amendments to Financing Agreement Requiring Consent of the Owners.

(a) Any amendment to the Financing Agreement which is not described in Section 7.5 herein requires the consent of the County, the Escrow Agent and the Owners of not less than a majority in aggregate principal amount of the Obligations Outstanding given as provided in this Section 7.6. However, the consent of the Owners of all affected Obligations then Outstanding is required for any amendment, change or modification of the Financing Agreement that would permit the termination or cancellation of the Financing Agreement or a reduction in or postponement of the payments under the said agreement or any change in the provisions relating to the payments thereunder.

(b) If at any time the County shall request the consent of the Escrow Agent to an amendment to the Financing Agreement which is not described in Section 7.5 herein, the Escrow Agent shall cause

notice to be given of such proposed amendment, change of modification in the same manner as provided by Section 7.3 herein with respect to supplemental Escrow Agreements. Such notice shall briefly set forth the nature of such proposed amendment, change or modification, and shall state that copies of the instrument embodying the same are on file at the principal office of the Escrow Agent for inspection by all Owners at any time during reasonable business hours and upon reasonable prior notice. The County may enter into, and the Escrow Agent may consent to, any such proposed amendment, change or modification subject to the same conditions and with the same effect as provided in Section 7.3 herein with respect to supplemental Escrow Agreements, provided the County has obtained the opinion of Special Counsel which is described in Section 7.5 herein.

ARTICLE VIII. COVENANTS; NOTICES

Section 8.1 Compliance With and Enforcement of Financing Agreement.

(a) The County covenants and agrees with the Owners of the Obligations to perform all obligations and duties imposed on it under the Financing Agreement, and to enforce such agreement against the Escrow Agent in accordance with its terms.

(b) The Escrow Agent covenants and agrees with the Owners of the Obligations to perform all obligations and duties imposed on it under the Financing Agreement, and to enforce such Agreement against the County in accordance with its terms, subject to the rights of the County therein as provided in this Escrow Agreement and the Financing Agreement.

Section 8.2 Notice in Event of Late Financing Payment.

If the Escrow Agent does not receive any Financing Payment deposit within one (1) Business Day after the date on which it is due (which date is three (3) Business Days before the Payment Date) in accordance with the Financing Agreement, the Escrow Agent shall give prompt written and telephonic notice of such fact to the County.

Section 8.3 Notice of Default.

If an Event of Default occurs the Escrow Agent shall give written notice of such default to the Owners of the Obligations then Outstanding. Such notice shall specify that an Event of Default has occurred, and shall contain a brief description of the Event of Default. Any failure to give this notice shall not affect any rights of Owners. This shall be mailed by first class mail, postage prepaid, to each Owner within thirty (30) days of the Escrow Agent's actual knowledge of default. However, except for an Event of Default described in Section 9.1(a) herein, the Escrow Agent may withhold such notice if and so long as the Escrow Agent in good faith determines that the withholding of such notice is in the interests of the Owners of Obligations.

Section 8.4 Further Assurances.

The Escrow Agent and the County will make, execute and deliver any and all such further ordinances, instruments and assurances as the Escrow Agent may deem reasonably necessary or proper to carry out the intention or to facilitate the performance of this Escrow Agreement, and for the better assuring and confirming to the Owners of the Obligations the rights and benefits provided herein.

ARTICLE IX. EVENTS OF DEFAULT

Section 9.1 Events of Default.

The occurrence of one or more of the following shall constitute Events of Default:

- (a) The County's failure to pay the Financing Payments, when due;
- (b) The County's failure to comply with any other covenant, condition or agreement of the County under the Financing Agreement and this Escrow Agreement for a period of sixty (60) days after written notice thereof from the Escrow Agent absent an extension of time by the Escrow Agent; or
- (c) The commencement by the County of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or an assignment by the County for the benefit of its creditors, or the entry by the County into an agreement of composition with creditors, or the taking of any action by the County in furtherance of any of the foregoing.

Section 9.2 Remedies on Default.

Upon the occurrence and continuance of any Event of Default, the Escrow Agent may proceed, and upon written request of the Owners of not less than a majority in aggregate principal amount of Obligations then Outstanding, shall proceed to take whatever action may appear necessary or desirable to enforce the Financing Agreement or to protect any of the rights vested in the Escrow Agent or the Owners of Obligations by this Escrow Agreement or by the Obligations, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Escrow Agreement or in aid of the exercise of any power granted in this Escrow Agreement or for the enforcement of any other legal or equitable right vested in the Escrow Agent by this Escrow Agreement or by law; provided, however, that upon an EVENT OF DEFAULT THE ESCROW AGENT SHALL NOT HAVE THE RIGHT TO DECLARE THE UNPAID PRINCIPAL COMPONENTS OF THE FINANCING PAYMENTS IMMEDIATELY DUE AND PAYABLE.

The Escrow Agent may exercise the rights and powers conferred by this ARTICLE IX as the Escrow Agent in its discretion being advised by its counsel shall deem most expedient and in the interests of the Owners.

Section 9.3 Force Majeure.

If by reason of force majeure, the County is unable in whole or in part to carry out its agreement herein contained, other than the obligation of the County to pay the Financing Payments when due, the County shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; orders or restraints of any kind of the government of the United States of America, the State of Oregon, or Multnomah County, Oregon, or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the County.

Section 9.4 No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Escrow Agent is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this

Escrow Agreement to the Escrow Agent, or given under the Financing Agreement to the Escrow Agent and assigned hereunder to the Escrow Agent, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Escrow Agent to exercise any remedy reserved to it, it shall not be necessary to give any notice other than such notice as may be required in this Section 9.3 or by law.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses.

If any party to this Escrow Agreement should default under any of the provisions hereof and any nondefaulting party or parties should employ attorneys or incur other expenses for the collection of moneys on the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay, to the extent permitted by law, to such nondefaulting party or parties the reasonable fees of such attorneys and such other expenses incurred by such nondefaulting party or parties.

Section 9.6 No Additional Waiver Implied by One Waiver.

If any agreement contained in this Escrow Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.7 Application of Moneys Upon Default.

If at any time after an Event of Default has occurred the moneys in the Payment Account shall not be sufficient to pay the Financing Payments as the same become due and payable, such moneys together with any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied by the Escrow Agent as follows:

(i) First: To the payments of costs, expenses and fees, and reasonable compensation of the Escrow Agent, its agents and attorneys, and all expenses and liabilities incurred and advances made by the Escrow Agent.

(ii) Second: To the payment to the persons entitled thereto of the interest components of Financing Payments as they become due in the order of the maturity of such Financing Payments, and, if the amount available shall not be sufficient to pay in full any particular interest component of a Financing Payment, then to the payment ratably, according to the amounts due on such interest portion, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Obligations;

(iii) Third: To the payment of the persons entitled thereto of the principal components of Financing Payments as they become due in the order of the maturity of such Financing Payments, and, if the amount available shall not be sufficient to pay in full any particular principal component of a Financing Payment, then to the payment ratably, according to the amounts due on such principal portion, to the persons entitled thereto, without discrimination or preference; and,

(iv) Fourth: To the County, but only if the Obligations are no longer Outstanding and all Additional Charges have been paid.

Section 9.8 Action by Owners.

If the Escrow Agent fails to take any action to eliminate an occurrence of an Event of Default, the Owners of a majority in aggregate principal amount of Obligations then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Financing Agreement or this Escrow Agreement, but only if the Escrow Agent shall have been given written notice of such default (unless such default shall consist of a failure to make a Financing Payment when due) and the continuance thereof and if such percentage of Owners have first made written request of the Escrow Agent to institute such action or proceedings in its own name as Escrow Agent hereunder and shall have afforded the Escrow Agent sixty (60) days either to proceed to exercise the powers granted therein or granted under law or to institute such action, suit or proceeding in its name and unless also, the Escrow Agent shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Escrow Agent shall have refused or neglected to comply with such request within a reasonable time.

ARTICLE X. LIMITATION OF LIABILITY

Section 10.1 Limited Liability of County.

Except for the payment of Financing Payments and Additional Charges when due in accordance with the Financing Agreement, and the performance of the other covenants and agreements of the County contained in the Financing Agreement and this Escrow Agreement, the County shall have no obligation or liability to any of the other parties or to the Owners of the Obligations with respect to this Escrow Agreement or the terms, execution, delivery or transfer of the Obligations, or the distribution of Financing Payments to the Owners by the Escrow Agent.

Section 10.2 No Liability of County for Escrow Agent Performance.

The County shall not have any obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the performance by the Escrow Agent of any duty imposed upon it under this Escrow Agreement.

Section 10.3 No Liability of Escrow Agent for Financing Payments by County.

The Escrow Agent shall not have any obligation or liability to the Owners of the Obligations with respect to the payment of the Financing Payments by the County when due, or with respect to the performance by the County of any other covenant made by it in the Financing Agreement.

Section 10.4 Opinion of Counsel; Experts.

(a) Before being required to take any action, the Escrow Agent may require an opinion of independent counsel acceptable to the Escrow Agent, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Escrow Agent shall be absolutely protected in relying thereon.

(b) If an Event of Default occurs or a dispute arises under this Escrow Agreement or the Financing Agreement, the Escrow Agent may employ as its agents attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Escrow Agent), as it may deem necessary to carry out any of its obligations hereunder. The County shall reimburse the

Escrow Agent for its reasonable expenses in so doing. The Escrow Agent shall not be responsible for any misconduct or negligence of any such agent appointed with due care by the Escrow Agent.

(c) The Escrow Agent may consult with counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorizations and protection in respect to any action taken or not taken by the Escrow Agent hereunder in good faith and in reliance thereon.

Section 10.5 Limitation of Rights to Parties and Owners.

Nothing in this Escrow Agreement or in the Obligations expressed or implied is intended or shall be construed to give any person other than the County, the Escrow Agent and the Owners of the Obligations, any legal or equitable right, remedy or claims under or in respect of this Escrow Agreement; all covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the County, the Escrow Agent and the Owners.

ARTICLE XI. MISCELLANEOUS

Section 11.1 Defeasance.

(a) All or any portion of the Outstanding Obligations may be paid and discharged in any one or more of the following ways:

(i) By paying or causing to be paid the Financing Payments attributable to such Obligations as and when the same become due and payable;

(ii) By irrevocably depositing with the Escrow Agent or an independent escrow agent, before maturity, money which, together with the amounts then on deposit in the Payment Account, is fully sufficient to pay all Financing Payments attributable to such Obligations; or

(iii) By irrevocably depositing with the Escrow Agent or an independent escrow agent, Defeasance Obligations in such amount which will, together with the interest to accrue thereon, be sufficient to pay all Financing Payments attributable to such Obligations, as and when the same become due and payable, as evidenced by a verification report.

(b) All obligations of the Escrow Agent and the County under this Escrow Agreement with respect to such Obligations which are paid or deemed paid hereunder shall cease and terminate, except for the obligation of the County to pay the Additional Charges specified in Section 3.2 of the Financing Agreement and to pay Financing Payments from the amount so deposited, and of the Escrow Agent to apply amounts on deposit to the payment of the Financing Payments.

(c) The Escrow Agent shall, so long as any Obligations remain Outstanding, keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement, which shall be available for inspection by the County and any Owner, or the agent of any of them, at any time during reasonable business hours upon reasonable prior notice. Upon written notice, the Escrow Agent shall promptly make such records available to the County, any Owner, or their respective auditors and other representatives, and shall cooperate with them in auditing and reproducing the records.

Section 11.2 Notices.

(a) All written notices to be given under this Escrow Agreement to any party to this Escrow Agreement shall be given via electronic transmission, mail or facsimile. Notices to be mailed shall be

sent to the following addresses (unless the addressee has previously notified the other party in writing of a change in address):

If to the Escrow Agent:

U.S. Bank National Association
Global Corporate Trust Services
555 S.W. Oak Street, PD-OR-P7TD
Portland, OR 97204

Telephone: (503) 464-3758
Facsimile: (503) 464-4155

If to the County

Multnomah County
Attn: Chief Financial Officer
501 SE Hawthorne Boulevard
Portland, OR 97214

Telephone: (503) 988-3312

(b) All notices, obligations or other communications hereunder shall be sufficiently given and shall be deemed given when delivered via electronic transmission, facsimile or mailed by registered mail (return receipt requested), postage prepaid.

Section 11.3 Applicable Law.

This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Escrow Agreement or the transactions contemplated hereby shall be brought in an appropriate court for Multnomah County, Oregon.

Section 11.4 Partial Invalidity.

Any provision of this Escrow Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate any remainder of this Escrow Agreement.

Section 11.5 Binding Effect; Successors.

This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Escrow Agreement any party hereto is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all covenants and agreements contained in this Escrow Agreement by or on behalf of any party hereto shall bind and inure to the benefit of the successors and assigns thereof whether so expressed or not.

Section 11.6 Headings.

The headings, titles and table of contents in this Escrow Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Escrow Agreement. All references herein to "Sections," and other subdivisions which do not specify the document in which the subdivision is located shall be construed as references to this Escrow Agreement.

Section 11.7 Execution in Counterparts.

This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the Escrow Agent has executed this Escrow Agreement in its corporate name by its duly authorized officer and the County has caused this Escrow Agreement to be executed in its name by its duly authorized officer, all as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent

By: _____
Authorized Officer

MULTNOMAH COUNTY, OREGON
as County

By: _____
Authorized Representative

EXHIBIT A

(Form of Full Faith and Credit Refunding Obligation)

No. R-__

\$__,000

**FULL FAITH AND CREDIT REFUNDING OBLIGATION
SERIES 2021 (FEDERALLY TAXABLE)**

Evidencing a Proportionate Interest of the Owner Hereof in Certain Financing Payments
to be Made Under a Financing Agreement between

MULTNOMAH COUNTY, OREGON
as County

and

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

DATED DATE	PRINCIPAL COMPONENT INTEREST RATE PER ANNUM	PRINCIPAL COMPONENT MATURITY DATE	CUSIP NUMBER
January 21, 2021	____%	June 1	625506

REGISTERED OWNER: -----CEDE & CO.-----

PRINCIPAL AMOUNT: ----- THOUSAND DOLLARS-----

This Obligation is executed and delivered by U.S. Bank National Association pursuant to an Escrow Agreement, dated as of January 21, 2021 (the "Escrow Agreement"), by and between U.S. Bank National Association, as escrow agent, paying agent and registrar (the "Escrow Agent"), and Multnomah County, Oregon (the "County"). The Escrow Agent and the County have entered into that certain Financing Agreement, dated as of January 21, 2021 (the "Financing Agreement"), pursuant to which the County is legally required to make financing payments (the "Financing Payments"). The County has assigned to the Escrow Agent all of its right, title and interest in the Financing Payments for the benefit of the Owners of the Obligations under the Escrow Agreement.

This Obligation is entitled proportionately to receipt of the principal component of Financing Payments in the amount set forth as Principal Amount above due on the Principal Component Maturity Date set forth above and is entitled proportionately to receipt of an amount of the interest component of Financing Payments each Payment Date attributable to the interest accruing on said principal component at the principal component interest rate set forth above.

ADDITIONAL PROVISIONS OF THIS OBLIGATION APPEAR ON THE REVERSE SIDE HEREOF AND ON SUBSEQUENT PAGES; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE PRINTED HEREIN.

U.S. Bank National Association in Portland, Oregon, as the Escrow Agent, shall pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the above Principal Component Maturity Date together with interest thereon from the dated date indicated above at the Principal Component Interest Rate per annum indicated above, but solely from amounts received from the County pursuant to the Financing Agreement and Escrow Agreement. Interest is payable semiannually on June 1 and December 1 of each year until maturity, commencing on June 1, 2021 (the "Payment Date") to the Owners of record as of the Record Date. Principal components of, and interest components of the Financing Payments on this Obligation shall be received by Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), or its registered assigns in same-day funds on each Payment Date. Such payments shall be made payable to the order of "Cede & Co.". All terms used in this Obligation and not otherwise defined herein shall have the respective meanings assigned thereto in the Financing Agreement and Escrow Agreement. The Obligations are payable from the Payment Account as provided in the Escrow Agreement.

This Obligation is one of a series of Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable) (the "Obligations"), being executed and delivered in the aggregate principal amount of \$89,580,000. The County is authorized to enter into the Financing Agreement and the Escrow Agreement by Resolution No. 2020-092 adopted by the County Board on October 22, 2020 (the "Resolution").

The Obligations may be subject to optional and mandatory redemption as provided in the Financing Agreement and Escrow Agreement. If this Obligation is called for redemption and payment is duly provided therefor as specified in the Escrow Agreement, interest on this Obligation shall cease to accrue beginning on the date fixed for redemption. Notice of redemption shall be given by the Escrow Agent to DTC as required by the rules and procedures of DTC.

The Financing Payments are payable from and secured by all legally available funds of the County. Pursuant to ORS 287A.315, the County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to make payments due under the Financing Agreement. The obligation of the County to make Financing Payments is a full faith and credit obligation of the County, and is not subject to appropriation. **THE REGISTERED OWNERS OF THE OBLIGATIONS DO NOT HAVE A LIEN OR SECURITY INTEREST IN THE PROJECTS REFINANCED WITH THE PROCEEDS OF THE OBLIGATIONS.**

The Obligations are initially issued as a Book-Entry System issue with no certificates provided to the Owners. Records of Obligation ownership will be maintained by the Escrow Agent and DTC and its participants.

THE ESCROW AGENT HAS NO OBLIGATION OR LIABILITY TO THE OWNERS OF OBLIGATIONS FOR THE PAYMENT OF THE INTEREST OR PRINCIPAL PORTIONS PERTAINING TO THE OBLIGATION; THE ESCROW AGENT'S ONLY OBLIGATIONS ARE TO ADMINISTER, FOR THE BENEFIT OF THE DISTRICT AND THE OWNERS OF OBLIGATIONS, THE VARIOUS ACCOUNTS ESTABLISHED IN THE ESCROW AGREEMENT AND ONLY SUCH DUTIES AS SET FORTH IN THE ESCROW AGREEMENT.

IN WITNESS WHEREOF, the Escrow Agent has caused this Obligation to be executed by the manual or facsimile signature of an authorized officer as of the date set forth above.

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Authorized Officer

THIS OBLIGATION SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE ESCROW AGENT IN THE SPACE INDICATED BELOW.

Date of Authentication: January 21, 2021.

CERTIFICATE OF AUTHENTICATION

This is one of the \$89,580,000 Full Faith and Credit Refunding Obligations, Series 2021 (Federally Taxable), which represents an interest in the Financing Payments due under the Financing Agreement described herein, and is properly registered and authenticated pursuant to the Escrow Agreement.

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Please insert social security or other identifying number of assignee) this Obligation and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Obligation on the books kept for registration thereof with the full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Obligation in every particular, without alteration or enlargement or any change whatever.

NOTICE: The signatures to this Assignment must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Securities Program ("MSP").

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this Obligation, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM -- tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common
- OREGON CUSTODIANS use the following:
 - _____ CUST UL OREG _____ MIN as custodian for
 - (as custodian for) (name of minor)
 - OR UNIF TRANS MIN ACT (under the Oregon Uniform Transfer to Minors Act)

Additional abbreviations may also be used though not in the list above.

EXHIBIT B

REDEMPTION PROVISIONS

MULTNOMAH COUNTY, OREGON

**FULL FAITH AND CREDIT REFUNDING OBLIGATIONS
SERIES 2021 (FEDERALLY TAXABLE)**

FINANCING AMOUNT: \$89,580,000

Redemption Provisions

Optional Redemption. The County reserves the right to redeem all or any portion of the Obligations maturing on or after June 1, 2032 at the option of the County on June 1, 2031 and on any date thereafter in whole or in part, in any order of maturity with maturities selected by the County, at a price of par, plus accrued interest to the date of redemption.

For as long as the Obligations are in book-entry only form, if fewer than all of the Obligations of a maturity are called for redemption, the selection of Obligations within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Obligations are no longer held in book-entry only form, then the Paying Agent would select Obligations for redemption by lot.