

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2019

About the Cover

Construction of Multnomah County's central courthouse will be wrapping up this year and opened to the public. The last year had many milestones including removal of the tower crane as well as the manlift on the outside of the building. Two permanent elevators are operational and are being used to transport workers and equipment to the various floors. The building has been running permanent power since the fall of 2019. The mechanical equipment is being commissioned by floor using a third party commissioning agent. Solar panels on the roof have been installed as well a green roof on top of the elevator roof.

The historic Jefferson Station building has gone through a complete transformation. New floors have been cast to seamlessly tie Jefferson Station to the tower. Shear walls to resist earthquake loads have been built. The overhead gantry crane has moved over one bay, proving an unusual element in the waiting area.

At the beginning of 2020, many of the floors have construction substantially complete, including the courtrooms on floors 7 through 9. The stone cladding for the facade will be wrapping up in a few months, immediately followed by construction of the sidewalks that wrap around the building. The wood ceiling in the lobby is being completed. The lobby will also contain a large art installation composed of glass panels by the Regional Arts and Culture Council.

An important goal of Multnomah County's leaders is to ensure that a diverse workforce and group of firms participates in and benefits from the \$324 million project. General contractor Hoffman Construction has a goal to award 20 percent of total construction dollars to certified firms owned by minorities, women, and disadvantaged small businesses. Projections forecast 31 percent of total construction dollars will go to those firms. That translates into more than \$67 million to these firms.

For more information, please go to <https://multco.us/central-courthouse-project>.

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019



Prepared by: Department of County Management

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2019
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INTRODUCTORY SECTION

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January 30, 2020

Honorable County Chair, Board of County Commissioners
and Residents 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, 2019, 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 is included with this report beginning on page 227.

This report presents fairly the financial position of the various funds of the County at June 30, 2019, 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, 2018 of 811,880 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.

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 trust and agency funds. The County budget is adopted by the Board of County Commissioners by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional 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, three 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 45-46 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 124.

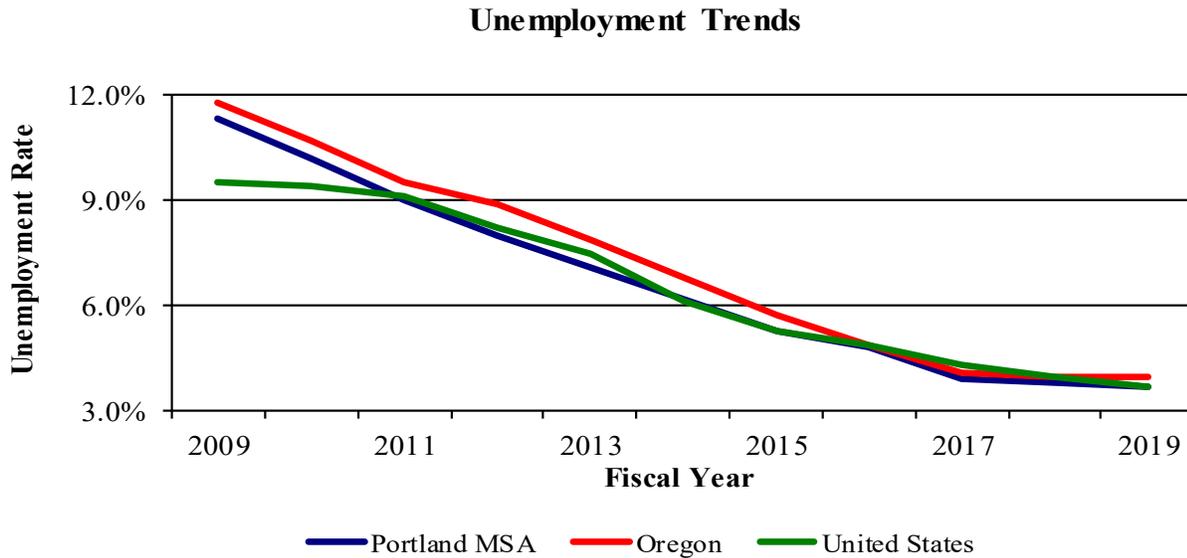
Economic Conditions and Financial Outlook

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 Portland metropolitan economy continues to grow, but the rate of growth has started slowing relative to the post-Great Recession expansion. Residential real estate market slowed considerably, matching activity across western cities. The combination of wage growth caused by low unemployment and the slowdown in housing pricing increases has helped affordability issues. The Oregon Office of Economic Analysis forecasts employment growth at 2.1 percent and 1.7 percent in 2019 and 2020, respectively, and personal income growth of 5.4 percent in 2019 and 5.3 percent in 2020.

The region’s unemployment rate has held steady at under 4 percent (3.7 percent as of June 30, 2019 with nonfarm employment at 525,000 in Multnomah County), which is slightly lower than the Oregon and US rates. At the height of the “great recession” unemployment in the Greater Portland metropolitan area and the State of Oregon was higher than in the nation as a whole. As the chart on the following page indicates, unemployment rates have fallen each year since 2009, and the local rate is below the national average. Thus, although the region fared worse during the “great recession”, than other parts of the country, it also recovered more robustly during the ensuing economic expansion.

FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)



It is also important to note that unemployment rates have not been this low in nearly 50 years. Historically, when unemployment rates have dipped to their current levels it has been a sign that economic expansion is about to come to an end.

The pace of economic growth has also had an effect on inflation. Through the first six months of 2019, inflation average was about 2.7 percent. Though slightly slowing this is among the fastest rates of growth over the past few decades. 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 that level over the next few years.

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.

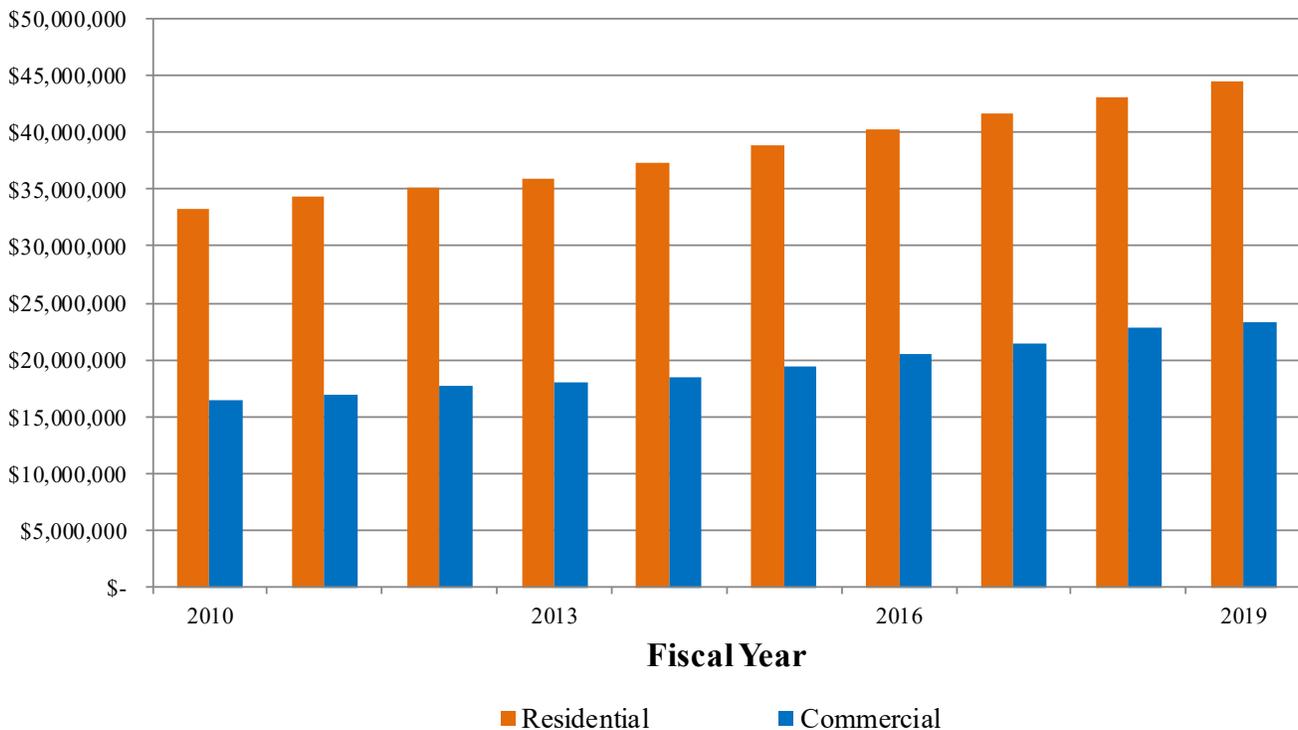
FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)

Having identified this structural deficit, the County set out to improve its fiscal resilience and has taken a conservative approach to financial planning. Significant budget gaps have been closed while the County has maintained a wide array of health, social, and public safety services. The current forecast assumes continued growth, albeit at slower rates, in employment and personal income over the next five years. Barring a recession or unexpected reductions in State or Federal funding, the General Fund is forecast to have a \$3.2 million deficit at current service levels in fiscal year 2021, before any decisions are made by the County Board.

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 59 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. For fiscal year 2020, property tax collections are expected to increase by about 3.9 percent. This growth is primarily driven by new construction.

The following charts highlight the County’s residential and commercial assessed values (AV) over the past ten years. Residential property has experienced a 33.7 percent increase in AV over a ten-year period compared to a 42.0 percent increase for commercial AV over the same period.

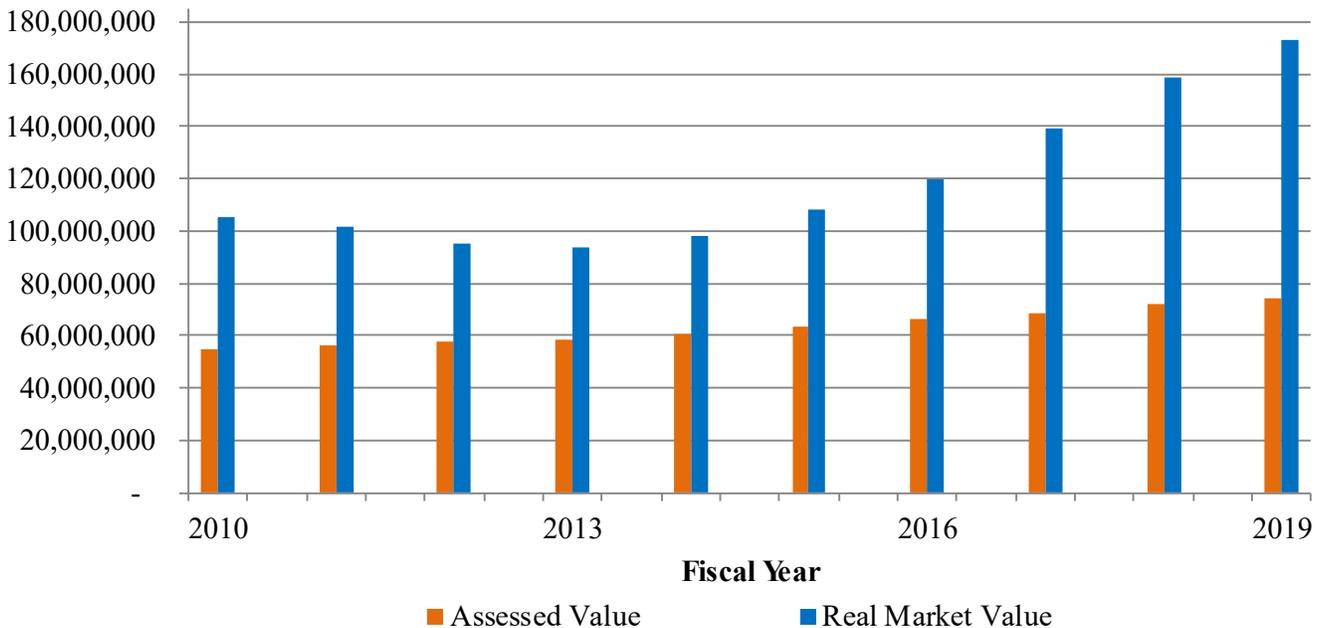
Assessed Values of Taxable Property



FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)

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 it is also true that applying the CPR ensures that revenues are buffered somewhat during economic downturns.

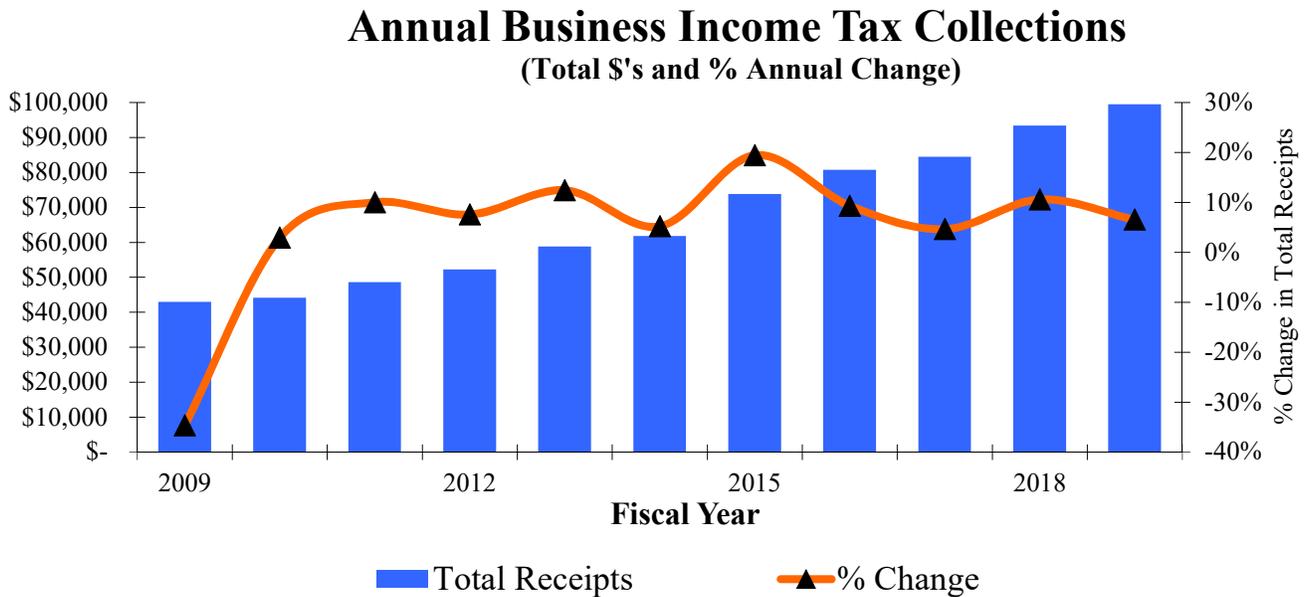
Assessed v. Real Market Value



Business income tax (BIT) is the second largest source of revenue in the General Fund and is set at a rate of 1.45 percent of net income. Unlike the State of Oregon’s corporate income tax, the BIT is assessed against all types of business entities. Approximately 109,000 businesses file tax returns each year. Tax collections generally parallel economic cycles. In fiscal year 2019, collections were \$99.5 million, a 6.5 percent increase over fiscal year 2018 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.

FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)

The following chart highlights the volatility of BIT collections over the past eleven years. Current forecasts assume that the BIT revenues will see a slight decline in the next 3 years 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 \$9.6 million in fiscal year 2020 which provides an additional 10 percent buffer.

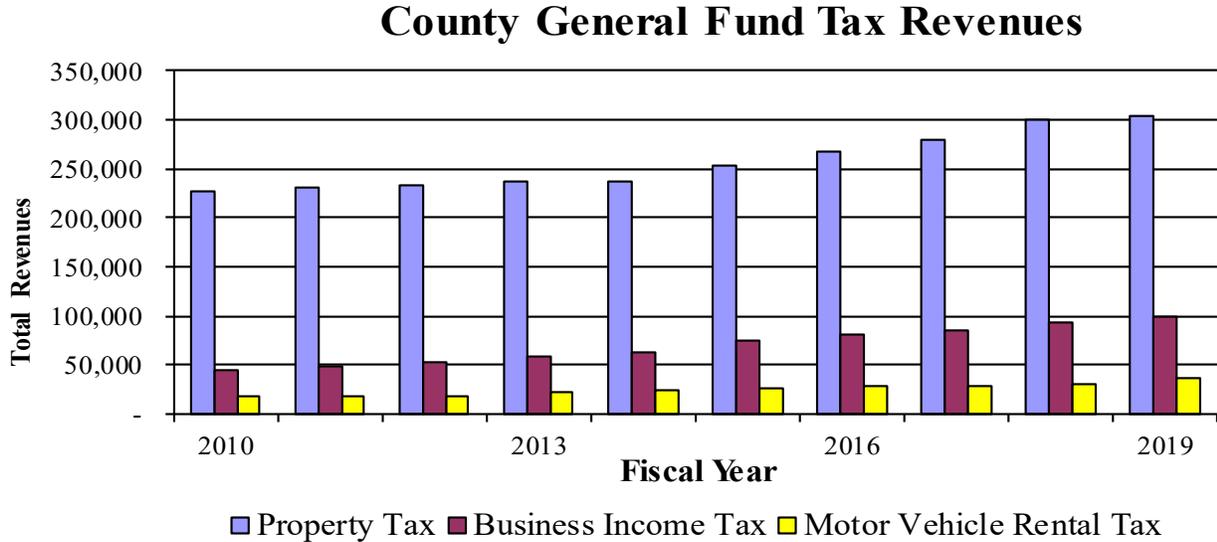


Motor vehicle rental taxes (MVRT) account for about 6 percent of General Fund tax revenues. In 2010, the tax rate on vehicle rental charges was increased from 12.5 percent to 17 percent, with the revenue from the 14.5 percent dedicated for use in the General Fund and the remaining 2.5 percent dedicated 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 “great recession” and although the MVRT tax base declined by about 14 percent during that period of time, actual tax collections increased as a result of the rate increase. The MVRT tax base has rebounded since then and fiscal year 2019 General Fund revenues were \$31.3 million. Since bottoming out in fiscal year 2010, MVRT revenues have increased, on average, by more than 7 percent annually which is a reflection of the growing importance of travel and tourism to the region. Current forecasts assume MVRT will growth moderately, 2.0 percent for Fiscal Year 2020.

FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)

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



The State of Oregon provides about 33 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 84 percent of State General Fund revenue comes from Personal Income Tax. For the County's fiscal year 2019 and the State's 2017-19 biennium, funding was generally stable as the State's financial picture continued to improve with the economy. Personal Income Tax collections exceeded expectations.

The State of Oregon recently passed Senate Bill 1049 which aims to reduce PERS costs. The reform re-amortizes Tier One & 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 assumed earnings rate. The County is evaluating options to counteract the legislations 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.

FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)

Financial and Budget Policies: The County has established financial and budget policies, which are reviewed and adopted annually by the Board of County Commissioners in connection with the budget process. Some of the goals of the financial policies include:

- Preserving capital through prudent budgeting and financial management,
- Achieving a stable balance between the County’s ongoing financial commitments and the continuing revenues available to the County, and to
- Leverage local dollars with Federal and State funding grants.

Consistent application of these financial policies has helped ensure that the County has appropriately recorded and accounted for transactions in 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 2020 adopted budget includes approximately \$40 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:

- \$6.0 million for Southeast Health Clinic,
- \$10.9 million Behavior Health Resource Center,
- \$3.5 million Emergency Shelter Strategic Investment,
- \$1.2 million for Workday HR and Finance Support,
- \$1.0 million Corporate Broadband Network Infrastructure Replacement
- \$9.6 million BIT stabilization reserve.

A complete list of the uses of one-time-only funds can be found on page 33 of the Budget Director’s Message in the County’s fiscal year 2020 adopted budget. The adopted budget document can be found online at: <https://multco.us/budget/fy-2020-adopted-budget>.

FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)

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”. The regional economy continued to perform at a high level in fiscal year 2019 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 cost will come 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.

Multnomah County is scheduled to open a new downtown Central Courthouse in the spring of 2020. The new building replaces a 100 year old facility that was structurally obsolete. The new Central Courthouse will have 17 floors, 44 courtrooms, and will meet all modern standards for court operations and security. The new building will have approximately 455,000 square feet of space. The project is estimated to cost \$324.5 million when 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.

The County went live with a new suite of enterprise resource planning (ERP) systems in January of 2019. Workday provides finance and human resources functions, Jaggaer provides contracting functions, and Tririga provides facilities asset management functions. The new system replaces SAP ERP System implemented in 1999. The new suite of ERP systems are cloud based systems that greatly enhance the County’s technological capabilities and flexibility. The ERP replacement project was funded by \$41.2 million of long-term debt issued in fiscal year 2017.

FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)

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 Behavior Health Resource Center. The facility is being programed to provide peer support services, transitional housing for homeless people with behavior health issues, and assisting people with finding housing and treatment services. The project is currently in the design phase and is expected to open for services in fiscal year 2022 (exact date to be determined).

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 2020 budget includes total JOHS funding of \$70.2 million including nearly \$30.5 million of discretionary County revenues (General Fund, Tax Title, Video Lottery, and Permanent Supportive Housing funds).

While the County is experiencing sound economic growth it is not immune to broader pressures and issues that could impact its current financial status. The “structural deficit” in the General Fund has long-term implications. Property Tax revenues are constitutionally limited and there are upward pressures on personnel costs related to pensions, post-employment benefits, and healthcare. Business Income Tax is inherently volatile and will decline in the next recession. However, the County weathered the “great recession” and came out of it in sound financial shape. Planning processes and policies that have been put in place over the past several years should serve the County well in preparing for any fiscal challenges that may arise in the future.

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, 2018. The County has received this prestigious award for 34 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



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, 2018

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 Stegmann
Commissioner, District 4



Jennifer McGuirk
Auditor



Michael Reese
Sheriff

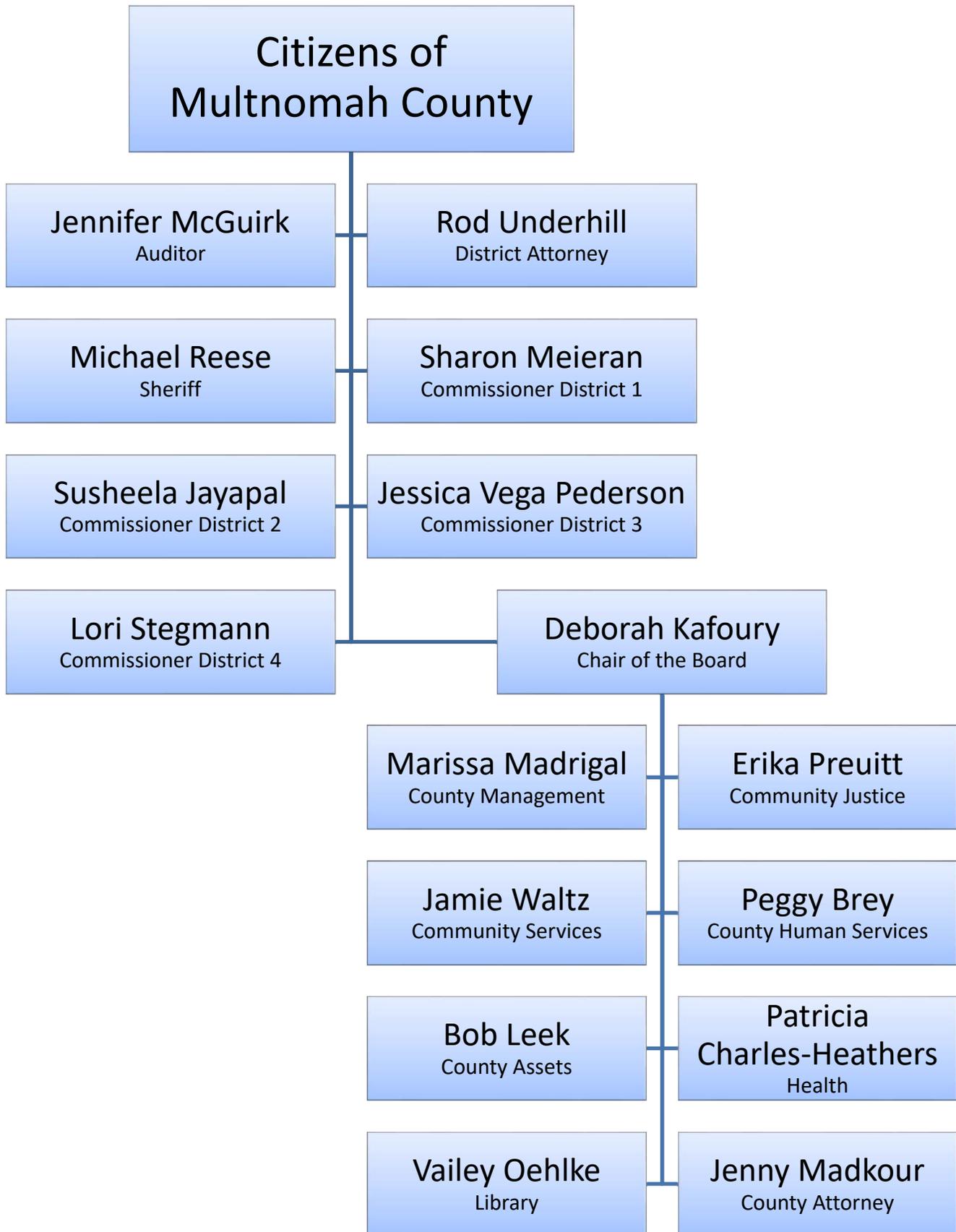


Rod Underhill
District Attorney

MULTNOMAH COUNTY, OREGON
For the Year Ended June 30, 2019
Principal Officers

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

MULTNOMAH COUNTY, OREGON



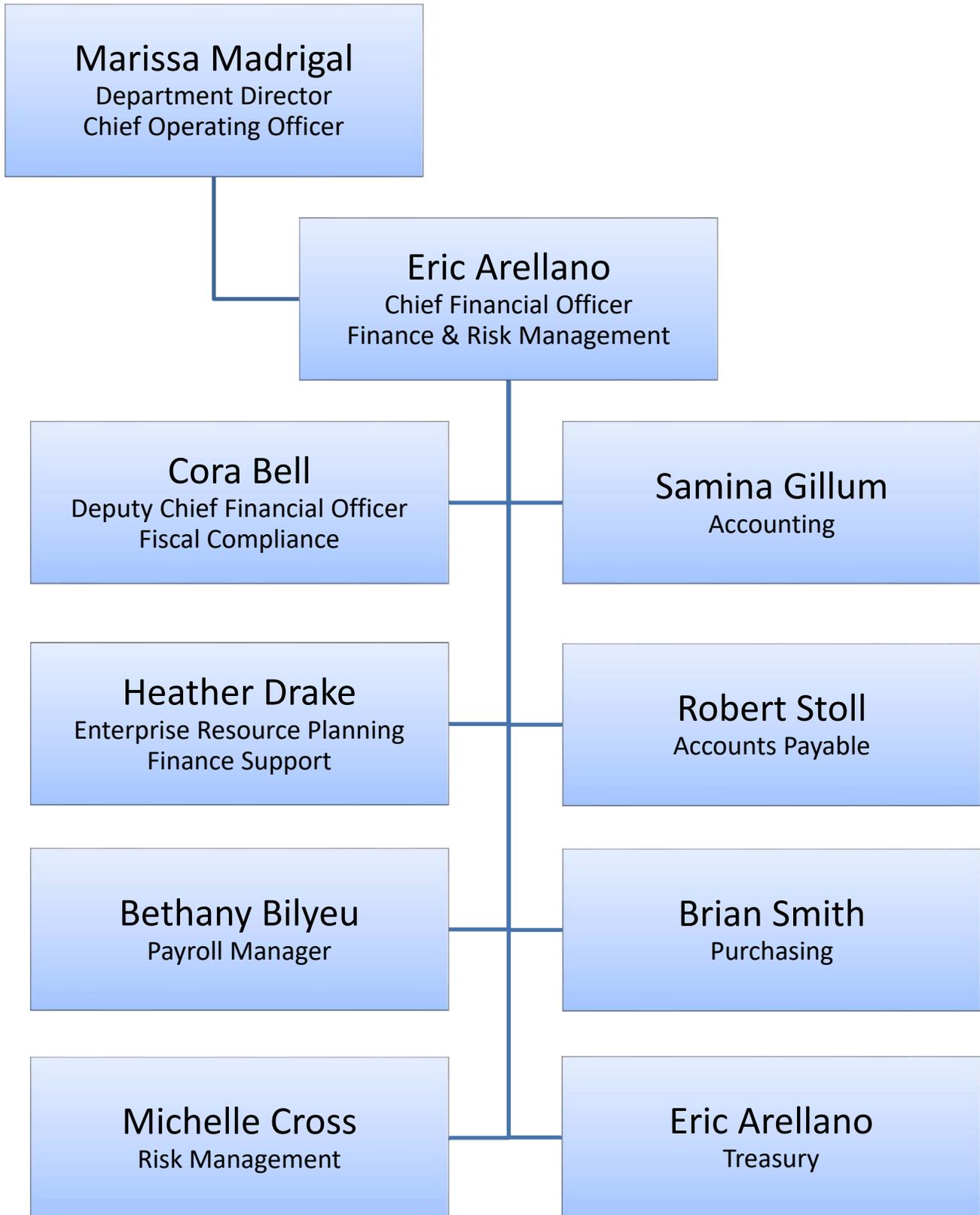
MULTNOMAH COUNTY, OREGON
Department of County Management



MULTNOMAH COUNTY, OREGON

Department of County Management

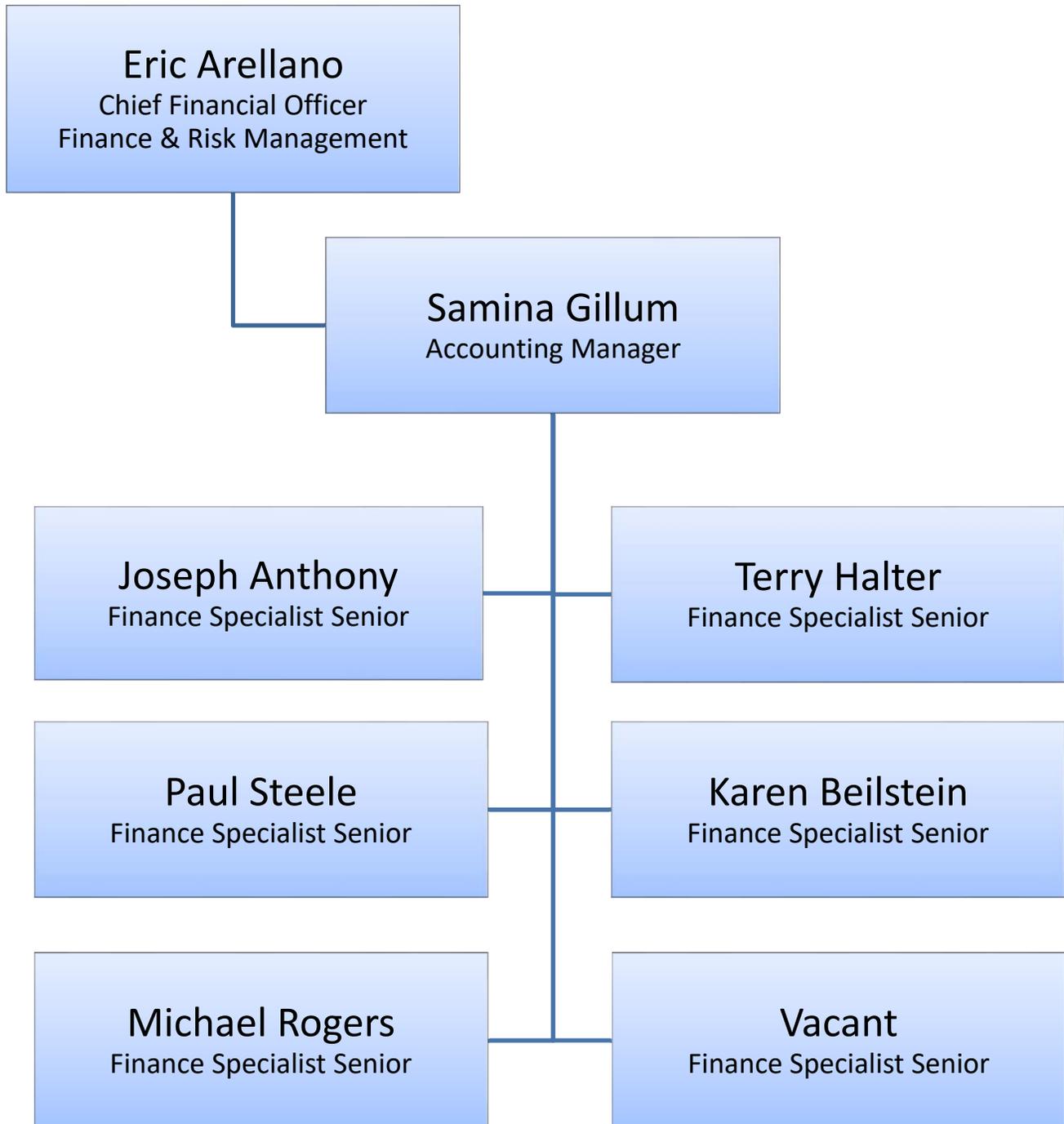
Finance & Risk Management



MULTNOMAH COUNTY, OREGON

Department of County Management

General Ledger



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FINANCIAL SECTION

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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, 2019, 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, 2019, 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 23 through 37 and 119 through 123, 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; other schedules; and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; 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 combining and individual fund statements and schedules; other schedules; and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are 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 January 30, 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 January 30, 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.



For Moss Adams LLP
Eugene, Oregon
January 30, 2020

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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, 2019. The information presented here should be read in conjunction with the letter of transmittal, which can be found on pages 1-12 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, 2019, by \$935,969 (*the County's net position*). Of this total, the following amounts are restricted:
 - \$41,759 for capital projects and buildings
 - \$34,115 for library operations
 - \$21,975 for various community support programs
 - \$9,695 for improvements to roads, bridges and bike paths
 - \$6,590 for technology projects
 - \$119 for document storage and retrieval
- The largest portion of the County's net position reflects an investment of \$1,006,207 or 107.5 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 \$184,491 (*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 financials.
- For fiscal year 2019, the County reported \$507,736 for its proportionate share of the Oregon Public Employee Retirement System's (OPERS) net pension liability, pension related deferred outflows of \$233,411, and pension related deferred inflows of \$40,303. A net pension liability of \$470,736 was reported in the previous fiscal year 2018. Total pension expense for the fiscal year ending 2019 and 2018 was \$104,165 and \$104,363 respectively, which is a net decrease of 0.2 percent.
- For fiscal year ended June 30, 2019 the County reported other postemployment benefits (OPEB): a net asset of \$3,783 attributable to the OPERS Retirement Health Insurance Account (RHIA) and a net OPEB liability of \$109,250 associated with the Multnomah County Postretirement Medical and Life Insurance Plan. OPEB related deferred outflows of \$6,906 and OPEB related deferred inflows of \$19,795 were also reported.

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

- Total assets for governmental activities increased by \$159,219 or 8.9 percent over the prior year. The increase in assets is primarily due to the increase in construction in process for several major capital projects including replacement of the Multnomah County Central Courthouse, construction of the Health Department Headquarters, and Willamette River bridge projects. Non-depreciating assets (land, right-of-ways, construction in process) increased by \$144,326 or 30.6 percent higher than 2018. Current year additions to construction in process for major projects are described in the Capital Assets section below.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$311,892. The net change in governmental fund balances during the year was a decrease of \$56,748 or 15.4 percent under fiscal year 2018, 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*). Several governmental funds had significant capital outlay: Downtown Courthouse Capital Project Fund had \$133,972, the Health Department Headquarters Capital Fund had \$27,633, and the Enterprise Resource Planning Project Fund had \$10,487, while the Sellwood Bridge Replacement Fund had capital outlay of \$8,673.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$89,282, or approximately 16.4 percent of total General Fund expenditures and 20.4 percent of total "corporate" revenues of General Fund. Corporate revenues include Property Tax, Business Income Tax, Motor Vehicle Rental Tax, State Revenue Sharing, and Interest Earnings; revenues that are available for general use and over which the Board has complete discretion. This balance is consistent with the County's finance and budget policies requiring a 10 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, roads and bridges, and libraries. The business-type activities of the County include sanitary sewer and street lighting districts, and a behavioral health managed care operation.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the legally separate library district, legally separate sanitary sewer district and a legally separate street lighting district, for which the County is financially accountable. The statements also include a legally separate, tax-exempt foundation whose purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries. Financial information for the three *blended component units* are each presented as separate funds with separately issued financial statements. The *discretely presented component unit* is reported separately from the financial information presented for the County itself.

The government-wide financial statements can be found on pages 38-40 of this report.

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

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

The County maintains 32 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)

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 41-46 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 47-49 of this report.

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

The basic fiduciary fund financial statement can be found on page 50 of this report. The combining balance sheet for agency funds and combining statement of changes in assets and liabilities for agency funds can be found on pages 185-186 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 51 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 124 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 119-123.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$935,969 at the close of the most recent fiscal year.

Multnomah County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 645,876	\$ 642,032	\$ 11,377	\$ 13,079	\$ 657,253	\$ 655,111
Capital assets	1,302,613	1,147,238	6,001	5,688	1,308,614	1,152,926
Total assets	<u>1,948,489</u>	<u>1,789,270</u>	<u>17,378</u>	<u>18,767</u>	<u>1,965,867</u>	<u>1,808,037</u>
Deferred outflows of resources	<u>235,846</u>	<u>219,520</u>	<u>4,471</u>	<u>3,629</u>	<u>240,317</u>	<u>223,149</u>
Liabilities:						
Current and other liabilities	244,737	210,176	1,706	2,574	246,443	212,750
Noncurrent liabilities	952,120	961,557	11,554	9,667	963,674	971,224
Total liabilities	<u>1,196,857</u>	<u>1,171,733</u>	<u>13,260</u>	<u>12,241</u>	<u>1,210,117</u>	<u>1,183,974</u>
Deferred inflows of resources	<u>58,964</u>	<u>11,887</u>	<u>1,134</u>	<u>171</u>	<u>60,098</u>	<u>12,058</u>
Net position:						
Net investment in capital assets	1,000,206	818,361	6,001	5,688	1,006,207	824,049
Restricted for:						
Capital projects	48,349	130,459	-	-	48,349	130,459
Roads, bridges and bike path improvements	9,695	11,511	-	-	9,695	11,511
Library operations	34,115	-	-	-	34,115	-
Other programs	22,094	44,079	-	-	22,094	44,079
Unrestricted surplus (deficit)	<u>(185,945)</u>	<u>(179,240)</u>	<u>1,454</u>	<u>4,296</u>	<u>(184,491)</u>	<u>(174,944)</u>
Total net position	<u>\$ 928,514</u>	<u>\$ 825,170</u>	<u>\$ 7,455</u>	<u>\$ 9,984</u>	<u>\$ 935,969</u>	<u>\$ 835,154</u>

The largest portion of the County's net position reflects investment in capital assets (land, work in progress, buildings, improvements, machinery and equipment, bridges and infrastructure), net of accumulated depreciation, and the outstanding debt used to acquire the assets in the amount of \$1,006,207 as compared to \$824,049 a year ago.

The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's restricted net position for capital projects, debt service, and various community support programs is \$114,253 as compared to \$186,049 a year ago. Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a net deficit of \$162,366.

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 2019 and 2018.

Multnomah County's Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 262,816	\$ 225,101	\$ 38,638	\$ 38,340	\$ 301,454	\$ 263,441
Operating grants and contributions	587,246	466,906	-	-	587,246	466,906
Capital grants and contributions	15,474	23,937	-	-	15,474	23,937
Total Program revenues	<u>865,536</u>	<u>715,944</u>	<u>38,638</u>	<u>38,340</u>	<u>904,174</u>	<u>754,284</u>
General revenues:						
Taxes:						
Property	390,396	383,074	-	-	390,396	383,074
Personal income	5	11	-	-	5	11
Business income	99,500	93,400	-	-	99,500	93,400
Other	84,485	76,825	-	-	84,485	76,825
Payments in lieu of taxes	519	786	-	-	519	786
State government shared revenues	12,668	13,192	-	-	12,668	13,192
Grants and contributions not restricted to specific program	9	2,958	-	-	9	2,958
Interest and investment earnings	14,954	6,235	275	124	15,229	6,359
Miscellaneous	-	-	-	42	-	42
Gain on sale of capital assets	24,595	29,811	-	-	24,595	29,811
	<u>627,131</u>	<u>606,292</u>	<u>275</u>	<u>166</u>	<u>627,406</u>	<u>606,458</u>
Total revenues	<u>1,492,667</u>	<u>1,322,236</u>	<u>38,913</u>	<u>38,506</u>	<u>1,531,580</u>	<u>1,360,742</u>
Expenses:						
General government	269,029	420,189	-	-	269,029	420,189
Health services	278,820	242,155	-	-	278,820	242,155
Social services	193,215	217,044	-	-	193,215	217,044
Public safety and justice	254,494	221,307	-	-	254,494	221,307
Community services	244,965	94,327	-	-	244,965	94,327
Library services	70,323	64,736	-	-	70,323	64,736
Roads, bridges and bike path improvements	68,287	111,526	-	-	68,287	111,526
Interest on long-term debt	10,190	10,494	-	-	10,190	10,494
Dunthorpe-Riverdale Service District No. 1	-	-	798	687	798	687
Mid County Service District No. 14	-	-	384	416	384	416
Behavioral Health Managed Care	-	-	40,260	34,207	40,260	34,207
Total expenses	<u>1,389,323</u>	<u>1,381,778</u>	<u>41,442</u>	<u>35,310</u>	<u>1,430,765</u>	<u>1,417,088</u>
Increase (decrease) in net position	103,344	(59,542)	(2,529)	3,196	100,815	(56,346)
Beginning net position	825,170	864,481	9,984	8,616	835,154	873,097
Restatement - net impact of adoption of GASB No. 75	-	20,231	-	(1,828)	-	18,403
Net position - beginning, as restated	<u>825,170</u>	<u>884,712</u>	<u>9,984</u>	<u>6,788</u>	<u>835,154</u>	<u>891,500</u>
Ending net position	<u>\$ 928,514</u>	<u>\$ 825,170</u>	<u>\$ 7,455</u>	<u>\$ 9,984</u>	<u>\$ 935,969</u>	<u>\$ 835,154</u>

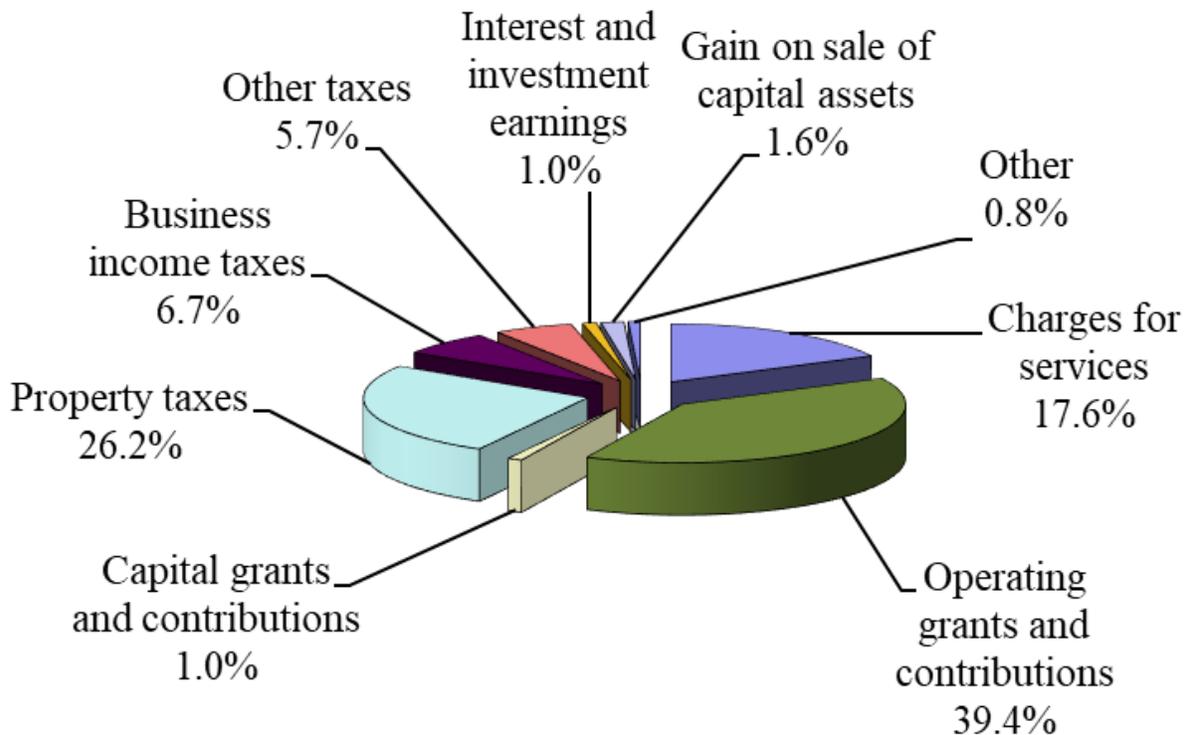
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

Governmental activities. Governmental activities increased the County’s net position by \$103,344; the following are noteworthy reasons for the change from prior year:

- Total program revenues increased 20.9 percent, on a year over year basis. Operating grants and contributions had the largest increase of \$120,340 from the prior year. The eXPRS program which is a significant part of the Developmental Disability Program, has increased \$62,489 from the prior year makes up a substantial portion of this increase. There was an increase in direct funding during the year from the State of \$38,356, in order to complete construction on the Courthouse, which is 31.6 percent of the increase in grants and contributions.
- Tax revenues grew by 3.8 percent in the aggregate from fiscal year 2018. Property tax revenues are up by \$7,322 as a result of increased assessed value growth of 3.1 percent and reduced Measure 50 compression. Business income taxes increased by \$6,100, or 6.5 percent. The overall increase in tax revenues is a reflection of the region’s strong economy.
- Interest and investment earnings increased 139.8 percent, or \$8,719, from the prior fiscal year. The County’s investment strategy provides for a “core” fund and a “liquidity” fund. Core fund investments can have longer maturity dates and have been bolstered by the increasing interest rate environment.

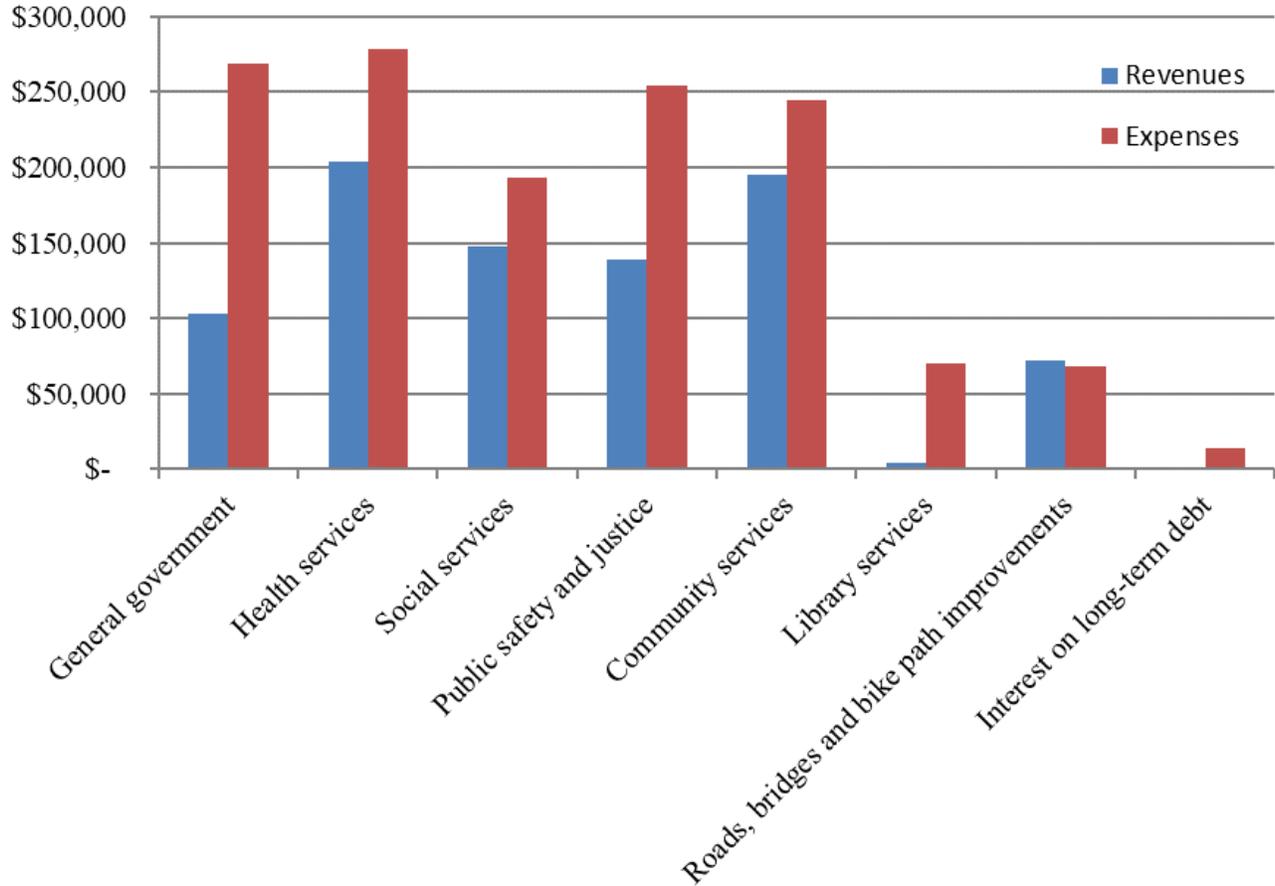
The following graphs show the County’s Governmental Activities revenues by source and expenses by program area.

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 \$2,529, which is attributed to the \$2,756 decrease in net position in the Behavioral Health Managed Care Fund.

The Health Department operates the Multnomah Mental Health (MMH) Risk-Accepting Entity as part of Health Share of Oregon (HSO). MMH serves as the health insurance plan responsible for paying for the mental health benefits associated with HSO's overall membership benefit package. Each month the Health Department receives premium revenue for each member of the MMH health plan. The premium revenue per member per month is established by the Oregon Health Authority (OHA) and risk-adjusted by HSO.

Operating expenditures increased in the Behavioral Health Managed Care Fund by \$6,053. This increase was due to a Medicare provider that did not renew its contract. This resulted in an additional 60,000 Multnomah mental health members. Mental Health and Addiction Services is taking the opportunity to expand its provider network and hire additional staff to provide support to new members.

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 \$89,282 in the General Fund or approximately 87.8 percent of the total fund balance of \$101,640. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total General Fund expenditures of \$545,058. Unassigned fund balance of the General Fund represents 16.4 percent of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$25,087 or 32.8 percent from the prior fiscal year, reflecting revenues that were 2 percent above budgeted amounts while expenditures were 5.7 percent lower than appropriations.

The Federal/State Program Special Revenue Fund has a total fund balance of \$8,049, of which only \$13 is nonspendable due to balances reported for prepaid items and inventories. The remaining balance of \$8,036 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 is in the process of replacing 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 fiscal year 2019 with a total fund balance of \$41,759, a decrease of \$45,694 under the prior year's ending fund balance of \$87,453. This decrease represents spent debt proceeds used to finance construction of the new courthouse.

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

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, \$924
- Mid County Service District No. 14 Fund, \$265
- Behavioral Health Managed Care Fund, \$265

The total change in net position for all proprietary funds was a decrease of \$2,529. 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 \$1,704 and final budgeted expenditures increased by \$2,504 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 \$1,339 primarily for patrol services. The primary reasons for the increase were: nondepartmental final budgeted expenditures increased by \$1,700 which was primarily for pass-through payments to east county cities: \$650 for business income taxes and \$1,000 for the Strategic Investment Program.
- Contingency modifications accounted for increases were budgeted expenditures that 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 \$1,236 from the original to the final budget. Multnomah County Prosecuting Attorneys Association agreement accounted for \$562 of the total transfers, while \$388 accounted for the Day Support Activities agreement. The balance, \$286, represented additions to programs that were identified in Board Budget Notes.

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

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

- Two departments had variances that were outside normal patterns of underspending. Both variances were related to the issues of affordable housing and homeless services. Nondepartmental Services houses the Joint Office on Homeless Services (JOHS). The fiscal year 2019 budget included a \$4,700 appropriation to develop affordable housing. The Department of County Management included a \$1,175 appropriation to purchase a homeless shelter. These appropriations were not expended during the fiscal year and the funds were carried over into fiscal year 2019.
- Business income tax (BIT) revenues were budgeted at \$86,650. Actual BIT collections were \$99,500 in fiscal year 2019. This variance was \$12,850, or 14.8 percent more than budgeted, and is a reflection of the strength of the regional economy.
- During fiscal year ending June 30, 2019 four County owned properties were sold. These properties include the SE District Office for Community Corrections/Central Probation, McCoy building, County Courthouse and the North Williams building. Proceeds from the sales were \$36,860.

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, 2019, amounts to \$1,308,614 (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 net investment in capital assets for the current fiscal year was an increase of \$155,688 or approximately 13.5 percent.

The increase in capital assets is primarily attributable to several projects under construction at the end of fiscal year 2019. The significant additions to construction in process during fiscal 2019 were: \$6,663 for the Sellwood Bridge, \$18,400 for other bridges, \$62,844 for the Courthouse, and \$40,981 for the Health Department headquarters facility. These projects account for \$128,888 of the total \$143,291 increase in construction in process.

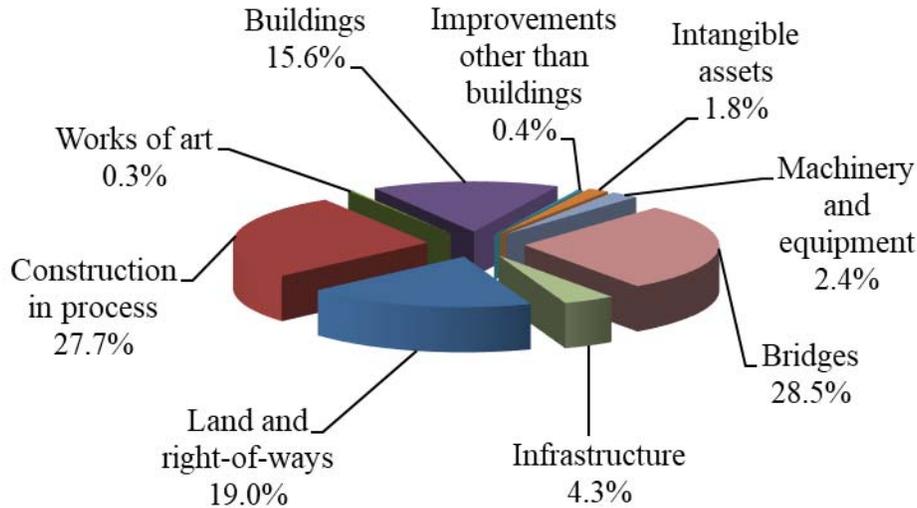
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and right of ways	\$ 248,863	\$ 247,828	\$ -	\$ -	\$ 248,863	\$ 247,828
Construction in process	361,654	218,869	955	449	362,609	219,318
Works of art	4,447	4,447	-	-	4,447	4,447
Buildings	203,924	216,580	-	-	203,924	216,580
Improvements other than buildings	515	555	5,046	5,239	5,561	5,794
Intangible assets, depreciating	23,577	8,055	-	-	23,577	8,055
Machinery and equipment	31,136	32,449	-	-	31,136	32,449
Bridges	372,622	356,590	-	-	372,622	356,590
Infrastructure	55,875	61,865	-	-	55,875	61,865
Total capital assets	\$ 1,302,613	\$ 1,147,238	\$ 6,001	\$ 5,688	\$ 1,308,614	\$ 1,152,926

The following chart highlights the County's capital assets as of June 30, 2019. Additional information on the County's capital assets can be found in Note III.F. *Capital assets* of this report.

Total Capital Assets, Net of Depreciation



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 \$360,592. Of this amount, \$355,698 represented full faith and credit bonds; \$3,358 in loan obligations; and the remainder of \$1,536 represented 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 2019.

Multnomah County's Outstanding Debt

	Governmental Activities	
	2019	2018
Full faith and credit bonds	\$ 355,698	\$ 398,059
Capital leases	1,536	1,736
Loans	3,358	3,466
Total outstanding debt	\$ 360,592	\$ 403,261

The County's total debt decreased by \$42,669 or approximately 10.6 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 Investor Services 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 \$3,455,044. 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 \$1,454,082, 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)

Key Economic Factors and Budget Information for Next Year

- The unemployment rate for the Portland-Vancouver-Hillsboro MSA (Metropolitan Statistical Area) at the close of the fiscal year the rate declined slightly to 3.7 percent. Unemployment rates have not been this low in nearly 50 years. The economy is forecast to remain strong. Employment is expected to grow by 2.1 percent and 1.7 percent in 2019 and 2020, respectively. Personal income growth is projected to increase 5.4 percent in 2019 and 5.3 percent in 2020.
- Property tax revenues are the single largest source of revenue in the General Fund and account for approximately 59 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 3.95 percent in 2020.
- The forecast for fiscal year 2020 assumes that business income tax (BIT) revenues will experience slight decrease. Revenues in fiscal year 2019 were more than \$99,500 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 2020 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 increase by 3 percent in fiscal year 2020. The current forecast assumes that revenues will grow between 2.19 and 3.25 percent over the next five years.
- 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 5.19 percent in fiscal year 2020. 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 and it has been above long-term trends for the past three years. The local CPI is forecast to remain higher than the national CPI.
- 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 three "side accounts" totaling \$75,000 with OPERS. The fiscal year 2020 budget includes an appropriation to fund another \$25,000 side account. When fully amortized, these side accounts will reduce the OPERS rate by an estimated 2.5 percent of payroll and will help the County mitigate future rate increases. In fiscal year 2020 the County will be participating in the PERS Employer Incentive Fund match program created by Senate Bill 1049 to expand side account funding.

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

- In recent years, the County has begun to tackle some of its long-term capital needs. The new Health Department Headquarters facility was completed and opened in March of 2019. Construction continues on the new Multnomah County Central Courthouse. Project completion is anticipated during fiscal year 2020 and is being supported through a partnership with the State of Oregon. 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 Behavior Health Resource Center that will provide transitional housing for homeless people with behavioral health issues and assist people in finding housing and treatment services. When completed these projects will add significantly to the County's asset base and reduce the amount of deferred capital maintenance.
- The County has recently implemented a Strategic Capital Planning program. The program was established to identify and prioritize the County's capital investments in roads, bridges, facilities, and information technology. A Steering Committee comprised of the Chief Operating Officer, Chief Financial Officer, Budget Director, and the department heads responsible for County infrastructure reviews project proposals and sets policy to guide resource allocations. A 20-year capital plan will be presented to the Board of County Commissioners in 2020.

All of these factors were considered in preparing the County's budget for fiscal year 2020.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2019
(amounts expressed in thousands)

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		<u>The Library Foundation</u>
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 365,459	\$ 10,358	\$ 375,817	\$ 19,546
Receivables, net:				
Taxes	23,472	-	23,472	-
Accounts	27,374	884	28,258	-
Loans	3,738	-	3,738	-
Interest	1,896	-	1,896	-
Special assessments	-	33	33	-
Contracts	167	-	167	-
Contributions	-	-	-	180
Inventories	1,870	29	1,899	-
Prepaid items	6,996	-	6,996	23
Split interest and other agreements	-	-	-	563
Current assets (restricted):				
Cash and investments	128,104	-	128,104	116
Receivables, net:				
Taxes	3,623	-	3,623	-
Accounts	78,334	-	78,334	-
Loans	399	-	399	-
Inventories	536	-	536	-
Total current assets	<u>641,968</u>	<u>11,304</u>	<u>653,272</u>	<u>20,428</u>
Noncurrent assets (unrestricted):				
Net OPEB asset - RHIA	3,710	73	3,783	-
Capital assets:				
Capital assets, not being depreciated	614,964	955	615,919	-
Capital assets, net of accumulated depreciation	687,649	5,046	692,695	15
Noncurrent assets (restricted):				
Cash and investment	198	-	198	-
Total noncurrent assets	<u>1,306,521</u>	<u>6,074</u>	<u>1,312,595</u>	<u>15</u>
Total assets	<u>1,948,489</u>	<u>17,378</u>	<u>1,965,867</u>	<u>20,443</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unrestricted:				
OPEB - County Plan	5,786	114	5,900	-
OPEB - RHIA	986	20	1,006	-
Pension	229,074	4,337	233,411	-
Total deferred outflows of resources	<u>235,846</u>	<u>4,471</u>	<u>240,317</u>	<u>-</u>
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	88,603	1,706	90,309	379
Accrued salaries and benefits	12,909	-	12,909	-
Accrued interest payable	1,339	-	1,339	-
Gift annuity payable	-	-	-	5
Unearned revenue	5,487	-	5,487	-

MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2019
(amounts expressed in thousands)

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		<u>The Library Foundation</u>
Current liabilities (payable from unrestricted assets, continued):				
Compensated absences	27,768	-	27,768	-
Bonds payable	26,320	-	26,320	-
Capital leases payable	207	-	207	-
Current liabilities (payable from restricted assets)				
Accounts payable	61,707	-	61,707	-
Accrued salaries and benefits	2,289	-	2,289	-
Loans payable	222	-	222	-
Unearned revenue	17,886	-	17,886	-
Total current liabilities	<u>244,737</u>	<u>1,706</u>	<u>246,443</u>	<u>384</u>
Noncurrent liabilities (payable from unrestricted assets):				
Compensated absences	69	-	69	-
Bonds payable	329,378	-	329,378	-
Capital leases payable	1,329	-	1,329	-
Claims and judgments payable	12,364	-	12,364	-
Other accrued liabilities	412	-	412	-
Net OPEB liability - County Plan	107,130	2,120	109,250	-
Net pension liability	498,302	9,434	507,736	-
Noncurrent liabilities (payable from restricted assets):				
Loans payable	3,136	-	3,136	-
Total noncurrent liabilities	<u>952,120</u>	<u>11,554</u>	<u>963,674</u>	<u>-</u>
Total liabilities	<u>1,196,857</u>	<u>13,260</u>	<u>1,210,117</u>	<u>384</u>
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
OPEB - County Plan	18,373	364	18,737	-
OPEB - RHIA	1,037	21	1,058	-
Pension	39,554	749	40,303	-
Total deferred inflows of resources	<u>58,964</u>	<u>1,134</u>	<u>60,098</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	1,000,206	6,001	1,006,207	15
Restricted for:				
Nonexpendable - library operations	34,115	-	34,115	5,109
Expendable - library operations	-	-	-	4,769
Capital projects, buildings	41,759	-	41,759	-
Capital projects, technology	6,590	-	6,590	-
Community support programs	21,975	-	21,975	-
Document storage and retrieval	119	-	119	-
Road, bridge and bike path improvements	9,695	-	9,695	-
Unrestricted	<u>(185,945)</u>	<u>1,454</u>	<u>(184,491)</u>	<u>10,166</u>
Total net position	<u>\$ 928,514</u>	<u>\$ 7,455</u>	<u>\$ 935,969</u>	<u>\$ 20,059</u>

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

MULTNOMAH COUNTY, OREGON
Statement of Activities
For the year ended June 30, 2019
(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		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 269,029	\$ 94,345	\$ 4,326	\$ 4,105	\$ (166,253)	\$ -	\$ (166,253)	\$ -
Health services	278,820	110,503	83,718	9,499	(75,100)	-	(75,100)	-
Social services	193,215	941	146,314	-	(45,960)	-	(45,960)	-
Public safety and justice	254,494	26,220	113,022	-	(115,252)	-	(115,252)	-
Community services	244,965	14,593	180,948	70	(49,354)	-	(49,354)	-
Library	70,323	2,530	1,977	-	(65,816)	-	(65,816)	-
Roads, bridges, and bike path improvements	68,287	13,684	56,941	1,800	4,138	-	4,138	-
Interest on long-term debt	10,190	-	-	-	(10,190)	-	(10,190)	-
Total governmental activities	1,389,323	262,816	587,246	15,474	(523,787)	-	(523,787)	-
Business-type activities:								
Dunthorpe-Riverdale Service District No. 1	798	889	-	-	-	91	91	-
Mid County Service District No. 14	384	481	-	-	-	97	97	-
Behavioral health managed care	40,260	37,268	-	-	-	(2,992)	(2,992)	-
Total business-type activities	41,442	38,638	-	-	-	(2,804)	(2,804)	-
Total primary government	\$ 1,430,765	\$ 301,454	\$ 587,246	\$ 15,474	\$ (523,787)	\$ (2,804)	\$ (526,591)	\$ -
Component unit:								
The Library Foundation	\$ 2,675	\$ -	\$ 1,686	\$ -	\$ -	\$ -	\$ -	\$ (989)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					390,396	-	390,396	-
Personal income taxes					5	-	5	-
Business income taxes					99,500	-	99,500	-
Selective excise and use taxes					84,485	-	84,485	-
Payments in lieu of taxes					519	-	519	-
State government shared unrestricted revenues					12,668	-	12,668	-
Grants and contributions not restricted to specific programs					9	-	9	743
Interest and investment earnings					14,954	275	15,229	446
Gain on disposal of capital assets					24,595	-	24,595	-
Total general revenues					627,131	275	627,406	1,189
Change in net position					103,344	(2,529)	100,815	200
Net position - beginning					825,170	9,984	835,154	19,859
Net position - ending					\$ 928,514	\$ 7,455	\$ 935,969	\$ 20,059

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

FUND FINANCIAL STATEMENTS

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MULTNOMAH COUNTY, OREGON
Balance Sheet
Governmental Funds
June 30, 2019
(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	\$ 147,804	\$ -	\$ -	\$ 110,237	\$ 258,041
Receivables:					
Taxes	20,035	-	-	3,437	23,472
Accounts, net	26,164	-	-	809	26,973
Loans	3,363	-	-	375	3,738
Interest	1,896	-	-	-	1,896
Contracts	167	-	-	-	167
Due from other funds	10,083	-	-	-	10,083
Inventories	504	-	-	184	688
Prepays and deposits	475	13	-	521	1,009
Restricted:					
Cash and investments	139	7	62,413	65,743	128,302
Receivables:					
Taxes	-	-	-	3,624	3,624
Accounts, net	7,838	59,459	-	11,035	78,332
Loans	-	399	-	-	399
Inventories	-	536	-	-	536
Total assets	<u>\$ 218,468</u>	<u>\$ 60,414</u>	<u>\$ 62,413</u>	<u>\$ 195,965</u>	<u>\$ 537,260</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 66,360	\$ -	\$ -	\$ 10,157	\$ 76,517
Payroll payable	11,186	-	-	904	12,090
Due to other funds	-	-	-	83	83
Unearned revenue	5,018	-	-	455	5,473
Liabilities payable from restricted assets:					
Accounts payable	10	22,454	20,654	18,585	61,703
Payroll payable	-	2,025	-	263	2,288
Due to other funds restricted	-	10,000	-	-	10,000
Internal loans payable	-	-	-	3,000	3,000
Unearned revenue	-	17,886	-	-	17,886
Total liabilities	<u>82,574</u>	<u>52,365</u>	<u>20,654</u>	<u>33,447</u>	<u>189,040</u>
DEFERRED INFLOWS OF RESOURCES					
Unrestricted:					
Resources not yet available:					
Clinic fees	26,623	-	-	-	26,623
Property taxes	7,631	-	-	91	7,722
Restricted:					
Resources not yet available:					
Property taxes	-	-	-	1,983	1,983
Total deferred inflows of resources	<u>34,254</u>	<u>-</u>	<u>-</u>	<u>2,074</u>	<u>36,328</u>
FUND BALANCES					
Nonspendable	979	13	-	705	1,697
Restricted	7,967	8,036	41,759	56,491	114,253
Committed	3,412	-	-	90,829	94,241
Assigned	-	-	-	12,419	12,419
Unassigned	89,282	-	-	-	89,282
Total fund balances	<u>101,640</u>	<u>8,049</u>	<u>41,759</u>	<u>160,444</u>	<u>311,892</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 218,468</u>	<u>\$ 60,414</u>	<u>\$ 62,413</u>	<u>\$ 195,965</u>	<u>\$ 537,260</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, 2019
(dollar amounts expressed in thousands)

Fund balances - governmental funds	\$	311,892
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	1,969,792	
Less accumulated depreciation	<u>(689,635)</u>	1,280,157
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	5,302	
Deferred outflows of resources - OPEB - RHIA	904	
Deferred outflows of resources - pension	<u>209,921</u>	216,127
Accrued interest payable		(1,339)
Long-term liabilities, not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	(355,698)	
Capital leases payable	(1,536)	
Loans payable	(3,358)	
Other accrued liabilities	<u>(81)</u>	(360,673)
Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds		(25,415)
Long-term asset / (liabilities) related to future periods and, therefore, are not reported in the governmental funds:		
Net OPEB - County Plan	(98,172)	
Net OPEB - RHIA	3,400	
Net pension	<u>(456,640)</u>	(551,412)
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	(16,837)	
Deferred inflows of resources - OPEB - RHIA	(950)	
Deferred inflows of resources - pension	<u>(36,247)</u>	(54,034)
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	26,623	
Property taxes	7,674	
Personal Property taxes	2,031	
Mark to market on investments	<u>1,839</u>	38,167
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>75,044</u>
Net position of governmental activities	\$	<u><u>928,514</u></u>

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019
(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	\$ 434,487	\$ -	\$ -	\$ 139,898	\$ 574,385
Payments in lieu of taxes	360	-	-	159	519
Intergovernmental	18,495	450,764	56,281	63,572	589,112
Licenses and permits	13,155	1,112	-	16,042	30,309
Charges for services	63,682	60,463	701	8,032	132,878
Interest	3,504	1	1,626	5,095	10,226
Non-governmental grants	4,078	4,376	-	11,851	20,305
Service reimbursements	35,144	-	-	71,385	106,529
Miscellaneous	4,598	114	56	843	5,611
Total revenues	<u>577,503</u>	<u>516,830</u>	<u>58,664</u>	<u>316,877</u>	<u>1,469,874</u>
EXPENDITURES					
Current:					
General government	96,028	568	-	32,211	128,807
Health services	146,247	136,340	-	2,253	284,840
Social services	74,049	146,408	-	1,379	221,836
Public safety and justice	227,818	51,954	531	8,720	289,023
Community services	673	180,387	-	56,881	237,941
Library services	-	-	-	81,635	81,635
Roads, bridges, and bike path improvements	-	-	-	63,277	63,277
Capital outlay	243	133	133,972	65,642	199,990
Debt service:					
Principal	-	-	-	39,964	39,964
Interest	-	-	-	14,230	14,230
Total expenditures	<u>545,058</u>	<u>515,790</u>	<u>134,503</u>	<u>366,192</u>	<u>1,561,543</u>
Revenues over (under) expenditures	<u>32,445</u>	<u>1,040</u>	<u>(75,839)</u>	<u>(49,315)</u>	<u>(91,669)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,739	-	16,827	103,719	123,285
Transfers out	(28,129)	-	-	(100,042)	(128,171)
Proceeds from sale of capital assets	18,032	-	13,318	8,350	39,700
Loans issued	-	107	-	-	107
Total other financing sources (uses)	<u>(7,358)</u>	<u>107</u>	<u>30,145</u>	<u>12,027</u>	<u>34,921</u>
Net change in fund balances	25,087	1,147	(45,694)	(37,288)	(56,748)
Fund balances - beginning	<u>76,553</u>	<u>6,902</u>	<u>87,453</u>	<u>197,732</u>	<u>368,640</u>
Fund balances - ending	<u>\$ 101,640</u>	<u>\$ 8,049</u>	<u>\$ 41,759</u>	<u>\$ 160,444</u>	<u>\$ 311,892</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, 2019
(dollar amounts expressed in thousands)

Net change in fund balances - governmental funds		\$ (56,748)
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	208,929	
Current year depreciation expense	<u>(39,323)</u>	169,606
Contributed and donated capital assets - received	1,868	
Contributed and donated capital assets - donated	(5,085)	
Proceeds from sale of capital assets	(39,705)	
Gain on disposal of capital assets	<u>24,519</u>	(18,403)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Decrease in deferred inflows of resources - clinic fees	(7,704)	
Decrease in deferred inflows of resources - property taxes	<u>1,202</u>	(6,502)
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		6,652
Repayment of and proceeds from the issuance of long-term debt (including defeased amounts) are reported as expenditures and revenues, respectively, in the governmental funds, but as reductions and increases, respectively, of long-term liabilities in the Statement of Net Position		
		39,858
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	(43,090)	
Other accrued liabilities	(17)	
Decrease in long-term compensated absences	<u>2,992</u>	(40,115)
Current year expense for net other postemployment benefits RHIA and County		(1,023)
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>10,019</u>
Change in net position of governmental activities		<u>\$ 103,344</u>

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

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MAJOR GOVERNMENTAL FUNDS

Major governmental funds are defined as those funds whose revenues, expenditures 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.

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MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 304,223	\$ 304,223	\$ 303,560	\$ (663)
Business income	85,000	86,650	99,500	12,850
Personal income	-	-	5	5
Motor vehicle rental	30,912	30,912	31,374	462
Transient lodging	-	-	48	48
Payments in lieu of taxes	274	274	360	86
Intergovernmental	15,008	15,008	18,495	3,487
Licenses and permits	14,560	14,560	13,155	(1,405)
Charges for services	62,327	62,327	57,328	(4,999)
Interest	1,639	1,639	3,504	1,865
Other:				
Non-governmental grants	7,093	7,093	4,078	(3,015)
Service reimbursements	35,484	35,538	35,144	(394)
Miscellaneous	1,669	1,669	4,598	2,929
Total revenues	558,189	559,893	571,149	11,256
EXPENDITURES				
Current:				
Community justice	68,915	68,973	67,550	1,423
Community services	17,097	17,114	16,087	1,027
County assets	7,814	7,814	7,440	374
County management	40,642	40,592	38,566	2,026
District attorney	25,727	26,289	25,881	408
Health services	152,267	152,269	146,312	5,957
Human services	53,190	53,302	50,071	3,231
Nondepartmental	64,145	65,845	58,699	7,146
Sheriff	133,479	134,818	134,452	366
Contingency	12,092	10,856	-	10,856
Total expenditures	575,368	577,872	545,058	32,814
Revenues over (under) expenditures	(17,179)	(17,979)	26,091	44,070
OTHER FINANCING SOURCES (USES)				
Transfers in	2,003	2,953	2,739	(214)
Transfers out	(22,610)	(28,915)	(28,129)	786
Proceeds from sale of capital assets	150	6,305	18,032	11,727
Loan proceeds	-	-	(850)	(850)
Total other financing sources (uses)	(20,457)	(19,657)	(8,208)	11,449
Net change in fund balances	(37,636)	(37,636)	17,883	55,519
Fund balances - beginning	81,173	81,173	107,016	25,843
Fund balances - ending	\$ 43,537	\$ 43,537	124,899	\$ 81,362
Reconciliation to GAAP Basis:				
Internal loans payable			3,363	
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			(34,327)	
Payments unavailable in prior year, recognized in current year			22,810	
Current year revenues unavailable			(15,105)	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			\$ 101,640	

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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 276,890	\$ 278,642	\$ 272,003	\$ (6,639)
Licenses and permits	1,305	1,305	1,112	(193)
Charges for services	55,161	58,161	60,463	2,302
Interest	-	-	1	1
Non-governmental grants	5,218	5,325	4,376	(949)
Miscellaneous	190	190	114	(76)
Total revenues	<u>338,764</u>	<u>343,623</u>	<u>338,069</u>	<u>(5,554)</u>
EXPENDITURES				
Current:				
Community justice	33,171	33,342	31,614	1,728
Community services	1,035	1,035	193	842
County assets	-	75	64	11
District attorney	8,921	9,107	8,334	773
Health services	134,127	137,125	136,401	724
Human services	110,087	111,066	106,714	4,352
Nondepartmental	42,153	42,886	41,630	1,256
Sheriff	12,617	12,617	12,079	538
Total expenditures	<u>342,111</u>	<u>347,253</u>	<u>337,029</u>	<u>10,224</u>
Revenues over (under) expenditures	(3,347)	(3,630)	1,040	4,670
OTHER FINANCING SOURCES (USES)				
Loans issued	1,000	1,000	107	(893)
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>107</u>	<u>(893)</u>
Net change in fund balances	(2,347)	(2,630)	1,147	3,777
Fund balances - beginning	<u>2,347</u>	<u>2,630</u>	<u>6,902</u>	<u>4,272</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>8,049</u>	<u>\$ 8,049</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>\$ 8,049</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.

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, 2019
(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	\$ 1,123	\$ 261	\$ 8,974	\$ 10,358	\$ 105,579
Receivables:					
Accounts, net	-	-	884	884	400
Special assessments	21	12	-	33	-
Inventories	-	29	-	29	1,183
Prepaid items	-	-	-	-	5,986
Total current assets	<u>1,144</u>	<u>302</u>	<u>9,858</u>	<u>11,304</u>	<u>113,148</u>
Noncurrent assets:					
Internal loans receivable	-	-	-	-	3,000
Net OPEB asset - RHIA	-	-	73	73	310
Capital assets:					
Construction in progress	542	413	-	955	3,350
Other capital assets (net of accumulated depreciation)	3,210	1,836	-	5,046	19,106
Total noncurrent assets	<u>3,752</u>	<u>2,249</u>	<u>73</u>	<u>6,074</u>	<u>25,766</u>
Total assets	<u>4,896</u>	<u>2,551</u>	<u>9,931</u>	<u>17,378</u>	<u>138,914</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB - County Plan	-	-	114	114	484
OPEB - RHIA	-	-	20	20	83
Pension plan	-	-	4,337	4,337	19,152
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>4,471</u>	<u>4,471</u>	<u>19,719</u>
LIABILITIES					
Current liabilities:					
Accounts payable	220	37	1,449	1,706	12,027
Payroll payable	-	-	-	-	818
Unearned revenue	-	-	-	-	14
Compensated absences	-	-	-	-	2,353
Total current liabilities	<u>220</u>	<u>37</u>	<u>1,449</u>	<u>1,706</u>	<u>15,212</u>
Noncurrent liabilities:					
Compensated absences	-	-	-	-	69
Claims and judgments payable	-	-	-	-	12,347
Other accrued payables	-	-	-	-	412
Net OPEB liability - County Plan	-	-	2,120	2,120	8,958
Net pension liability	-	-	9,434	9,434	41,662
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>11,554</u>	<u>11,554</u>	<u>63,448</u>
Total liabilities	<u>220</u>	<u>37</u>	<u>13,003</u>	<u>13,260</u>	<u>78,660</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB - County Plan	-	-	364	364	1,535
OPEB - RHIA	-	-	21	21	87
Pension plan	-	-	749	749	3,307
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,134</u>	<u>1,134</u>	<u>4,929</u>
NET POSITION					
Investment in capital assets	3,752	2,249	-	6,001	22,456
Unrestricted	924	265	265	1,454	52,588
Total net position	<u>\$ 4,676</u>	<u>\$ 2,514</u>	<u>\$ 265</u>	<u>\$ 7,455</u>	<u>\$ 75,044</u>

The notes to the financial statements are an integral part of this statement. 47

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019
(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	\$ 881	\$ 475	\$ -	\$ 1,356	\$ -
Prior assessments	8	5	-	13	-
Charges for services	-	-	-	-	233,316
Intergovernmental charges for services	-	1	37,177	37,178	819
Insurance premiums	-	-	-	-	10,291
Licenses and permits	-	-	-	-	4
Miscellaneous	-	-	91	91	1,879
Total operating revenues	<u>889</u>	<u>481</u>	<u>37,268</u>	<u>38,638</u>	<u>246,309</u>
OPERATING EXPENSES					
Cost of sales and services	661	209	37,555	38,425	235,695
Administration	32	53	2,705	2,790	6,978
Depreciation and amortization	105	122	-	227	4,733
Total operating expenses	<u>798</u>	<u>384</u>	<u>40,260</u>	<u>41,442</u>	<u>247,406</u>
Operating income (loss)	<u>91</u>	<u>97</u>	<u>(2,992)</u>	<u>(2,804)</u>	<u>(1,097)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	29	10	236	275	2,118
Gain (loss) on disposal of capital assets	-	-	-	-	81
Total nonoperating revenues	<u>29</u>	<u>10</u>	<u>236</u>	<u>275</u>	<u>2,199</u>
Income (loss) before contributions and transfers	120	107	(2,756)	(2,529)	1,102
Transfers in	-	-	-	-	6,592
Transfers out	-	-	-	-	(1,706)
Capital contributions in	-	-	-	-	4,105
Capital contributions out	-	-	-	-	(74)
Change in net position	<u>120</u>	<u>107</u>	<u>(2,756)</u>	<u>(2,529)</u>	<u>10,019</u>
Total net position - beginning	<u>4,556</u>	<u>2,407</u>	<u>3,021</u>	<u>9,984</u>	<u>65,025</u>
Total net position - ending	<u>\$ 4,676</u>	<u>\$ 2,514</u>	<u>\$ 265</u>	<u>\$ 7,455</u>	<u>\$ 75,044</u>

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

MULTNOMAH COUNTY, OREGON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019
(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	\$ 914	\$ 494	\$ 38,472	\$ 39,880	\$ 14,758
Receipts for interfund services provided	-	-	-	-	231,708
Payments to suppliers	(870)	(285)	(39,819)	(40,974)	(163,442)
Payments to employees	-	-	-	-	(51,168)
Receipts for interfund services used	146	41	644	831	(23,542)
Net cash provided by (used for) operating activities	<u>190</u>	<u>250</u>	<u>(703)</u>	<u>(263)</u>	<u>8,314</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	6,592
Transfers out	-	-	-	-	(1,706)
Net cash provided by (used for) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,886</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions in	-	-	-	-	4,105
Capital contributions out	-	-	-	-	(74)
Acquisition of capital assets	(147)	(392)	-	(539)	(11,652)
Proceeds from sales of capital assets	-	-	-	-	81
Net cash provided by (used for) capital and related financing activities	<u>(147)</u>	<u>(392)</u>	<u>-</u>	<u>(539)</u>	<u>(7,540)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earnings	29	10	236	275	2,118
Net cash provided by (used for) investing activities	<u>29</u>	<u>10</u>	<u>236</u>	<u>275</u>	<u>2,118</u>
Net increase (decrease) in cash and cash equivalents	72	(132)	(467)	(527)	7,778
Cash and cash equivalents - beginning	1,051	393	9,441	10,885	97,801
Cash and cash equivalents - ending	<u>\$ 1,123</u>	<u>\$ 261</u>	<u>\$ 8,974</u>	<u>\$ 10,358</u>	<u>\$ 105,579</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 91	\$ 97	\$ (2,992)	\$ (2,804)	\$ (1,097)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization of capital assets	105	122	-	227	4,733
Changes in assets, liabilities, and deferred inflows/outflows:					
Receivables, net	25	13	1,204	1,242	187
Inventories	-	(29)	-	(29)	(59)
Prepaid items	-	12	-	12	(2,365)
Capital assets	-	-	-	-	2,617
Accounts payable	(31)	35	(873)	(869)	1,399
Payroll payable	-	-	-	-	(24)
Claims and judgments payable	-	-	-	-	(1,544)
Unearned revenue	-	-	-	-	(27)
Compensated absences	-	-	-	-	(248)
Other accrued payables	-	-	-	-	3
Net OPEB liability - County Plan	-	-	114	114	(1,263)
Deferred outflows - OPEB - County Plan	-	-	(12)	(12)	38
Deferred inflows - OPEB - County Plan	-	-	364	364	1,535
Net OPEB asset - RHIA	-	-	(51)	(51)	(197)
Deferred outflows - OPEB - RHIA	-	-	7	7	51
Deferred inflows - OPEB - RHIA	-	-	10	10	34
Net pension liability	-	-	1,773	1,773	3,935
Deferred outflows - pension	-	-	(836)	(836)	(1,912)
Deferred inflows - pension	-	-	589	589	2,518
Total adjustments	<u>99</u>	<u>\$ 153</u>	<u>2,289</u>	<u>2,541</u>	<u>9,411</u>
Net cash provided by (used for) operating activities	<u>\$ 190</u>	<u>\$ 250</u>	<u>\$ (703)</u>	<u>\$ (263)</u>	<u>\$ 8,314</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 the trust agreement or applicable legislative enactment for each particular fund. The accrual basis of accounting is used to record transactions in the agency funds. The funds included are:

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

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MULTNOMAH COUNTY, OREGON
Statement of Fiduciary Net Position
June 30, 2019
(amounts expressed in thousands)

	<u>Agency Funds</u>
ASSETS	
Restricted assets:	
Cash and investments	\$ 46,330
Taxes receivable	45,060
Total assets	<u>91,390</u>
LIABILITIES	
Liabilities payable from restricted assets:	
Accounts payable	11,202
Due to other governmental units	41,870
Amounts held in trust	38,318
Total liabilities	<u>91,390</u>
NET POSITION	
Total net position	<u>\$ -</u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

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 are 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, 2019
(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 relationship.

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 the 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, 522 SW Fifth Ave, Suite 1103, Portland, Oregon, 97204 or online at:
<http://www.libraryfoundation.org/content.cfm/WHO-WE-ARE/About-Us/Past-trustees-and-other-facts>.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the County is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or 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, 2019
(dollar amounts expressed in thousands)

In addition, functional expenses on the statement of activities include allocated indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

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, 2019, one new special revenue fund was established:

The *Supportive Housing Fund* accounts for expenditures associated with wrap around supportive services for housing, subsidizing the operating and maintenance in built and acquired buildings, and subsidizing rents to create affordability in the open market.

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.

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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

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 split into four categories: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The County reports trust and agency funds.

Trust funds are used to account for assets held by the County under a trust agreement or applicable legislative enactment for individuals, private organizations or other governments and are therefore, not available to support the County's own programs.

Agency funds are custodial in nature (i.e. assets equal liabilities) and do not measure the results of operations. The County's agency funds are primarily established to account for the collection and disbursement of various taxes and to account for receipts and disbursements for individuals who are not capable of handling their own financial affairs.

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

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

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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

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, 2019
(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:

<u>Asset Class</u>	<u>Asset Class in Years</u>	<u>Threshold (in dollars)</u>
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, 2019
(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, 2019
(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.

Net other postemployment benefits (OPEB)

The net OPEB asset / liability is recognized as a long-term asset / liability in the government-wide financial statements.

Multnomah County Postretirement Medical and Life Insurance Plan - For purposes of measuring the net 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 they are 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.

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, 2019
(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, 2019
(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 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
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E. Adoption of new accounting pronouncements and standards

During the fiscal year ended June 30, 2019, the County implemented the following Governmental Accounting Standards Board (GASB) pronouncements:

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for an asset retirement obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable and provides guidance as to the factors that determine when the liability has been incurred and how to determine the measurement of the liability. The County noted no Asset Retirement Obligations to disclose under this Statement.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information disclosed in the notes to the financial statements related to debt, including separate information for direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for the debt, and terms specified in debt agreements related to other specific significant events. It also clarifies which liabilities should be included when disclosing information related to debt. Note III.G. *Long-term debt* has been updated for GASB Statement No. 88, for the fiscal year ending June 30, 2019.

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, 2019:

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 also defines the reporting requirements for such activities. GASB Statement No. 84 will be effective for the County fiscal year ending 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. GASB Statement No. 87 will be effective for the County fiscal year ending June 30, 2021.

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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. GASB Statement No. 89 will be effective for the County fiscal year ending June 30, 2021.

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. GASB Statement No. 90 will be effective for the County fiscal year ending June 30, 2020.

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. GASB Statement No. 91 will be effective for the County fiscal year ending June 30, 2022.

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
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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, and capital outlay.

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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2019 are:

	Primary Government	Fiduciary Activities	Total Government
Cash on hand	\$ 23	\$ -	\$ 23
Deposits with financial institutions	51,072	-	51,072
Investments	453,024	46,330	499,354
Total cash and investments	<u>\$ 504,119</u>	<u>\$ 46,330</u>	<u>\$ 550,449</u>

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

	Unrestricted	Restricted	Total
Governmental activities	\$ 365,459	\$ 128,302	\$ 493,761
Business-type activities	10,358	-	10,358
Fiduciary activities	-	46,330	46,330
Total cash and investments	<u>\$ 375,817</u>	<u>\$ 174,632</u>	<u>\$ 550,449</u>

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
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Custodial risk

At June 30, 2019, the carrying amount of the County's deposits was \$51,072. Of this balance, \$2,964 was covered by depository insurance, Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA), and \$38,863 was collateralized by the PFCP. The remaining carrying amount of \$23 represents petty cash accounts that were uninsured and uncollateralized. The County does not have a policy related to custodial risk over cash.

<u>Insured Deposits by Depository</u>	<u>Cash Balance</u>	<u>Credit Risk</u>
Certificates of deposit (various)	\$ 1,960	Depository insurance FDIC/NCUA
Bank of America	250	Depository insurance FDIC/NCUA
JPMorgan	250	Depository insurance FDIC/NCUA
Washington Federal - money market (MM)	250	Depository insurance FDIC/NCUA
U.S. Bank	195	Depository insurance FDIC/NCUA
U.S. Bank - Cash with fiscal agent	55	Depository insurance FDIC/NCUA
PayPal	4	Depository insurance FDIC/NCUA
Total insured deposits	2,964	
 <u>Uninsured Deposits by Depository</u>		
Umpqua Bank - MM	17,053	Collateralized by PFCP, held by FHLB
Washington Federal - MM	8,017	Collateralized by PFCP, held by FHLB
Umpqua Bank - Retainage	5,555	Collateralized by PFCP, held by FHLB
JPMorgan	4,750	Collateralized by PFCP, held by FHLB
Bank of America	1,784	Collateralized by PFCP, held by FHLB
Willamette Community Bank - MM	1,608	Collateralized by PFCP, held by FHLB
U.S. Bank - Cash with fiscal agent	96	Collateralized by PFCP, held by FHLB
Subtotal collateralized by PFCP	38,863	
U.S. Bank	9,245	Securities held for retainage on capital projects per ORS 279.421
Total uninsured deposits	48,108	
Total deposits with financial institutions	51,072	
Cash on hand	23	Uncollateralized
Total cash and cash equivalents	\$ 51,095	

MULTNOMAH COUNTY, OREGON
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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 comingled with other state funds in the Oregon Short-Term Fund (OSTF). These investments are governed by a written investment policy that is reviewed annually by the, Governor appointed, 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
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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 A-1 or AA by Standard & Poor's Corporation or P-1 or Aa by Moody's Investors Service or the equivalent rating by any nationally recognized statistical rating organization.
2. Notwithstanding item one, corporate indebtedness must be rated A-2 or A by Standard & Poor's and P-2 or A by Moody's, or the equivalent rating by any nationally recognized statistical rating organization when issued by a business enterprise that has its headquarters in Oregon, employs more than 50 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.

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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.

<u>Investment Type / Issuer</u>	<u>Issuer Holding Greater than Five Percent</u>		
	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>Policy Limit</u>
Federal Farm Credit Bank	\$ 65,536	12.2%	25%
Federal Home Loan Bank	38,540	7.2%	25%
Federal Home Loan Mortgage Corporation	34,918	6.5%	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, 2019, the County had the following investments and maturities with a portfolio weighted average maturity of 7.34 months, and a net portfolio yield of 2.25 percent (this table includes fiduciary activities):

<u>Investment Type</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity</u>
U.S. Treasuries	\$ 245,677	\$ 246,110	44.7%	2.23
U.S. Agencies	157,912	158,927	28.9%	3.86
LGIP	51,953	51,953	9.3%	-
Cash and cash equivalents	34,575	34,575	6.3%	-
Corporate debt	29,854	30,075	5.5%	0.57
Municipal debt	12,283	12,453	2.3%	0.64
Deposit securities in lieu of retainage	9,245	9,245	1.7%	-
Certificate of deposit	6,960	6,960	1.3%	0.04
Cash with fiscal agent	151	151	0.0%	-
Total cash and investments	<u>\$ 548,610</u>	<u>\$ 550,449</u>	<u>100.0%</u>	<u>7.34</u>

Interest rate risk

Policies

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

<u>Maturity</u>	<u>Cumulative Constraint</u>
Less than 30 days	10%
Less than 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
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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, 2019, the County had the following interest rate and concentration risk. Credit ratings are noted by Moody's and Standard & Poor's respectively:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Days to Maturity</u>		
			<u>0-90</u>	<u>91-365</u>	<u>366-1095</u>
U.S. Treasuries	\$ 246,110		\$ 141,813	\$ 64,157	\$ 40,140
U.S. Agencies	158,927		39,948	29,989	88,990
LGIP	51,953	AA*	51,953	-	-
Corporate debt	10,107	Aa1/AA+	-	-	10,107
	9,988	Aaa/AAA	9,988	-	-
	9,980	P-1/A-1+	9,980	-	-
Municipal debt	5,226	Aaa/AAA	-	-	5,226
	4,076	Aa2/AAA	-	1,555	2,521
	2,145	AA1/AA+	-	-	2,145
	1,006	Aa2/AA	-	1,006	-
Total	<u>\$ 499,518</u>		<u>\$ 253,682</u>	<u>\$ 96,707</u>	<u>\$ 149,129</u>
Percentage			50.8%	19.4%	29.9%

*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'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.

MULTNOMAH COUNTY, OREGON
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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, 2019	Fair Value Measurements Using			Not Measured at
		Quoted Price in Active Markets for Identical <u>Assets</u> Level 1	Significant Other Observable <u>Inputs</u> Level 2	Significant Unobservable <u>Inputs</u> Level 3	Fair Value
U.S. Treasuries	\$ 246,110	\$ 246,110	\$ -	\$ -	\$ -
U.S. Agencies	158,927	158,927	-	-	-
LGIP	51,953	-	-	-	51,953
Corporate debt	30,075	-	30,075	-	-
Money market accounts	26,929	-	-	-	26,929
Municipal debt	12,453	-	12,453	-	-
Certificate of deposit	6,960	-	-	-	6,960
Total	\$ 533,407	\$ 405,037	\$ 42,528	\$ -	\$ 85,842

* 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, 2019.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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B. Receivables

Receivables as of June 30, 2019, are as follows:

	Governmental Activities						Total
	General Fund	Federal/ State Program Fund	Non- Major Funds	Internal Service Funds	Total Governmental Activities	Business- type Activities	
Receivables:							
Taxes:							
Property	\$ 9,302	\$ -	\$ 3,714	\$ -	\$ 13,016	\$ -	\$ 13,016
Other	10,732	-	3,347	-	14,079	-	14,079
Accounts	35,305	62,389	11,847	400	109,941	884	110,825
Loans	3,363	399	375	-	4,137	-	4,137
Interest	1,896	-	-	-	1,896	-	1,896
Special assessments	-	-	-	-	-	33	33
Contracts	167	-	-	-	167	-	167
Total receivables	60,765	62,788	19,283	400	143,236	917	144,153
Allowance for doubtful accounts	(1,303)	(2,930)	-	-	(4,233)	-	(4,233)
Receivables, net	<u>\$ 59,462</u>	<u>\$ 59,858</u>	<u>\$ 19,283</u>	<u>\$ 400</u>	<u>\$ 139,003</u>	<u>\$ 917</u>	<u>\$ 139,920</u>
Not scheduled for collection during the subsequent year	<u>\$ 3,427</u>	<u>\$ 399</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ -</u>	<u>\$ 4,201</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
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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, 2019 are as follows:

	Governmental Activities				Total
	General Fund	Federal/State Program Special Revenue Fund	Nonmajor Governmental Funds	Internal Service Funds	
<u>Unearned Revenue</u>					
Grant draws prior to meeting all eligibility requirements	\$ -	\$ 16,951	\$ -	\$ -	\$ 16,951
Medicaid and quality incentives prior to meeting all eligibility requirements	4,198	-	-	-	4,198
Loans receivable	-	399	375	-	774
Contracts receivable	150	-	-	-	150
Tax title land sales inventory	17	-	-	-	17
State vaccine inventory	-	536	-	-	536
Miscellaneous	653	-	80	14	747
Total unearned revenue	<u>\$ 5,018</u>	<u>\$ 17,886</u>	<u>\$ 455</u>	<u>\$ 14</u>	<u>\$ 23,373</u>

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
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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, 2019, are as follows:

Fiscal Year Ending June 30,	Amount
2020	\$ 6,511
2021	5,477
2022	4,870
2023	4,342
2024	4,115
2025-2029	17,499
2030-2032	127
Total minimum payments	<u>\$ 42,941</u>

The County recorded \$6,199 in base rent expense for the year ended June 30, 2019. Total rent expense was \$9,334, which includes operating and maintenance costs.

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

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E. Interfund receivables, payables, and transfers

Interfund transfers

The primary purposes of significant transfers include the following:

- The Animal Control Fund transferred \$1,789 to the General Fund to be utilized for animal license fees and other revenue to partially offset Animal Control Program costs.
- The General Fund transferred \$14,000 and the Capital Debt Retirement Fund transferred \$2,827 to the Downtown Courthouse Capital Construction Fund for funding the replacement of the functionally obsolete 100 year old existing courthouse.
- The General Fund transferred \$2,273 to the Capital Improvement Fund for essential repairs on Sheriff boat houses and for MCDC suicide prevention efforts.
- The General Fund transferred \$5,000 to the Supportive Housing Fund to place the Wapato Sale proceeds.
- The Library District Fund reports a transfer of \$79,388 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 \$11,588 to the Library District Capital Construction Fund to fund future capital asset construction.
- The Risk Management Fund transferred \$1,025 to the Willamette River Bridges Fund for a legal settlement adjustment.
- The Sellwood Bridge Replacement Fund transferred \$3,500 to the Burnside Bridge Fund to fund NEPA phase of earthquake readiness study.
- The General Fund transferred \$6,442 to the Facilities Management Fund to be utilized for facilities staff for shelter transition, Vance Property Master Plan, and other projects.

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. Interfund transfers of governmental activities for the year ended June 30, 2019, consist of the following:

	General Fund	Downtown Courthouse Capital Project Fund	Other Nonmajor Funds	Internal Service Funds	Total Transfers Out
Governmental activities:					
General fund	\$ -	\$ 14,000	\$ 7,687	\$ 6,442	\$ 28,129
Other nonmajor funds	2,739	2,827	94,476	-	100,042
Internal service funds	-	-	1,556	150	1,706
Total transfers in:	<u>\$ 2,739</u>	<u>\$ 16,827</u>	<u>\$ 103,719</u>	<u>\$ 6,592</u>	<u>\$ 129,877</u>

MULTNOMAH COUNTY, OREGON
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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. This 10-year loan was authorized by Resolution No. 2015-116. Repayment is interest-only for the first five years. The interest rate is 0.54 percent. It is expected to be repaid in full during the fiscal year ending June 30, 2026. Annual repayments to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2020	\$ -	\$ 16
2021	-	16
2022	594	16
2023	597	13
2024	600	10
2025-2026	1,209	10
Total	<u>\$ 3,000</u>	<u>\$ 81</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

F. Capital assets

Capital asset activity of the primary government, for the year ended June 30, 2019, is as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 29,080	\$ 2,323	\$ -	\$ (1,382)	\$ 30,021
Land use rights	218,748	-	94	-	218,842
Construction in progress	218,869	203,061	(57,476)	(2,800)	361,654
Works of art	4,447	-	-	-	4,447
Total capital assets, not being depreciated or amortized	<u>471,144</u>	<u>205,384</u>	<u>(57,382)</u>	<u>(4,182)</u>	<u>614,964</u>
Capital assets, being depreciated or amortized:					
Buildings	422,910	2,067	7,039	(32,903)	399,113
Improvements other than buildings	1,010	-	-	-	1,010
Machinery and equipment	106,089	10,055	(6,307)	(7,697)	102,140
Bridges	449,675	-	26,153	-	475,828
Intangible assets	15,394	-	26,852	-	42,246
Infrastructure	383,255	-	3,645	-	386,900
Total capital assets being depreciated or amortized	<u>1,378,333</u>	<u>12,122</u>	<u>57,382</u>	<u>(40,600)</u>	<u>1,407,237</u>
Less accumulated depreciation or amortization for:					
Buildings	(206,330)	(10,798)	(14)	21,953	(195,189)
Improvements other than buildings	(455)	(40)	-	-	(495)
Machinery and equipment	(73,640)	(9,135)	7,063	4,708	(71,004)
Bridges	(93,085)	(10,121)	-	-	(103,206)
Intangible assets	(7,339)	(4,282)	(7,048)	-	(18,669)
Infrastructure	(321,390)	(9,634)	(1)	-	(331,025)
Total accumulated depreciation or amortization	<u>(702,239)</u>	<u>(44,010)</u>	<u>-</u>	<u>26,661</u>	<u>(719,588)</u>
Total capital assets being depreciated or amortized, net	676,094	(31,888)	57,382	(13,939)	687,649
Governmental activities capital assets, net	<u>\$ 1,147,238</u>	<u>\$ 173,496</u>	<u>\$ -</u>	<u>\$ (18,121)</u>	<u>\$ 1,302,613</u>
Business-type activities:					
Capital assets, not being depreciated or amortized:					
Construction in progress	\$ 449	\$ 540	\$ (34)	\$ -	\$ 955
Total capital assets, not being depreciated or amortized	<u>449</u>	<u>540</u>	<u>(34)</u>	<u>-</u>	<u>955</u>
Capital assets, being depreciated or amortized:					
Improvements other than buildings	9,078	-	34	-	9,112
Total capital assets being depreciated or amortized	<u>9,078</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>9,112</u>
Less accumulated depreciation or amortization for:					
Improvements other than buildings	(3,839)	(227)	-	-	(4,066)
Total accumulated depreciation or amortization	<u>(3,839)</u>	<u>(227)</u>	<u>-</u>	<u>-</u>	<u>(4,066)</u>
Total capital assets being depreciated or amortized, net	5,239	(227)	34	-	5,046
Business-type activities capital assets, net	<u>\$ 5,688</u>	<u>\$ 313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,001</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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Fully depreciated/amortized capital assets at June 30, 2019 totaled \$119,845, all of which were available to be used in governmental type activities. Capital assets are evaluated annually for impairment. Fully depreciated/amortized capital assets are comprised of:

	Acquisition Value
Buildings	\$ 2,392
Bridges	58,343
Machinery & Equipment:	
Equipment, miscellaneous	32,507
Heavy equipment	1,595
Technology equipment	7,241
Vehicles	9,584
Intangibles:	
Software, developed internally	2,180
Software, purchased	6,003
Total	\$ 119,845

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

Function/program	Depreciation or Amortization Expense
Governmental activities:	
General government	\$ 15,689
Health services	420
Social services	104
Public safety and justice	1,033
Community services	2,426
Library	5,239
Roads, bridges, and bike path improvements	19,099
Total depreciation or amortization expense – governmental activities	\$ 44,010
Business-type activities:	
Sewer	\$ 105
Lighting	122
Total depreciation or amortization expense – business-type activities	\$ 227

At July 1, 2018, \$15,394 in assets and \$7,339 in accumulated depreciation were segregated from Machinery and equipment to a new class of assets, Intangible assets.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019
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G. Long-term debt

For the fiscal year ended June 30, 2019, 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, 2019, \$52,593 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 4.7 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, 2019 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, 2019, the outstanding balance on the Series 2012 bonds was \$101,120 and the balance on the unamortized premium was \$14,779.

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. At June 30, 2019, the outstanding balance on the Series 2014 bonds was \$4,780 and the balance on the unamortized premium was \$427.

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, 2019, the outstanding balance on the Series 2017 bonds was \$152,540 and the balance on the unamortized premium was \$14,459.

MULTNOMAH COUNTY, OREGON
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Full faith and credit bond obligations outstanding at year-end are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.00-7.74%	\$ 326,033

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

Fiscal Year Ending June 30,	Principal	Interest
2020	\$ 23,709	\$ 31,526
2021	20,858	32,257
2022	21,488	33,093
2023	22,164	33,959
2024	22,866	34,865
2025-2029	88,883	193,198
2030-2034	68,135	55,537
2035-2039	25,290	8,939
2040-2044	19,190	5,053
2045-2047	13,450	1,090
Subtotal	326,033	\$ 429,517
Premiums on long-term debt	29,665	
Total	\$ 355,698	

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	\$ 302,324	\$ 23,709	\$ 326,033
Premiums on long-term debt	27,054	2,611	29,665
Total	\$ 329,378	\$ 26,320	\$ 355,698

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
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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	(1,916)
Total	\$ 1,231

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

Purpose	Interest Rates	Amount
Governmental activities	1.75-10.31%	\$ 1,536

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2020	\$ 207	\$ 95
2021	213	88
2022	221	81
2023	228	72
2024	52	66
2025-2029	356	235
2030-2032	259	36
Total	\$ 1,536	\$ 673

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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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.

Repayments begin 90 days after the project completion date or the project completion deadline of December 31, 2019, whichever is earlier. The maturity date is the sixth anniversary of the repayment commencement date. The final amount of the IFA loan draws is uncertain and not yet in repayment status; therefore, are excluded from the annual maturity schedule on the following page.

As of June 30, 2019, proceeds and obligations from the IFA are:

<u>Oregon Infrastructure Finance Authority</u>	<u>Interest Rates</u>	<u>Maximum Available</u>	<u>Reimbursement Draws Received / Obligation</u>	<u>Amount Available to Draw</u>
MCDD loan draws (A)	0.00%	\$ 1,000	\$ 1,000	\$ -
MCDD loan draws (B)	1.84%	1,518	59	1,459
Total MCDD loan draws		<u>2,518</u>	<u>1,059</u>	<u>1,459</u>
SDIC loan draws (A)	0.00%	500	452	48
SDIC loan draws (B)	1.84%	450	-	450
Total SDIC loan draws		<u>950</u>	<u>452</u>	<u>498</u>
Total IFA contract No. X16001		<u>3,468</u>	<u>1,511</u>	<u>1,957</u>
SIDIC loan draws (C-1)	0.00%	191	94	97
SIDIC loan draws (C-2)	1.84%	142	-	142
Total SIDIC loan draws - Total IFA contract No. J16002		<u>333</u>	<u>94</u>	<u>239</u>
Totals - all contracts		<u>\$ 3,801</u>	<u>\$ 1,605</u>	<u>\$ 2,196</u>

MULTNOMAH COUNTY, OREGON
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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 \$1,753 at June 30, 2019. The ODOT loan obligations outstanding at year-end are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.98%	\$ 1,753

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
2020	\$ 222	\$ 70
2021	231	61
2022	240	52
2023	250	42
2024	259	32
2025-2026	551	33
Total	\$ 1,753	\$ 290

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.

The calculation for pollution remediation obligation is an estimate determined by management using the expected cash flow technique and applying probabilities to the pollution remediation activities. Estimates of pollution remediation obligations are subject to changes resulting from price increases and 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 clean up action is required at this time. The County does not have a pollution remediation liability for fiscal year 2019.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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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 and internal service funds was \$69. The total amount outstanding at June 30, 2019 was \$27,837.

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, 2019 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	\$ 28,406	\$ 362	\$ 74	\$ 1,638	\$ 42	\$ 554	\$ 2,670	\$ 31,076
Earned	18,465	255	59	961	44	446	1,765	20,230
Used	(21,456)	(297)	(64)	(1,153)	(46)	(453)	(2,013)	(23,469)
Ending balance	<u>\$ 25,415</u>	<u>\$ 320</u>	<u>\$ 69</u>	<u>\$ 1,446</u>	<u>\$ 40</u>	<u>\$ 547</u>	<u>\$ 2,422</u>	<u>\$ 27,837</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Adjustments & Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Full faith and credit bonds	\$ 365,783	\$ -	\$ 39,750	\$ 326,033	\$ 23,709
Unamortized premiums-bonds	32,276	-	2,611	29,665	2,611
Total bonds	398,059	-	42,361	355,698	26,320
Capital leases	1,736	-	200	1,536	207
Loans payable	3,466	107	215	3,358	222
Long-term debt before other long-term liabilities	403,261	107	42,776	360,592	26,749
Compensated absences	31,076	20,230	23,469	27,837	27,768
Governmental activities - long-term liabilities	<u>\$ 434,337</u>	<u>\$ 20,337</u>	<u>\$ 66,245</u>	<u>\$ 388,429</u>	<u>\$ 54,517</u>

There are no outstanding notes, or lines at June 30, 2019. There are no assets pledged as collateral for Multnomah County debt.

MULTNOMAH COUNTY, OREGON
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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, 2019, \$5,230 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
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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, 2019
Adventist Health System/West:				
Revenue Bonds, due September 1, 2021 and September 1, 2040	2009A	9/15/2009	\$ 66,535	\$ 66,535
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	11,810
Terwilliger Plaza:				
Revenue and Refunding Bonds, due serially through December 1, 2029	2012	1/1/2012	18,245	13,325
Odd Fellows Home-Friendship Health Center:				
Variable Rate Demand Revenue Refunding Bonds, due serially through September 15, 2020	2013A	7/12/2013	6,975	6,085
Holladay Park Plaza:				
Revenue Bonds, due serially through December 1, 2043	2013A	10/31/2013	14,138	9,829
Parkview Christian Retirement Community Project:				
Variable Rate Revenue Refunding Bonds, due serially through November 1, 2034	2013	12/12/2013	7,315	6,088
Pacific Mirabella (at South Waterfront Project):				
Variable Rate Demand Revenue Refunding Bonds, due serially through October 1, 2049	2014A	9/30/2014	93,380	89,440
Terwilliger Plaza Inc.:				
Revenue Refunding Bonds, due serially through December 1, 2036	2016	6/15/2016	13,625	12,520
			<u>\$ 234,673</u>	<u>\$ 215,632</u>

MULTNOMAH COUNTY, OREGON
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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, 2019, 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	\$ 504	\$ -	\$ -	\$ 184	\$ 688
Prepaid items	475	13	-	521	1,009
Restricted:					
Capital projects, buildings	-	-	41,759	-	41,759
Capital projects, technology	-	-	-	6,590	6,590
Community support programs	7,848	8,036	-	6,091	21,975
Document storage and retrieval	119	-	-	-	119
Library operations	-	-	-	34,115	34,115
Roads, bridges and bike path improvements	-	-	-	9,695	9,695
Committed:					
Capital projects, buildings	-	-	-	45,002	45,002
Capital projects, technology	-	-	-	2,551	2,551
Community support programs	3,412	-	-	5,190	8,602
Debt service	-	-	-	35,667	35,667
Roads, bridges and bike path improvements	-	-	-	2,419	2,419
Assigned:					
Capital equipment acquisition	-	-	-	122	122
Community support programs	-	-	-	412	412
Library operations	-	-	-	6,226	6,226
Roads, bridges and bike path improvements	-	-	-	5,659	5,659
Unassigned	89,282	-	-	-	89,282
Total fund balances	<u>\$ 101,640</u>	<u>\$ 8,049</u>	<u>\$ 41,759</u>	<u>\$ 160,444</u>	<u>\$ 311,892</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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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 did not reach. The decision to self-fund anticipated motor vehicle property losses occurred last fiscal year.

The County established risk management programs for liabilities and first party losses whereby 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, 2019, 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. A discount factor 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.

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

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
<u>Changes in Claims Liabilities</u>		
Unpaid claims, beginning of fiscal year	\$ 13,891	\$ 11,089
Incurred claims (including IBNRs)	34,331	36,685
Actuarial adjustment	(3,011)	(2,691)
Claim payments	(32,847)	(31,192)
Unpaid claims, end of fiscal year	<u>\$ 12,364</u>	<u>\$ 13,891</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, 2019.

Construction Commitments	Fiscal Year Ended June 30, 2019	Financing Sources
Buildings	\$ 83,529	State of Oregon reimbursements, long-term debt, intergovernmental agreements, internal service charges, grant funding, General Fund
Bridges	8,298	State motor vehicle fees, vehicle fuel taxes, grant funding, and internal loan proceeds
Technology	30,878	Internal service charges, General Fund, limited debt proceeds from long-term debt
Roads	7,498	State motor vehicle fees, vehicle fuel taxes, land development activity, grant funding, Oregon Department of Transportation loan agreement
Total	<u>\$ 130,203</u>	

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Labor agreements

There are eleven labor agreements between the County and its employees. Contracts may be viewed online at: <https://multco.us/employee-labor-relations/labor-contracts>.

	<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 88-4, 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, 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 writing to OPERS, PO Box 23700, Tigard, OR 97281-3700, online: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx> or by telephone (503) 598-7377.

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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 0.50 percent of annual covered payroll for Tier One and Two employees, and 0.43 percent 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, 2019 was 0.26 percent of the covered payroll, 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
2016	\$ 1,606
2017	1,678
2018	1,641
2019	1,006

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

For the fiscal year ended June 30, 2019, the County reported an asset of \$3,783 for its proportionate share of the collective net RHIA OPEB asset. The collective net RHIA OPEB asset was measured as of June 30, 2018 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, 2016. 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, 2019 and June 30, 2018 was 3.389 and 3.347 percent respectively, resulting in an increase of 0.0042 percent.

For the year ended June 30, 2019, the County recognized a reduction in expenses for RHIA OPEB of \$1,354. At June 30, 2019, 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	\$ -	\$ (214)	\$ (214)
Changes of assumptions	-	(12)	(12)
Net difference between projected and actual earnings on investments	-	(817)	(817)
Changes in proportionate share	-	(15)	(15)
Total (prior to post-measurement date contributions)	-	(1,058)	(1,058)
Contributions made subsequent to measurement date	1,006	-	1,006
Net deferred outflows / (inflows) of resources	<u>\$ 1,006</u>	<u>\$ (1,058)</u>	<u>\$ (52)</u>

Deferred outflows of resources of \$1,006 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:

<u>Fiscal Year Ending June 30,</u>	<u>Differences between Expected and Actual Experience</u>	<u>Changes in Assumptions</u>	<u>Net Difference Between Projected and Actual Earnings on Investments</u>	<u>Changes in Proportionate Share</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
2020	\$ (93)	\$ (5)	\$ (245)	\$ (8)	\$ (351)
2021	(93)	(5)	(245)	(6)	(349)
2022	(28)	(2)	(245)	(1)	(276)
2023	-	-	(82)	-	(82)
2024 and thereafter	-	-	-	-	-
Total	<u>\$ (214)</u>	<u>\$ (12)</u>	<u>\$ (817)</u>	<u>\$ (15)</u>	<u>\$ (1,058)</u>

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Actuarial methods and assumptions used in developing total RHIA OPEB asset

The total RHIA OPEB asset based on the December 31, 2016 valuation was determined using the following actuarial methods and assumptions:

Valuation date	December 31, 2016
Measurement date	June 30, 2018
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.

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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:

	<u>1% Decrease</u> <u>(6.20)%</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.20)%</u>	<u>1% Increase</u> <u>(8.20)%</u>
County's proportionate share of the net OPEB asset	\$ (2,203)	\$ (3,783)	\$ (5,129)

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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 2015 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 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	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Intermediate-Term Bonds	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds – Diversified	2.50%	4.09%
Hedge Fund – Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation - Mean		2.50%

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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 net 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 June 30, 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, 853 retirees were enrolled 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 2019, the County contributed \$6,221 to the Plan, of which \$3,013 was explicitly contributed as part of the contractual obligation described above; the remaining \$3,503 represents the implicit subsidy derived from active employee contributions. Administrative expenses of \$295 are included in the explicit contributions.

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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, 2019
Actuarial assumptions:	
Discount rate:	
As of January 1, 2017	3.78 percent
As of January 1, 2018	3.44 percent
As of January 1, 2019	4.10 percent
	(Bond Buyer 20-Bond GO Index as of December 29, 2016, December 28, 2017, and December 27, 2018)
Healthcare cost trends	Ranges from 6.8 percent in 2019 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

The actuarial valuation report does not reflect future changes in benefits, penalties, taxes, or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010, related legislation, or regulations except for excise tax "Cadillac Tax" that commences in years 2018 and after. This is a 40 percent excise tax, commencing in years 2022 and after, on the excess of the value of the medical benefits provided to employees and retirees compared to a baseline amount set in the Affordable Care Act. This valuation includes an explicit estimate of the value of the excise tax for this plan. The estimate compares the expected premium costs for retirees in all future years to the projected baseline excise tax thresholds and for years where the expected premium costs exceed the thresholds, values the 40 percent excise tax.

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.

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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 claims costs were updated to reflect current benefits, current marketplace, and plan experience.

The discount rate was changed to match the yield on a 20-year general obligation bond.

Demographic assumptions including retirement rates, disability rates, termination rates, and mortality rates were updated to match the assumptions developed in the 2016 OPERS experience study.

The assumed rate of spousal coverage for future retirees from Local 88 was updated to better reflect recent experience.

Changes in total OPEB liability

The table below shows the changes in the total OPEB liability during the measurement period ending on January 1, 2019.

Changes in Total OPEB Liability	Total OPEB Liability
Balance at January 1, 2018	\$ 125,473
Changes for the year:	
Service cost	7,519
Interest	4,338
Changes of benefits	-
Differences between expected and actual experience	(15,208)
Changes of assumptions	(6,651)
Benefit payments:	
Explicit subsidy	(2,718)
Implicit subsidy	(3,503)
Net changes	(16,223)
Balance at January 1, 2019	\$ 109,250

During the measurement year, the total OPEB liability decreased by \$16.2 million. The service cost and interest cost increased the total OPEB liability by \$11.9 while benefit payments reduced the total OPEB liability by \$6.2 million.

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There were no changes in benefits during the measurement year. There were changes in assumptions during the measurement year, which included a reduction in the discount rate and changes in demographic assumptions, which decreased the total OPEB liability by approximately \$6.7 million. There was a liability loss during the year due primarily due to changes in health care costs, reflecting changes in premiums, demographics, and a change in the aging curves used to estimate health claims at different ages, which decreased the total OPEB liability by approximately \$15.2 million.

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 3.10%	Current Discount Rate 4.10%	1% Increase 5.10%
Net OPEB liability	\$ 116,963	\$ 109,250	\$ 102,060

A one percent decrease in the discount rate increases the total OPEB liability by approximately 7.1 percent and a one percent increase in the discount rate decreases the total OPEB liability by approximately 6.6 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
Net OPEB liability	\$ 99,278	\$ 109,250	\$ 120,792

A one percent decrease in the healthcare trends decreases the total OPEB liability by approximately 9.1 percent and a one percent increase in the healthcare trends increases the total OPEB liability by approximately 10.6 percent.

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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.

<u>Schedule of Deferred Outflows / (Inflows) of Resources</u>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows / (Inflows) of Resources
Differences between expected and actual experience	\$ 594	\$ (13,036)	\$ (12,442)
Changes in assumptions	2,063	(5,701)	(3,638)
Subtotal	<u>2,657</u>	<u>(18,737)</u>	<u>(16,080)</u>
Contributions subsequent to the measurement date:			
Explicit subsidy	1,309	-	1,309
Implicit subsidy	1,748	-	1,748
Administrative expenses	186	-	186
Total contributions subsequent to measurement date	<u>3,243</u>	<u>-</u>	<u>3,243</u>
Net deferred outflows / (inflows) of resources	<u>\$ 5,900</u>	<u>\$ (18,737)</u>	<u>\$ (12,837)</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, 2020. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	Future Recognition of OPEB Expense
2020	\$ (2,591)
2021	(2,591)
2022	(2,591)
2023	(2,591)
2024	(2,591)
Thereafter	<u>(3,125)</u>
Total	<u>\$ (16,080)</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.

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During the year, actual experience differed from assumed experience (including a change in the assumed excise tax) decreasing the total OPEB liability by \$15.2 million. Approximately \$2.2 million is recognized in the current year and an identical amount will be recognized in each of the next six years. Unrecognized experience losses from the prior year were \$0.7 million, of which \$0.1 million is recognized in the current year. As of January 1, 2019, unrecognized experience gains and losses from the current and prior years result in deferred inflows of resources of approximately \$13 million and a deferred outflow of resources of approximately \$0.6 million.

In addition, changes in assumptions decreased the total OPEB liability by approximately \$6.7 million. Approximately \$1 million 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 were \$2.5 million, of which \$0.4 million is recognized in the current year. As of January 1, 2019, unrecognized assumption changes from the current and prior years result in a deferred outflow of resources of approximately \$2.1 million and a deferred inflow of resources of approximately \$5.7 million.

Aggregated information on OPEB plans

For the year ended June 30, 2019, the County recognized a net OPEB expense of \$1,651. The aggregate balance of the County's net OPEB liability, deferred outflows, deferred inflows, and expense related to other postemployment benefits for the County Plan and OPERS RHIA as of June 30, 2019 is as follows:

	County Plan	OPERS RHIA	Totals
Governmental activities:			
Net OPEB asset (liability)	\$ (107,130)	\$ 3,710	\$ (103,420)
Deferred outflows	5,786	986	6,772
Deferred inflows	(18,373)	(1,037)	(19,410)
Expense related to OPEB	2,537	(1,320)	1,217
Total governmental activities	<u>(117,180)</u>	<u>2,339</u>	<u>(114,841)</u>
Business-type activities:			
Net OPEB asset (liability)	(2,120)	73	(2,047)
Deferred outflows	114	20	134
Deferred inflows	(364)	(21)	(385)
Expense related to OPEB	469	(35)	434
Total business-type activities	<u>(1,901)</u>	<u>37</u>	<u>(1,864)</u>
Totals:			
Net OPEB asset (liability)	(109,250)	3,783	(105,467)
Deferred outflows	5,900	1,006	6,906
Deferred inflows	(18,737)	(1,058)	(19,795)
Expense related to OPEB	3,006	(1,355)	1,651
Totals	<u>\$ (119,081)</u>	<u>\$ 2,376</u>	<u>\$ (116,705)</u>

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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 component 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: <http://www.oregon.gov/pers/Pages/index.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.

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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) in accordance with the Moro decision.

Contributions

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.

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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 \$22,288 of the employees' contribution for the year ended June 30, 2019. This "pick-up" is allocated to each employee's Individual Account Program (IAP).

The County's employer contribution rates for the year ended June 30, 2019 were 19 percent for Tier One/Tier Two members, 10.74 percent for OPSRP General Service members, and 15.51 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, 2019 were:

	Contributions
Pension Benefits	\$ 18,083
OPSRP Defined Benefit	14,026
Subtotal	32,109
Side Account	25,000
Side Account Amortization	(1,762)
Side Account subtotal	23,238
Total Defined Benefit Pension	\$ 55,347
OPSRP IAP Benefits	\$ 13,155
RHIA Benefits	\$ 1,006

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. 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.

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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.

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) in accordance with the Moro decision.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

For the fiscal year ended June 30, 2019, the County reported a liability of \$507,736 for its proportionate share of the collective OPERS net pension liability. The collective net pension asset/liability was measured as of June 30, 2018, using the actuarial valuation of December 31, 2016. 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, 2019 and June 30, 2018 was 3.352 and 3.492 percent respectively, resulting in a decrease of 0.14 percent.

For the year ended June 30, 2019, the County recognized a total pension expense of \$104,165. 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, 2019 is as follows:

	Pension
Governmental activities:	
Net Pension asset (liability)	\$ (498,302)
Deferred outflows	229,074
Deferred inflows	(39,554)
Expense related to Pension	100,932
Total governmental activities	(207,850)
Business-type activities:	
Net Pension asset (liability)	(9,434)
Deferred outflows	4,337
Deferred inflows	(749)
Expense related to Pension	3,233
Total business-type activities	(2,613)
Totals:	
Net Pension asset (liability)	(507,736)
Deferred outflows	233,411
Deferred inflows	(40,303)
Expense related to Pension	104,165
Totals	\$ (210,463)

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The county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	\$ 17,272	\$ -	\$ 17,272
Changes of assumptions	118,048	-	118,048
Net difference between projected and actual earnings on investments	-	(22,546)	(22,546)
Changes in proportionate share	941	(14,820)	(13,879)
Differences between employer contributions and proportionate share of contributions	41,803	(2,937)	38,866
Total (prior to post-measurement date (MD) contributions)	<u>178,064</u>	<u>(40,303)</u>	<u>137,761</u>
Contributions subsequent to the MD	55,347	-	55,347
Net deferred outflows / (inflows) of resources	<u>\$ 233,411</u>	<u>\$ (40,303)</u>	<u>\$ 193,108</u>

Deferred outflows of resources of \$55,347 were reported related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. 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
2020	\$ 7,069	\$ 39,396	\$ 17,235	\$ (3,373)	\$ 9,153	\$ 69,480
2021	5,654	39,396	(167)	(3,776)	10,603	51,710
2022	3,306	21,927	(30,291)	(3,334)	10,968	2,576
2023	1,147	14,440	(9,323)	(2,843)	7,053	10,474
2024	96	2,889	-	(553)	1,089	3,521
Thereafter	-	-	-	-	-	-
Total	<u>\$ 17,272</u>	<u>\$ 118,048</u>	<u>\$ (22,546)</u>	<u>\$ (13,879)</u>	<u>\$ 38,866</u>	<u>\$ 137,761</u>

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Actuarial methods and assumptions used in developing total pension liability

The total pension liability based on the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2016
Measurement date	June 30, 2018
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 (reduced from 7.50 percent)
Discount rate	7.20 percent (reduced from 7.50 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.

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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	\$ 848,522	\$ 507,736	\$ 226,444

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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 2015, 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	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Intermediate-Term Bonds	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds – Diversified	2.50%	4.09%
Hedge Fund – Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation - Mean		2.50%

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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, 2019 was \$903 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.

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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, 2019, the amount deferred and investment earnings thereon, adjusted to fair value, amount to \$460,286. 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.

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New Housing Homebuyer Opportunity Limited Tax Exemption (ORS 307.651 to ORS307.687)

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.

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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.

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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.

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For the fiscal year ended June 30, 2019, Multnomah County abated property taxes totaling \$8,323 under these programs:

Tax Abatement Programs	Taxes Abated Fiscal Year Ended June 30, 2019
Tax abatements granted by other governments:	
Low Income Rental Housing Program	2,439
Enterprise Loan Programs	2,683
New Housing Homebuyer Opportunity Limited Tax Exemptions	422
Core Area Multi-Unit and Transit Oriented Development	612
Historic Property (2 Term, 10 Year, and 15 Year)	2,164
Riparian Habitat Land	3
Total property taxes abated	\$ 8,323

F. Subsequent events

Changes in Oregon Public Employees Retirement System Plan Provision Subsequent to Measurement Date

On June 11, 2019, Senate Bill 1049 (SB1049) 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 1 and Tier 2 employees and contribution rate adjustments. The effect for SB1049 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 SB1049. The County cannot predict whether the petitioners will be successful in whole or in part or what the impact of a successful challenge may be. Further, the County cannot predict whether SB1049 will be subject to additional legal challenges that could affect some or all of its provisions.

Vehicle Registration Fees

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 1st 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.

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Change in Healthcare Tax Laws

In December of 2020, the Federal Government has repealed a tax on high-cost employer health insurance. This tax was originally part of the 2010 Affordable Care Act which required health plans meeting specific criteria to be taxed at a higher rate. This is no longer being evaluated in the funding policy for postretirement employees.

Debt Activity

On September 12, 2019 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.

<u>Origination Date</u>	<u>Principal</u>	<u>Length in Years</u>	<u>Interest Rate</u>
9/12/2019	\$ 16,075	10	1.74%

Conduit Debt Activity

On August 8, 2019 The Hospital Facilities Authority of Multnomah County approved the request from Terwilliger Plaza, Inc., an Oregon nonprofit corporation (the “Borrower”), and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, to execute and deliver Revenue Bonds, in one or more series, in an aggregate principal amount not to exceed \$25,000.

On October 25, 2019 The Hospital Facilities Authority of Multnomah County approved the request from Adventist Health System/West, a California nonprofit religious corporation (the “Corporation”), the issuance of bonds in an amount sufficient, together with other moneys available therefore, to (i) refund the Authority’s Revenue Bonds (Adventist Health System/West), Series 2009A, dated September 30, 2009, and issued in the original aggregate principal amount of \$66,535.

REQUIRED SUPPLEMENTARY INFORMATION

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MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019
(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 Three 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
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 Three 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
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, 2019
(dollar amounts expressed in thousands)

Multnomah County Postretirement Medical and Life Insurance Plan:

**Schedule of Changes
in Total OPEB Liability and Related Ratios
Last Two Years***

<u>Total OPEB Liability</u>	2019	2018
Service cost	\$ 7,519	\$ 6,815
Interest	4,338	4,419
Changes of benefit terms	-	-
Differences between expected and actual experience	(15,208)	831
Changes of assumptions	(6,651)	2,889
Benefit payments	(6,221)	(5,993)
Net changes in total OPEB liability	(16,223)	8,961
Total OPEB liability - beginning	125,473	116,512
Total OPEB liability - ending	<u>\$ 109,250</u>	<u>\$ 125,473</u>
Covered payroll**	\$ 375,508	\$ 356,084
Total OPEB liability as a percentage of covered payroll	29.09%	35.24%

**This schedule is presented 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. There were a number of changes in the demographic and economic actuarial assumptions. Some of these assumption changes have significantly affected the liability of the plan but in an offsetting manner. Key items to note regarding actuarial assumptions include:

The discount rate was changed to match the yield on a 20-year general obligation bond.

Demographic assumptions including retirement rates, disability rates, termination rates, and mortality rates were updated to match the assumptions developed in the 2016 Oregon Public Employees Retirement System experience study.

The assume rate of spousal coverage for future retirees from Local 88 was updated to better reflect recent experience.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019
(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 (Asset) Liability
Oregon Public Employees Retirement System
Last Six Fiscal Years*

Fiscal Year Ended June 30,	(a) County's Proportion of the Net Pension Liability (Asset)	(b) County's 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	
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 Six Fiscal Years*

Year Ended June 30,	(a) Statutorily Required Contributions	(b) Contributions in Relation to the Statutorily Required	(a-b) Contribution Deficiency (Excess)**	(b/c)	Contributions as a Percent of Covered Payroll
				County's Covered Payroll	
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, 2019
(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 assumptions

A summary of key changes implemented since the December 31, 2016 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study Oregon Public Employees Retirement System for the System, which was published on July 26 2017, and can be found at:

<http://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

Changes in Actuarial Methods and Allocation Procedures

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 Oregon Public Employees Retirement System (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, 2014 and December 31, 2015 valuations, the Money Match was weighted 25 percent for General Service members and zero percent for Police & Fire members. For the December 31, 2016 and December 31, 2017 valuations, this weighting has been adjusted to 15 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

Investment Return and Interest Crediting - The assumed investment return and interest crediting to both regular and variable account balances was reduced to 7.2 percent. Previously, the assumed investment return and interest crediting to both regular and variable account balances was 7.5 percent.

Tier One/Tier Two Administrative Expenses - The administrative expense assumptions were updated for Tier1/Tier 2 and \$6.5 million per year for OPSRP. Previously these were assumed to be \$33 million per year and \$5.5 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.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

Changes in Demographic Assumptions

Healthy Mortality - The healthy mortality assumption was updated to reflect RP2014 generational mortality tables with group-specific class and setback adjustments, and to use a mortality projection scale based on 60-year unisex average Social Security experience. Previously the assumption was based on RP2000 generational mortality tables with group-specific class and setback adjustments and mortality projection Scale BB.

Disabled Mortality - The disabled mortality assumption base was changed from the RP2014 disabled tables with generational mortality projection scale based on 60-year unisex average Social Security experience. Previously the assumption was based on RP2000 generational mortality tables with group-specific class and setback adjustments and mortality projection Scale BB.

Non-Annuitant Mortality - Non-annuitant mortality assumption was updated to RP2014 employee tables with the same group-specific class and setback adjustments and mortality projection scale as used for the healthy retiree mortality assumption. Previously the assumption was based on applying a group-specific percentage adjustments to the health retiree mortality assumption.

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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
- 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

* Major funds are reported in Fund Financial Statements

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
ASSETS				
Unrestricted:				
Cash and investments	\$ 20,934	\$ 35,667	\$ 53,636	\$ 110,237
Receivables:				
Taxes	3,437	-	-	3,437
Accounts, net	712	-	97	809
Loans	-	-	375	375
Inventories	184	-	-	184
Prepays and deposits	486	-	35	521
Restricted:				
Cash and investments	22,570	-	43,173	65,743
Receivables:				
Taxes	3,624	-	-	3,624
Accounts, net	8,910	-	2,125	11,035
Total assets	<u>\$ 60,857</u>	<u>\$ 35,667</u>	<u>\$ 99,441</u>	<u>\$ 195,965</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 7,016	\$ -	\$ 3,141	\$ 10,157
Payroll payable	883	-	21	904
Due to other funds	83	-	-	83
Unearned revenue	80	-	375	455
Liabilities payable from restricted assets:				
Accounts payable	12,454	-	6,131	18,585
Payroll payable	263	-	-	263
Internal loans payable	3,000	-	-	3,000
Total liabilities	<u>23,779</u>	<u>-</u>	<u>9,668</u>	<u>33,447</u>
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
Resources not yet available:				
Property taxes	91	-	-	91
Restricted:				
Resources not yet available:				
Property taxes	1,983	-	-	1,983
Total deferred inflows of resources	<u>2,074</u>	<u>-</u>	<u>-</u>	<u>2,074</u>
FUND BALANCES				
Nonspendable	670	-	35	705
Restricted	17,324	-	39,167	56,491
Committed	5,190	35,667	49,972	90,829
Assigned	11,820	-	599	12,419
Total fund balances	<u>35,004</u>	<u>35,667</u>	<u>89,773</u>	<u>160,444</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,857</u>	<u>\$ 35,667</u>	<u>\$ 99,441</u>	<u>\$ 195,965</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
REVENUES				
Taxes	\$ 139,898	\$ -	\$ -	\$ 139,898
Payments in lieu of taxes	159	-	-	159
Intergovernmental	63,271	301	-	63,572
Licenses and permits	4,462	-	11,580	16,042
Charges for services	6,516	1,330	186	8,032
Interest	1,173	1,504	2,418	5,095
Non-governmental grants	2,352	-	9,499	11,851
Service reimbursements	347	57,107	13,931	71,385
Miscellaneous	611	-	232	843
Total revenues	<u>218,789</u>	<u>60,242</u>	<u>37,846</u>	<u>316,877</u>
EXPENDITURES				
Current:				
General government	-	25,004	7,207	32,211
Health services	-	-	2,253	2,253
Social services	1,379	-	-	1,379
Public safety and justice	8,689	-	31	8,720
Community services	52,053	-	4,828	56,881
Library services	80,666	-	969	81,635
Roads, bridges, and bike path improvements	58,906	-	4,371	63,277
Capital outlay	9,247	-	56,395	65,642
Debt service:				
Principal	-	39,964	-	39,964
Interest	16	14,214	-	14,230
Total expenditures	<u>210,956</u>	<u>79,182</u>	<u>76,054</u>	<u>366,192</u>
Revenues over (under) expenditures	<u>7,833</u>	<u>(18,940)</u>	<u>(38,208)</u>	<u>(49,315)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	85,663	-	18,056	103,719
Transfers out	(92,765)	(2,827)	(4,450)	(100,042)
Proceeds from sale of capital assets	-	5,000	3,350	8,350
Total other financing sources (uses)	<u>(7,102)</u>	<u>2,173</u>	<u>16,956</u>	<u>12,027</u>
Net change in fund balances	731	(16,767)	(21,252)	(37,288)
Fund balances - beginning	<u>34,273</u>	<u>52,434</u>	<u>111,025</u>	<u>197,732</u>
Fund balances - ending	<u>\$ 35,004</u>	<u>\$ 35,667</u>	<u>\$ 89,773</u>	<u>\$ 160,444</u>

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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.
- **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.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Road</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>	<u>Animal Control</u>
ASSETS					
Unrestricted:					
Cash and investments	\$ 4,932	\$ -	\$ -	\$ -	\$ 221
Receivables:					
Taxes	28	-	-	-	-
Accounts, net	168	-	-	-	13
Inventories	184	-	-	-	-
Prepays and deposits	7	-	-	-	-
Restricted:					
Cash and investments	3,649	362	37	54	1,342
Receivables:					
Taxes	1,165	-	-	-	-
Accounts, net	6,899	-	-	-	2
Total assets	<u>\$ 17,032</u>	<u>\$ 362</u>	<u>\$ 37</u>	<u>\$ 54</u>	<u>\$ 1,578</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	80	-	-	-	-
Liabilities payable from restricted assets:					
Accounts payable	11,503	-	37	54	9
Payroll payable	130	-	-	-	1
Internal loans payable	-	-	-	-	-
Total liabilities	<u>11,713</u>	<u>-</u>	<u>37</u>	<u>54</u>	<u>10</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	191	-	-	-	-
Restricted	-	362	-	-	1,334
Committed	-	-	-	-	-
Assigned	5,128	-	-	-	234
Total fund balances	<u>5,319</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>1,568</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,032</u>	<u>\$ 362</u>	<u>\$ 37</u>	<u>\$ 54</u>	<u>\$ 1,578</u>

<u>Willamette River Bridges</u>	<u>Library</u>	<u>Special Excise Tax</u>	<u>Land Corner Preservation</u>	<u>Inmate Welfare</u>	<u>Justice Services Special Operations</u>	<u>Oregon Historical Society Levy</u>	<u>Video Lottery</u>
\$ 54	\$ 3,022	\$ 1,511	\$ -	\$ 228	\$ -	\$ -	\$ -
-	91	3,318	-	-	-	-	-
-	41	-	-	-	335	-	-
-	-	-	-	-	-	-	-
7	472	-	-	-	-	-	-
3,415	-	-	2,535	-	1	16	354
-	-	-	5	-	-	94	-
318	-	-	1	-	155	-	1,535
<u>\$ 3,794</u>	<u>\$ 3,626</u>	<u>\$ 4,829</u>	<u>\$ 2,541</u>	<u>\$ 228</u>	<u>\$ 491</u>	<u>\$ 110</u>	<u>\$ 1,889</u>

\$ -	\$ 2,106	\$ 4,794	\$ -	\$ 68	\$ 48	\$ -	\$ -
-	852	-	-	5	26	-	-
-	-	-	-	-	83	-	-
-	-	-	-	-	-	-	-
617	-	-	4	-	42	-	187
89	-	-	18	-	23	-	2
3,000	-	-	-	-	-	-	-
<u>3,706</u>	<u>2,958</u>	<u>4,794</u>	<u>22</u>	<u>73</u>	<u>222</u>	<u>-</u>	<u>189</u>

-	91	-	-	-	-	-	-
-	-	-	-	-	-	77	-
-	91	-	-	-	-	77	-

7	472	-	-	-	-	-	-
27	-	-	2,519	-	91	33	1,700
-	-	35	-	155	-	-	-
54	105	-	-	-	178	-	-
<u>88</u>	<u>577</u>	<u>35</u>	<u>2,519</u>	<u>155</u>	<u>269</u>	<u>33</u>	<u>1,700</u>
<u>\$ 3,794</u>	<u>\$ 3,626</u>	<u>\$ 4,829</u>	<u>\$ 2,541</u>	<u>\$ 228</u>	<u>\$ 491</u>	<u>\$ 110</u>	<u>\$ 1,889</u>

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Library District</u>	<u>Supportive Housing Fund</u>	<u>Total</u>
ASSETS			
Unrestricted:			
Cash and investments	\$ 5,966	\$ 5,000	\$ 20,934
Receivables:			
Taxes	-	-	3,437
Accounts, net	155	-	712
Inventories	-	-	184
Prepays and deposits	-	-	486
Restricted:			
Cash and investments	10,390	415	22,570
Receivables:			
Taxes	2,360	-	3,624
Accounts, net	-	-	8,910
Total assets	<u>\$ 18,871</u>	<u>\$ 5,415</u>	<u>\$ 60,857</u>
LIABILITIES			
Liabilities payable from unrestricted assets:			
Accounts payable	\$ -	\$ -	\$ 7,016
Payroll payable	-	-	883
Due to other funds	-	-	83
Unearned revenue	-	-	80
Liabilities payable from restricted assets:			
Accounts payable	-	1	12,454
Payroll payable	-	-	263
Internal loans payable	-	-	3,000
Total liabilities	<u>-</u>	<u>1</u>	<u>23,779</u>
DEFERRED INFLOWS OF RESOURCES			
Unrestricted:			
Resources not yet available:			
Property taxes	-	-	91
Restricted:			
Resources not yet available:			
Property taxes	1,906	-	1,983
Total deferred inflows of resources	<u>1,906</u>	<u>-</u>	<u>2,074</u>
FUND BALANCES			
Nonspendable	-	-	670
Restricted	10,844	414	17,324
Committed	-	5,000	5,190
Assigned	6,121	-	11,820
Total fund balances	<u>16,965</u>	<u>5,414</u>	<u>35,004</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,871</u>	<u>\$ 5,415</u>	<u>\$ 60,857</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, 2019
(amounts expressed in thousands)

	<u>Road</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>
REVENUES				
Taxes	\$ 6,883	\$ -	\$ 37	\$ -
Payments in lieu of taxes	119	-	-	40
Intergovernmental	49,892	103	-	14
Licenses and permits	89	-	-	-
Charges for services	516	-	-	-
Interest	285	6	-	-
Non-governmental grants	20	-	-	-
Service reimbursements	53	-	-	-
Miscellaneous	362	-	-	-
Total revenues	<u>58,219</u>	<u>109</u>	<u>37</u>	<u>54</u>
EXPENDITURES				
Current:				
Social services	-	-	-	-
Public safety and justice	-	-	-	-
Community services	-	-	37	54
Library services	-	-	-	-
Roads, bridges, and bike path improvements	51,674	-	-	-
Capital outlay	6,265	-	-	-
Interest	-	-	-	-
Total expenditures	<u>57,939</u>	<u>-</u>	<u>37</u>	<u>54</u>
Revenues over (under) expenditures	<u>280</u>	<u>109</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	280	109	-	-
Fund balances - beginning	<u>5,039</u>	<u>253</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,319</u>	<u>\$ 362</u>	<u>\$ -</u>	<u>\$ -</u>

Animal Control	Willamette River Bridges	Library	Special Excise Tax	Land Corner Preservation	Inmate Welfare	Justice Services Special Operations	Oregon Historical Society Levy
\$ -	\$ -	\$ 8	\$ 46,143	\$ -	\$ -	\$ -	\$ 3,260
-	-	-	-	-	-	-	-
-	6,884	130	-	-	-	45	-
1,722	54	-	-	-	-	2,503	-
83	5	7	-	1,024	1,204	2,813	-
22	-	-	31	59	-	8	3
654	-	2	-	-	-	-	-
-	-	35	-	1	-	258	-
31	13	1	-	201	1	2	-
<u>2,512</u>	<u>6,956</u>	<u>183</u>	<u>46,174</u>	<u>1,285</u>	<u>1,205</u>	<u>5,629</u>	<u>3,263</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	1,162	5,980	-
63	-	-	46,176	-	-	-	3,295
-	-	80,666	-	-	-	-	-
-	5,680	-	-	1,552	-	-	-
-	2,881	-	-	35	-	66	-
-	16	-	-	-	-	-	-
<u>63</u>	<u>8,577</u>	<u>80,666</u>	<u>46,176</u>	<u>1,587</u>	<u>1,162</u>	<u>6,046</u>	<u>3,295</u>
<u>2,449</u>	<u>(1,621)</u>	<u>(80,483)</u>	<u>(2)</u>	<u>(302)</u>	<u>43</u>	<u>(417)</u>	<u>(32)</u>
250	1,025	79,388	-	-	-	-	-
(1,789)	-	-	-	-	-	-	-
<u>(1,539)</u>	<u>1,025</u>	<u>79,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
910	(596)	(1,095)	(2)	(302)	43	(417)	(32)
658	684	1,672	37	2,821	112	686	65
<u>\$ 1,568</u>	<u>\$ 88</u>	<u>\$ 577</u>	<u>\$ 35</u>	<u>\$ 2,519</u>	<u>\$ 155</u>	<u>\$ 269</u>	<u>\$ 33</u>

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Video Lottery</u>	<u>Library District</u>	<u>Supportive Housing Fund</u>	<u>Total</u>
REVENUES				
Taxes	\$ -	\$ 83,567	\$ -	\$ 139,898
Payments in lieu of taxes	-	-	-	159
Intergovernmental	5,252	171	780	63,271
Licenses and permits	-	94	-	4,462
Charges for services	-	864	-	6,516
Interest	8	742	9	1,173
Non-governmental grants	-	1,676	-	2,352
Service reimbursements	-	-	-	347
Miscellaneous	-	-	-	611
Total revenues	<u>5,260</u>	<u>87,114</u>	<u>789</u>	<u>218,789</u>
EXPENDITURES				
Current:				
Social services	1,004	-	375	1,379
Public safety and justice	1,547	-	-	8,689
Community services	2,428	-	-	52,053
Library services	-	-	-	80,666
Roads, bridges, and bike path improvements	-	-	-	58,906
Capital outlay	-	-	-	9,247
Interest	-	-	-	16
Total expenditures	<u>4,979</u>	<u>-</u>	<u>375</u>	<u>210,956</u>
Revenues over (under) expenditures	<u>281</u>	<u>87,114</u>	<u>414</u>	<u>7,833</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	5,000	85,663
Transfers out	-	(90,976)	-	(92,765)
Total other financing sources (uses)	<u>-</u>	<u>(90,976)</u>	<u>5,000</u>	<u>(7,102)</u>
Net change in fund balances	281	(3,862)	5,414	731
Fund balances - beginning	<u>1,419</u>	<u>20,827</u>	<u>-</u>	<u>34,273</u>
Fund balances - ending	<u>\$ 1,700</u>	<u>\$ 16,965</u>	<u>\$ 5,414</u>	<u>\$ 35,004</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Road Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 7,000	\$ 7,000	\$ 6,883	\$ (117)
Payments in lieu of taxes	40	40	119	79
Intergovernmental	68,434	68,434	49,892	(18,542)
Licenses and permits	70	70	89	19
Charges for services	133	133	516	383
Interest	200	200	285	85
Non-governmental grants	75	75	20	(55)
Service reimbursements	250	250	53	(197)
Miscellaneous	22	22	362	340
Total revenues	<u>76,224</u>	<u>76,224</u>	<u>58,219</u>	<u>(18,005)</u>
EXPENDITURES				
Current:				
Community services	79,092	79,092	57,939	21,153
Total expenditures	<u>79,092</u>	<u>79,092</u>	<u>57,939</u>	<u>21,153</u>
Net change in fund balances	(2,868)	(2,868)	280	3,148
Fund balances - beginning	<u>2,868</u>	<u>2,868</u>	<u>5,039</u>	<u>2,171</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,319</u>	<u>\$ 5,319</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 101	\$ 101	\$ 103	\$ 2
Interest	2	2	6	4
Total revenues	<u>103</u>	<u>103</u>	<u>109</u>	<u>6</u>
EXPENDITURES				
Current:				
Community services	<u>357</u>	<u>357</u>	-	<u>357</u>
Total expenditures	<u>357</u>	<u>357</u>	-	<u>357</u>
Net change in fund balances	(254)	(254)	109	363
Fund balances - beginning	<u>254</u>	<u>254</u>	<u>253</u>	<u>(1)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362</u>	<u>\$ 362</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Recreation Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 51	\$ 51	\$ 37	\$ (14)
Total revenues	<u>51</u>	<u>51</u>	<u>37</u>	<u>(14)</u>
EXPENDITURES				
Current:				
County management	<u>51</u>	<u>51</u>	<u>37</u>	<u>14</u>
Total expenditures	<u>51</u>	<u>51</u>	<u>37</u>	<u>14</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>	<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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Payments in lieu of taxes	\$ -	\$ -	\$ 40	\$ 40
Intergovernmental	80	80	14	(66)
Total revenues	<u>80</u>	<u>80</u>	<u>54</u>	<u>(26)</u>
EXPENDITURES				
Current:				
Nondepartmental	80	80	54	26
Total expenditures	<u>80</u>	<u>80</u>	<u>54</u>	<u>26</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 1,995	\$ 1,995	\$ 1,722	\$ (273)
Charges for services	49	49	83	34
Interest	-	-	22	22
Non-governmental grants	123	123	654	531
Miscellaneous	-	-	31	31
Total revenues	<u>2,167</u>	<u>2,167</u>	<u>2,512</u>	<u>345</u>
EXPENDITURES				
Current:				
Community services	654	654	63	591
Contingency	234	234	-	234
Total expenditures	<u>888</u>	<u>888</u>	<u>63</u>	<u>825</u>
Revenues over (under) expenditures	<u>1,279</u>	<u>1,279</u>	<u>2,449</u>	<u>1,170</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	250	250	250	-
Transfers out	(2,003)	(2,003)	(1,789)	214
Total other financing sources (uses)	<u>(1,753)</u>	<u>(1,753)</u>	<u>(1,539)</u>	<u>214</u>
Net change in fund balances	(474)	(474)	910	1,384
Fund balances - beginning	<u>474</u>	<u>474</u>	<u>658</u>	<u>184</u>
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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 10,478	\$ 10,478	\$ 6,884	\$ (3,594)
Licenses and permits	-	-	54	54
Charges for services	-	-	5	5
Interest	30	30	-	(30)
Service reimbursements	310	310	-	(310)
Miscellaneous	-	-	13	13
Total revenues	<u>10,818</u>	<u>10,818</u>	<u>6,956</u>	<u>(3,862)</u>
EXPENDITURES				
Current:				
Community services	13,999	14,145	8,561	5,584
Contingency	1,719	1,573	-	1,573
Interest expense	16	16	16	-
Total expenditures	<u>15,734</u>	<u>15,734</u>	<u>8,577</u>	<u>7,157</u>
Revenues over (under) expenditures	<u>(4,916)</u>	<u>(4,916)</u>	<u>(1,621)</u>	<u>3,295</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,025	1,025	1,025	-
Total other financing sources (uses)	<u>1,025</u>	<u>1,025</u>	<u>1,025</u>	<u>-</u>
Net change in fund balances	(3,891)	(3,891)	(596)	3,295
Fund balances - beginning	<u>3,891</u>	<u>3,891</u>	<u>3,684</u>	<u>(207)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>3,088</u>	<u>\$ 3,088</u>
Reconciliation to GAAP Basis:				
Internal loans payable			<u>(3,000)</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 88</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Library Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ -	\$ 8	\$ 8
Intergovernmental	84,065	84,111	79,518	(4,593)
Charges for services	-	-	7	7
Non-governmental grants	-	-	2	2
Service reimbursements	35	35	35	-
Miscellaneous	-	-	1	1
Total revenues	<u>84,100</u>	<u>84,146</u>	<u>79,571</u>	<u>(4,575)</u>
EXPENDITURES				
Current:				
Library	<u>84,100</u>	<u>84,146</u>	<u>80,666</u>	<u>3,480</u>
Total expenditures	<u>84,100</u>	<u>84,146</u>	<u>80,666</u>	<u>3,480</u>
Net change in fund balances	-	-	(1,095)	(1,095)
Fund balances - beginning	-	-	1,672	1,672
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	577	<u>\$ 577</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				
Intergovernmental Revenues			79,388	
Transfers In			<u>(79,388)</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 577</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 48,182	\$ 48,182	\$ 46,143	\$ (2,039)
Interest	8	8	31	23
Total revenues	<u>48,190</u>	<u>48,190</u>	<u>46,174</u>	<u>(2,016)</u>
EXPENDITURES				
Current:				
Nondepartmental	48,228	48,228	46,176	2,052
Total expenditures	<u>48,228</u>	<u>48,228</u>	<u>46,176</u>	<u>2,052</u>
Net change in fund balances	(38)	(38)	(2)	36
Fund balances - beginning	<u>38</u>	<u>38</u>	<u>37</u>	<u>(1)</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
Land Corner Preservation Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,115	\$ 1,137	\$ 1,024	\$ (113)
Interest	35	35	59	24
Service reimbursements	150	150	1	(149)
Miscellaneous	-	-	201	201
Total revenues	<u>1,300</u>	<u>1,322</u>	<u>1,285</u>	<u>(37)</u>
EXPENDITURES				
Current:				
Community services	1,834	1,856	1,587	269
Total expenditures	<u>1,834</u>	<u>1,856</u>	<u>1,587</u>	<u>269</u>
Net change in fund balances	(534)	(534)	(302)	232
Fund balances - beginning	<u>2,675</u>	<u>2,675</u>	<u>2,821</u>	<u>146</u>
Fund balances - ending	<u>\$ 2,141</u>	<u>\$ 2,141</u>	<u>\$ 2,519</u>	<u>\$ 378</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,050	\$ 1,050	\$ 1,204	\$ 154
Miscellaneous	-	-	1	1
Total revenues	<u>1,050</u>	<u>1,050</u>	<u>1,205</u>	<u>155</u>
EXPENDITURES				
Current:				
Sheriff	<u>1,050</u>	<u>1,162</u>	<u>1,162</u>	<u>-</u>
Total expenditures	<u>1,050</u>	<u>1,162</u>	<u>1,162</u>	<u>-</u>
Net change in fund balances	-	(112)	43	155
Fund balances - beginning	<u>-</u>	<u>112</u>	<u>112</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 155</u></u>	<u><u>\$ 155</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 20	\$ 20	\$ 45	\$ 25
Licenses and permits	2,856	2,856	2,503	(353)
Charges for services	3,435	3,435	2,813	(622)
Interest	-	-	8	8
Service reimbursements	287	287	258	(29)
Miscellaneous	-	-	2	2
Total revenues	<u>6,598</u>	<u>6,598</u>	<u>5,629</u>	<u>(969)</u>
EXPENDITURES				
Current:				
Community justice	2,257	2,257	1,934	323
District attorney	7	7	7	-
Sheriff	5,266	5,266	4,105	1,161
Total expenditures	<u>7,530</u>	<u>7,530</u>	<u>6,046</u>	<u>1,484</u>
Net change in fund balances	(932)	(932)	(417)	515
Fund balances - beginning	<u>932</u>	<u>932</u>	<u>686</u>	<u>(246)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269</u>	<u>\$ 269</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,222	\$ 3,222	\$ 3,260	\$ 38
Interest	3	3	3	-
Total revenues	<u>3,225</u>	<u>3,225</u>	<u>3,263</u>	<u>38</u>
EXPENDITURES				
Current:				
Nondepartmental	3,241	3,296	3,295	1
Total expenditures	<u>3,241</u>	<u>3,296</u>	<u>3,295</u>	<u>1</u>
Net change in fund balances	(16)	(71)	(32)	39
Fund balances - beginning	<u>16</u>	<u>71</u>	<u>65</u>	<u>(6)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 33</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 5,125	\$ 5,125	\$ 5,252	\$ 127
Interest	-	-	8	8
Total revenues	<u>5,125</u>	<u>5,125</u>	<u>5,260</u>	<u>135</u>
EXPENDITURES				
Current:				
Community justice	2,092	2,092	1,547	545
Community services	350	350	350	-
County management	190	190	124	66
Nondepartmental	2,959	2,959	2,958	1
Contingency	513	513	-	513
Total expenditures	<u>6,104</u>	<u>6,104</u>	<u>4,979</u>	<u>1,125</u>
Net change in fund balances	(979)	(979)	281	1,260
Fund balances - beginning	<u>979</u>	<u>979</u>	<u>1,419</u>	<u>440</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,700</u>	<u>\$ 1,700</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Taxes	\$ 83,865	\$ 83,865	\$ 83,567	\$ (298)
Intergovernmental	100	100	171	71
Licenses and permits	110	110	94	(16)
Charges for services	971	971	864	(107)
Interest	50	50	742	692
Non-governmental grants	1,647	1,692	1,676	(16)
Total revenues	<u>86,743</u>	<u>86,788</u>	<u>87,114</u>	<u>326</u>
EXPENDITURES				
Current:				
Library	84,065	84,110	79,388	4,722
Contingency	500	500	-	500
Total expenditures	<u>84,565</u>	<u>84,610</u>	<u>79,388</u>	<u>5,222</u>
Revenues over (under) expenditures	<u>2,178</u>	<u>2,178</u>	<u>7,726</u>	<u>5,548</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(11,588)	(11,588)	(11,588)	-
Total other financing sources (uses)	<u>(11,588)</u>	<u>(11,588)</u>	<u>(11,588)</u>	<u>-</u>
Net change in fund balances	(9,410)	(9,410)	(3,862)	5,548
Fund balances - beginning	<u>17,796</u>	<u>17,796</u>	<u>20,827</u>	<u>3,031</u>
Fund balances - ending	<u>\$ 8,386</u>	<u>\$ 8,386</u>	<u>16,965</u>	<u>\$ 8,579</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			(79,388)	
Transfers Out			<u>79,388</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 16,965</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 750	\$ 750	\$ 780	\$ 30
Interest	-	-	9	9
Total revenues	<u>750</u>	<u>750</u>	<u>789</u>	<u>39</u>
EXPENDITURES				
Current:				
Nondepartmental	750	4,750	375	4,375
Contingency	<u>5,000</u>	<u>1,000</u>	-	<u>1,000</u>
Total expenditures	<u>5,750</u>	<u>5,750</u>	<u>375</u>	<u>5,375</u>
Revenues over (under) expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>414</u>	<u>5,414</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	-
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	-
Net change in fund balances	-	-	5,414	5,414
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,414</u>	<u>\$ 5,414</u>

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DEBT SERVICE FUNDS

These funds account for the retirement of general obligation bonds, certificates of participation (capitalized leases) and other lease-purchase 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.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Capital Debt Retirement</u>	<u>PERS Bond Sinking</u>	<u>Total</u>
ASSETS			
Unrestricted:			
Cash and investments	\$ 7,847	\$ 27,820	\$ 35,667
Total assets	<u>\$ 7,847</u>	<u>\$ 27,820</u>	<u>\$ 35,667</u>
FUND BALANCES			
Committed	\$ 7,847	\$ 27,820	\$ 35,667
Total fund balances	<u>7,847</u>	<u>27,820</u>	<u>35,667</u>
Total liabilities and fund balances	<u>\$ 7,847</u>	<u>\$ 27,820</u>	<u>\$ 35,667</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Capital Debt Retirement	PERS Bond Sinking	Total
REVENUES			
Intergovernmental	\$ 301	\$ -	\$ 301
Charges for services	1,330	-	1,330
Interest	137	1,367	1,504
Service reimbursements	28,666	28,441	57,107
Total revenues	<u>30,434</u>	<u>29,808</u>	<u>60,242</u>
EXPENDITURES			
Current:			
General government	2	25,002	25,004
Debt service:			
Principal	17,764	22,200	39,964
Interest	12,565	1,649	14,214
Total expenditures	<u>30,331</u>	<u>48,851</u>	<u>79,182</u>
Revenues over (under) expenditures	<u>103</u>	<u>(19,043)</u>	<u>(18,940)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,827)	-	(2,827)
Proceeds from sale of capital assets	5,000	-	5,000
Total other financing sources	<u>2,173</u>	<u>-</u>	<u>2,173</u>
Net change in fund balances	<u>2,276</u>	<u>(19,043)</u>	<u>(16,767)</u>
Fund balances - beginning	<u>5,571</u>	<u>46,863</u>	<u>52,434</u>
Fund balances - ending	<u>\$ 7,847</u>	<u>\$ 27,820</u>	<u>\$ 35,667</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 299	\$ 299	\$ 301	\$ 2
Charges for services	1,200	1,200	1,330	130
Interest	20	20	137	117
Service reimbursements	27,063	27,063	28,666	1,603
Total revenues	<u>28,582</u>	<u>28,582</u>	<u>30,434</u>	<u>1,852</u>
EXPENDITURES				
Current:				
Nondepartmental	3	3	2	1
Debt service:				
Principal	17,984	17,984	17,764	220
Interest expense	13,131	13,131	12,565	566
Total expenditures	<u>31,118</u>	<u>31,118</u>	<u>30,331</u>	<u>787</u>
Revenues over (under) expenditures	<u>(2,536)</u>	<u>(2,536)</u>	<u>103</u>	<u>2,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	786	786	-	(786)
Transfers out	(2,827)	(2,827)	(2,827)	-
Proceeds from sale of capital assets	-	-	5,000	5,000
Total other financing sources (uses)	<u>(2,041)</u>	<u>(2,041)</u>	<u>2,173</u>	<u>4,214</u>
Net change in fund balances	(4,577)	(4,577)	2,276	6,853
Fund balances - beginning	<u>5,763</u>	<u>5,763</u>	<u>5,571</u>	<u>(192)</u>
Fund balances - ending	<u>\$ 1,186</u>	<u>\$ 1,186</u>	<u>\$ 7,847</u>	<u>\$ 6,661</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ 467	\$ 467	\$ 1,367	\$ 900
Service reimbursements	27,701	27,701	28,441	740
Total revenues	<u>28,168</u>	<u>28,168</u>	<u>29,808</u>	<u>1,640</u>
EXPENDITURES				
Current:				
Nondepartmental	25,010	25,010	25,002	8
Debt service:				
Principal	22,200	22,200	22,200	-
Interest expense	1,649	1,649	1,649	-
Total expenditures	<u>48,859</u>	<u>48,859</u>	<u>48,851</u>	<u>8</u>
Net change in fund balances	(20,691)	(20,691)	(19,043)	1,648
Fund balances - beginning	<u>46,724</u>	<u>46,724</u>	<u>46,863</u>	<u>139</u>
Fund balances - ending	<u>\$ 26,033</u>	<u>\$ 26,033</u>	<u>\$ 27,820</u>	<u>\$ 1,787</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.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019
(amounts expressed in thousands)

	Asset Replacement Revolving	Financed Projects	Library Capital Construction	Capital Improvement	Information Technology Capital
ASSETS					
Unrestricted:					
Cash and investments	\$ 122	\$ 2,141	\$ -	\$ 24,193	\$ 2,559
Receivables:					
Accounts, net	-	-	-	97	-
Loans	375	-	-	-	-
Prepays and deposits	-	-	-	-	21
Restricted:					
Cash and investments	-	-	2,925	-	-
Receivables:					
Accounts, net	-	-	-	-	-
Total assets	<u>\$ 497</u>	<u>\$ 2,141</u>	<u>\$ 2,925</u>	<u>\$ 24,290</u>	<u>\$ 2,580</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ 693	\$ -	\$ 2,038	\$ 8
Payroll payable	-	-	-	21	-
Unearned revenue	375	-	-	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	-	86	-	-
Total liabilities	<u>375</u>	<u>693</u>	<u>86</u>	<u>2,059</u>	<u>8</u>
FUND BALANCES					
Nonspendable	-	-	-	-	21
Restricted	-	-	2,839	-	-
Committed	-	1,448	-	22,231	2,551
Assigned	122	-	-	-	-
Total fund balances	<u>122</u>	<u>1,448</u>	<u>2,839</u>	<u>22,231</u>	<u>2,572</u>
Total liabilities and fund balances	<u>\$ 497</u>	<u>\$ 2,141</u>	<u>\$ 2,925</u>	<u>\$ 24,290</u>	<u>\$ 2,580</u>

<u>Asset Preservation</u>	<u>Health Headquarters Capital</u>	<u>Sellwood Bridge Replacement</u>	<u>Hansen Building Replacement</u>	<u>Enterprise Resource Planning Project</u>	<u>Library District Capital</u>	<u>Burnside Bridge</u>	<u>Total</u>
\$ 12,681	\$ 5,758	\$ 2,896	\$ 3,286	\$ -	\$ -	\$ -	\$ 53,636
-	-	-	-	-	-	-	97
-	-	-	-	-	-	-	375
-	-	-	-	14	-	-	35
-	4,091	4,081	-	6,786	20,484	4,806	43,173
-	-	2,125	-	-	-	-	2,125
<u>\$ 12,681</u>	<u>\$ 9,849</u>	<u>\$ 9,102</u>	<u>\$ 3,286</u>	<u>\$ 6,800</u>	<u>\$ 20,484</u>	<u>\$ 4,806</u>	<u>\$ 99,441</u>
\$ 396	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ 3,141
-	-	-	-	-	-	-	21
-	-	-	-	-	-	-	375
-	4,091	41	-	196	52	1,665	6,131
<u>396</u>	<u>4,091</u>	<u>41</u>	<u>6</u>	<u>196</u>	<u>52</u>	<u>1,665</u>	<u>9,668</u>
-	-	-	-	14	-	-	35
-	-	6,165	-	6,590	20,432	3,141	39,167
12,285	5,758	2,419	3,280	-	-	-	49,972
-	-	477	-	-	-	-	599
<u>12,285</u>	<u>5,758</u>	<u>9,061</u>	<u>3,280</u>	<u>6,604</u>	<u>20,432</u>	<u>3,141</u>	<u>89,773</u>
<u>\$ 12,681</u>	<u>\$ 9,849</u>	<u>\$ 9,102</u>	<u>\$ 3,286</u>	<u>\$ 6,800</u>	<u>\$ 20,484</u>	<u>\$ 4,806</u>	<u>\$ 99,441</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Asset Replacement Revolving	Financed Projects	Library Capital Construction	Capital Improvement	Information Technology Capital
REVENUES					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	183	-
Interest	11	56	61	463	55
Non-governmental grants	-	-	-	-	-
Service reimbursements	-	-	1,457	7,858	-
Miscellaneous	-	-	3	11	-
Total revenues	<u>11</u>	<u>56</u>	<u>1,521</u>	<u>8,515</u>	<u>55</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Health services	-	-	-	-	-
Public safety and justice	-	-	-	-	-
Community services	-	362	-	2,237	573
Library services	-	-	677	-	-
Roads, bridges, and bike path improvements	-	-	-	-	-
Capital outlay	-	650	766	6,466	68
Total expenditures	<u>-</u>	<u>1,012</u>	<u>1,443</u>	<u>8,703</u>	<u>641</u>
Revenues over (under) expenditures	<u>11</u>	<u>(956)</u>	<u>78</u>	<u>(188)</u>	<u>(586)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	2,273	450
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	3,350	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,623</u>	<u>450</u>
Net change in fund balances	11	(956)	78	5,435	(136)
Fund balances - beginning	<u>111</u>	<u>2,404</u>	<u>2,761</u>	<u>16,796</u>	<u>2,708</u>
Fund balances - ending	<u>\$ 122</u>	<u>\$ 1,448</u>	<u>\$ 2,839</u>	<u>\$ 22,231</u>	<u>\$ 2,572</u>

Asset Preservation	Health Headquarters Capital	Sellwood Bridge Replacement	Hansen Building Replacement	Enterprise Resource Planning Project	Library District Capital	Burnside Bridge	Total
\$ -	\$ -	\$ 9,080	\$ -	\$ -	\$ -	\$ 2,500	\$ 11,580
-	-	-	-	3	-	-	186
243	422	255	92	351	309	100	2,418
-	9,499	-	-	-	-	-	9,499
4,616	-	-	-	-	-	-	13,931
6	212	-	-	-	-	-	232
<u>4,865</u>	<u>10,133</u>	<u>9,335</u>	<u>92</u>	<u>354</u>	<u>309</u>	<u>2,600</u>	<u>37,846</u>
-	-	-	-	7,207	-	-	7,207
-	2,253	-	-	-	-	-	2,253
-	-	-	31	-	-	-	31
1,656	-	-	-	-	-	-	4,828
-	-	-	-	-	292	-	969
-	-	2,255	-	-	-	2,116	4,371
809	27,633	8,673	-	10,487	-	843	56,395
<u>2,465</u>	<u>29,886</u>	<u>10,928</u>	<u>31</u>	<u>17,694</u>	<u>292</u>	<u>2,959</u>	<u>76,054</u>
<u>2,400</u>	<u>(19,753)</u>	<u>(1,593)</u>	<u>61</u>	<u>(17,340)</u>	<u>17</u>	<u>(359)</u>	<u>(38,208)</u>
245	-	-	-	-	11,588	3,500	18,056
-	-	(3,500)	(950)	-	-	-	(4,450)
-	-	-	-	-	-	-	3,350
<u>245</u>	<u>-</u>	<u>(3,500)</u>	<u>(950)</u>	<u>-</u>	<u>11,588</u>	<u>3,500</u>	<u>16,956</u>
2,645	(19,753)	(5,093)	(889)	(17,340)	11,605	3,141	(21,252)
9,640	25,511	14,154	4,169	23,944	8,827	-	111,025
<u>\$ 12,285</u>	<u>\$ 5,758</u>	<u>\$ 9,061</u>	<u>\$ 3,280</u>	<u>\$ 6,604</u>	<u>\$ 20,432</u>	<u>\$ 3,141</u>	<u>\$ 89,773</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Intergovernmental	\$ 92,600	\$ 92,600	\$ 56,281	\$ (36,319)
Charges for services	-	-	701	701
Interest	-	-	1,626	1,626
Non-governmental grants	400	400	-	(400)
Miscellaneous	-	-	56	56
Total revenues	<u>93,000</u>	<u>93,000</u>	<u>58,664</u>	<u>(34,336)</u>
EXPENDITURES				
Current:				
County assets	213,137	213,137	134,503	78,634
County management	81	81	-	81
Total expenditures	<u>213,218</u>	<u>213,218</u>	<u>134,503</u>	<u>78,715</u>
Revenues over (under) expenditures	<u>(120,218)</u>	<u>(120,218)</u>	<u>(75,839)</u>	<u>44,379</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,827	16,827	16,827	-
Proceeds from sale of capital assets	-	-	13,318	13,318
Loans issued	12,498	12,498	-	(12,498)
Total other financing uses	<u>29,325</u>	<u>29,325</u>	<u>30,145</u>	<u>820</u>
Net change in fund balances	(90,893)	(90,893)	(45,694)	45,199
Fund balances - beginning	<u>90,893</u>	<u>90,893</u>	<u>87,453</u>	<u>(3,440)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,759</u>	<u>\$ 41,759</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ 9	\$ 9	\$ 11	\$ 2
Total revenues	<u>9</u>	<u>9</u>	<u>11</u>	<u>2</u>
EXPENDITURES				
Current:				
County assets	<u>120</u>	<u>120</u>	<u>-</u>	<u>120</u>
Total expenditures	<u>120</u>	<u>120</u>	<u>-</u>	<u>120</u>
Net change in fund balances	(111)	(111)	11	122
Fund balances - beginning	<u>111</u>	<u>111</u>	<u>111</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 122</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 56	\$ 56
Total revenues	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>
EXPENDITURES				
Current:				
County management	2,043	2,043	1,012	1,031
Total expenditures	<u>2,043</u>	<u>2,043</u>	<u>1,012</u>	<u>1,031</u>
Net change in fund balances	(2,043)	(2,043)	(956)	1,087
Fund balances - beginning	<u>2,043</u>	<u>2,043</u>	<u>2,404</u>	<u>361</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,448</u>	<u>\$ 1,448</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 61	\$ 61
Service reimbursements	1,457	1,457	1,457	-
Miscellaneous	-	-	3	3
Total revenues	<u>1,457</u>	<u>1,457</u>	<u>1,521</u>	<u>64</u>
EXPENDITURES				
Current:				
County assets	4,037	4,037	1,443	2,594
Total expenditures	<u>4,037</u>	<u>4,037</u>	<u>1,443</u>	<u>2,594</u>
Net change in fund balances	(2,580)	(2,580)	78	2,658
Fund balances - beginning	<u>2,580</u>	<u>2,580</u>	<u>2,761</u>	<u>181</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,839</u>	<u>\$ 2,839</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,239	\$ 1,239	\$ 183	\$ (1,056)
Interest	30	30	463	433
Service reimbursements	4,898	4,898	7,858	2,960
Miscellaneous	-	-	11	11
Total revenues	<u>6,167</u>	<u>6,167</u>	<u>8,515</u>	<u>2,348</u>
EXPENDITURES				
Current:				
County assets	<u>26,589</u>	<u>26,589</u>	<u>8,703</u>	<u>17,886</u>
Total expenditures	<u>26,589</u>	<u>26,589</u>	<u>8,703</u>	<u>17,886</u>
Revenues over (under) expenditures	<u>(20,422)</u>	<u>(20,422)</u>	<u>(188)</u>	<u>20,234</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,273	2,273	2,273	-
Proceeds from sale of capital assets	-	-	3,350	3,350
Total other financing sources (uses)	<u>2,273</u>	<u>2,273</u>	<u>5,623</u>	<u>3,350</u>
Net change in fund balances	(18,149)	(18,149)	5,435	23,584
Fund balances - beginning	<u>18,149</u>	<u>18,149</u>	<u>16,796</u>	<u>(1,353)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,231</u>	<u>\$ 22,231</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 55	\$ 55
Total revenues	<u>-</u>	<u>-</u>	<u>55</u>	<u>55</u>
EXPENDITURES				
Current:				
County assets	2,544	2,694	641	2,053
Contingency	193	193	-	193
Total expenditures	<u>2,737</u>	<u>2,887</u>	<u>641</u>	<u>2,246</u>
Revenues over (under) expenditures	<u>(2,737)</u>	<u>(2,887)</u>	<u>(586)</u>	<u>2,301</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300	450	450	-
Total other financing sources (uses)	<u>300</u>	<u>450</u>	<u>450</u>	<u>-</u>
Net change in fund balances	(2,437)	(2,437)	(136)	2,301
Fund balances - beginning	<u>2,437</u>	<u>2,437</u>	<u>2,708</u>	<u>271</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,572</u>	<u>\$ 2,572</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Asset Preservation Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ 30	\$ 30	\$ 243	\$ 213
Service reimbursements	4,616	4,616	4,616	-
Miscellaneous	-	-	6	6
Total revenues	<u>4,646</u>	<u>4,646</u>	<u>4,865</u>	<u>219</u>
EXPENDITURES				
Current:				
County assets	13,254	13,254	2,465	10,789
Total expenditures	<u>13,254</u>	<u>13,254</u>	<u>2,465</u>	<u>10,789</u>
Revenues over (under) expenditures	<u>(8,608)</u>	<u>(8,608)</u>	<u>2,400</u>	<u>11,008</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	245	245	245	-
Total other financing sources (uses)	<u>245</u>	<u>245</u>	<u>245</u>	<u>-</u>
Net change in fund balances	(8,363)	(8,363)	2,645	11,008
Fund balances - beginning	8,363	8,363	9,640	1,277
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,285</u>	<u>\$ 12,285</u>

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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 422	\$ 422
Non-governmental grants	9,500	9,500	9,499	(1)
Miscellaneous	-	-	212	212
Total revenues	<u>9,500</u>	<u>9,500</u>	<u>10,133</u>	<u>633</u>
EXPENDITURES				
Current:				
County assets	31,657	34,864	29,861	5,003
County management	26	26	25	1
Contingency	121	121	-	121
Total expenditures	<u>31,804</u>	<u>35,011</u>	<u>29,886</u>	<u>5,125</u>
Net change in fund balances	(22,304)	(25,511)	(19,753)	5,758
Fund balances - beginning	<u>22,304</u>	<u>25,511</u>	<u>25,511</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,758</u>	<u>\$ 5,758</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Sellwood Bridge Replacement
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 9,000	\$ 9,000	\$ 9,080	\$ 80
Interest	100	100	255	155
Total revenues	<u>9,100</u>	<u>9,100</u>	<u>9,335</u>	<u>235</u>
EXPENDITURES				
Current:				
Community services	18,713	18,713	10,928	7,785
Total expenditures	<u>18,713</u>	<u>18,713</u>	<u>10,928</u>	<u>7,785</u>
Revenues over (under) expenditures	<u>(9,613)</u>	<u>(9,613)</u>	<u>(1,593)</u>	<u>8,020</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,500)	(3,500)	(3,500)	-
Total other financing sources (uses)	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Net change in fund balances	(13,113)	(13,113)	(5,093)	8,020
Fund balances - beginning	13,113	13,113	14,154	1,041
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,061</u>	<u>\$ 9,061</u>

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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 92	\$ 92
Total revenues	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
EXPENDITURES				
Current:				
County assets	4,166	3,216	31	3,185
Total expenditures	<u>4,166</u>	<u>3,216</u>	<u>31</u>	<u>3,185</u>
Revenues over (under) expenditures	<u>(4,166)</u>	<u>(3,216)</u>	<u>61</u>	<u>3,277</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(950)	(950)	-
Total other financing sources (uses)	<u>-</u>	<u>(950)</u>	<u>(950)</u>	<u>-</u>
Net change in fund balances	(4,166)	(4,166)	(889)	3,277
Fund balances - beginning	4,166	4,166	4,169	3
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,280</u>	<u>\$ 3,280</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Enterprise Resource Planning Project
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 3	\$ 3
Interest	-	-	351	351
Total revenues	<u>-</u>	<u>-</u>	<u>354</u>	<u>354</u>
EXPENDITURES				
Current:				
County assets	18,698	23,348	17,694	5,654
County management	1,152	1,152	-	1,152
Total expenditures	<u>19,850</u>	<u>24,500</u>	<u>17,694</u>	<u>6,806</u>
Net change in fund balances	(19,850)	(24,500)	(17,340)	7,160
Fund balances - beginning	<u>19,850</u>	<u>24,500</u>	<u>23,944</u>	<u>(556)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,604</u>	<u>\$ 6,604</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Library District Capital
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ -	\$ -	\$ 309	\$ 309
Total revenues	<u>-</u>	<u>-</u>	<u>309</u>	<u>309</u>
EXPENDITURES				
Current:				
Library	378	378	292	86
Contingency	19,974	19,974	-	19,974
Total expenditures	<u>20,352</u>	<u>20,352</u>	<u>292</u>	<u>20,060</u>
Revenues over (under) expenditures	<u>(20,352)</u>	<u>(20,352)</u>	<u>17</u>	<u>20,369</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,588	11,588	11,588	-
Total other financing sources (uses)	<u>11,588</u>	<u>11,588</u>	<u>11,588</u>	<u>-</u>
Net change in fund balances	(8,764)	(8,764)	11,605	20,369
Fund balances - beginning	<u>8,764</u>	<u>8,764</u>	<u>8,827</u>	<u>63</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,432</u>	<u>\$ 20,432</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Interest	-	-	100	100
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,600</u>	<u>100</u>
EXPENDITURES				
Current:				
Community services	<u>6,000</u>	<u>6,000</u>	<u>2,959</u>	<u>3,041</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>2,959</u>	<u>3,041</u>
Revenues over (under) expenditures	<u>(3,500)</u>	<u>(3,500)</u>	<u>(359)</u>	<u>3,141</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Total other financing sources (uses)	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Net change in fund balances	-	-	3,141	3,141
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,141</u>	<u>\$ 3,141</u>

**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

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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

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MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Dunthorpe-Riverdale Service District No. 1
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current assessments	\$ 870	\$ 870	\$ 878	\$ 8
Prior assessments	11	11	8	(3)
Interest	8	8	28	20
Total revenues	<u>889</u>	<u>889</u>	<u>914</u>	<u>25</u>
EXPENDITURES				
Current:				
Community services	1,350	1,350	838	512
Contingency	50	50	-	50
Total expenditures	<u>1,400</u>	<u>1,400</u>	<u>838</u>	<u>562</u>
Net change in fund balances	(511)	(511)	76	587
Fund balances - beginning	<u>790</u>	<u>790</u>	<u>831</u>	<u>41</u>
Fund balances - ending	<u>\$ 279</u>	<u>\$ 279</u>	<u>907</u>	<u>\$ 628</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			3,753	
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			<u>21</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 4,676</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current assessments	\$ 450	\$ 450	\$ 452	\$ 2
Prior assessments	5	5	5	-
Intergovernmental charges for services	-	-	1	1
Interest	5	5	10	5
Miscellaneous	-	-	1	1
Total revenues	<u>460</u>	<u>460</u>	<u>469</u>	<u>9</u>
EXPENDITURES				
Current:				
Community services	<u>805</u>	<u>805</u>	<u>633</u>	<u>172</u>
Total expenditures	<u>805</u>	<u>805</u>	<u>633</u>	<u>172</u>
Net change in fund balances	(345)	(345)	(164)	181
Fund balances - beginning	<u>345</u>	<u>345</u>	<u>419</u>	<u>74</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	255	<u>\$ 255</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			2,249	
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>\$ 2,514</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Intergovernmental charges for services	\$ 48,644	\$ 48,644	\$ 37,177	\$ (11,467)
Interest	-	-	236	236
Miscellaneous	-	-	91	91
Total revenues	<u>48,644</u>	<u>48,644</u>	<u>37,504</u>	<u>(11,140)</u>
EXPENDITURES				
Current:				
Health services	48,644	48,644	38,303	10,341
Total expenditures	<u>48,644</u>	<u>48,644</u>	<u>38,303</u>	<u>10,341</u>
Net change in fund balances	-	-	(799)	(799)
Fund balances - beginning	-	-	9,208	9,208
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	8,409	<u>\$ 8,409</u>
Reconciliation to GAAP Basis:				
OPEB - County Plan:				
Deferred outflows - County Plan			114	
Net OPEB liability - County Plan			(2,120)	
Deferred inflows - County Plan			(364)	
OPEB - RHIA:				
Net OPEB asset - RHIA			73	
Deferred outflows - RHIA			20	
Deferred inflows - RHIA			(21)	
Pension Plan:				
Deferred outflows - pension			4,337	
Net pension liability			(9,434)	
Deferred inflows - pension			<u>(749)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 265</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.

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MULTNOMAH COUNTY, OREGON
Combining Statement of Net Position
Internal Service Funds
June 30, 2019
(amounts expressed in thousands)

	Government Activities - Internal Service Funds			
	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
ASSETS				
Current assets:				
Cash and investments	\$ 80,474	\$ 598	\$ 5,734	\$ 7,921
Accounts receivable, net	5	-	-	123
Inventories	-	638	-	-
Prepaid items	639	-	-	5,142
Total current assets	<u>81,118</u>	<u>1,236</u>	<u>5,734</u>	<u>13,186</u>
Noncurrent assets:				
Internal loans receivable	3,000	-	-	-
Net OPEB asset - RHIA	52	8	-	165
Capital assets:				
Construction in progress	-	-	-	3,350
Other capital assets (net of accumulated depreciation)	-	2,715	2,942	8,962
Total noncurrent assets	<u>3,052</u>	<u>2,723</u>	<u>2,942</u>	<u>12,477</u>
Total assets	<u>84,170</u>	<u>3,959</u>	<u>8,676</u>	<u>25,663</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB - County Plan	82	12	-	258
OPEB - RHIA	14	2	-	44
Pension plan	4,741	477	-	10,314
Total deferred outflows of resources	<u>4,837</u>	<u>491</u>	<u>-</u>	<u>10,616</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,338	325	299	4,235
Payroll payable	122	23	-	441
Unearned revenue	-	-	-	14
Compensated absences	320	66	-	1,380
Total current liabilities	<u>3,780</u>	<u>414</u>	<u>299</u>	<u>6,070</u>
Noncurrent liabilities:				
Compensated absences	-	3	-	66
Claims and judgments payable	12,347	-	-	-
Other accrued payables	-	-	-	-
Net OPEB liability - County Plan	1,513	229	-	4,770
Net pension liability	10,314	1,037	-	22,435
Total noncurrent liabilities	<u>24,174</u>	<u>1,269</u>	<u>-</u>	<u>27,271</u>
Total liabilities	<u>27,954</u>	<u>1,683</u>	<u>299</u>	<u>33,341</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB - County Plan	259	39	-	818
OPEB - RHIA	15	2	-	46
Pension plan	819	82	-	1,781
Total deferred inflows of resources	<u>1,093</u>	<u>123</u>	<u>-</u>	<u>2,645</u>
NET POSITION				
Investment in capital assets	-	2,715	2,942	12,312
Unrestricted	59,960	(71)	5,435	(12,019)
Total net position	<u>\$ 59,960</u>	<u>\$ 2,644</u>	<u>\$ 8,377</u>	<u>\$ 293</u>

Government Activities - Internal Service Funds		
Mail Distribution	Facilities Management	Total Internal Service Funds
\$ 1,050	\$ 9,802	\$ 105,579
-	272	400
67	478	1,183
-	205	5,986
<u>1,117</u>	<u>10,757</u>	<u>113,148</u>
-	-	3,000
6	79	310
-	-	3,350
10	4,477	19,106
<u>16</u>	<u>4,556</u>	<u>25,766</u>
<u>1,133</u>	<u>15,313</u>	<u>138,914</u>
9	123	484
2	21	83
<u>365</u>	<u>3,255</u>	<u>19,152</u>
<u>376</u>	<u>3,399</u>	<u>19,719</u>
148	3,682	12,027
21	211	818
-	-	14
40	547	2,353
<u>209</u>	<u>4,440</u>	<u>15,212</u>
-	-	69
-	-	12,347
-	412	412
171	2,275	8,958
<u>794</u>	<u>7,082</u>	<u>41,662</u>
<u>965</u>	<u>9,769</u>	<u>63,448</u>
<u>1,174</u>	<u>14,209</u>	<u>78,660</u>
29	390	1,535
2	22	87
63	562	3,307
<u>94</u>	<u>974</u>	<u>4,929</u>
10	4,477	22,456
231	(948)	52,588
<u>\$ 241</u>	<u>\$ 3,529</u>	<u>\$ 75,044</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

Government Activities - Internal Service Funds

	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
OPERATING REVENUES				
Charges for services	\$ 110,332	\$ 5,268	\$ 2,514	\$ 54,582
Intergovernmental charges for services	-	2	-	-
Insurance premiums	10,291	-	-	-
Licenses and permits	4	-	-	-
Miscellaneous	1,587	72	24	164
Total revenues	<u>122,214</u>	<u>5,342</u>	<u>2,538</u>	<u>54,746</u>
OPERATING EXPENSES				
Cost of sales and services	117,125	4,946	463	55,688
Administration	1,384	295	-	3,370
Depreciation and amortization	4	1,486	440	2,678
Total operating expenses	<u>118,513</u>	<u>6,727</u>	<u>903</u>	<u>61,736</u>
Operating income (loss)	<u>3,701</u>	<u>(1,385)</u>	<u>1,635</u>	<u>(6,990)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	1,683	7	112	205
Gain (loss) on disposal of capital assets	-	-	171	(90)
Total nonoperating revenues	<u>1,683</u>	<u>7</u>	<u>283</u>	<u>115</u>
Income (loss) before contributions and transfers	5,384	(1,378)	1,918	(6,875)
Transfers in	-	-	150	-
Transfers out	(1,025)	(150)	-	-
Capital contributions in	-	-	-	4,099
Capital contributions out	-	-	(6)	(68)
Change in net position	<u>4,359</u>	<u>(1,528)</u>	<u>2,062</u>	<u>(2,844)</u>
Total net position - beginning	<u>55,601</u>	<u>4,172</u>	<u>6,315</u>	<u>3,137</u>
Total net position - ending	<u>\$ 59,960</u>	<u>\$ 2,644</u>	<u>\$ 8,377</u>	<u>\$ 293</u>

Government Activities - Internal Service Funds		
Mail Distribution	Facilities Management	Total Internal Service Funds
\$ 2,905	\$ 57,715	\$ 233,316
-	817	819
-	-	10,291
-	-	4
1	31	1,879
<u>2,906</u>	<u>58,563</u>	<u>246,309</u>
2,688	54,785	235,695
171	1,758	6,978
12	113	4,733
<u>2,871</u>	<u>56,656</u>	<u>247,406</u>
<u>35</u>	<u>1,907</u>	<u>(1,097)</u>
18	93	2,118
-	-	81
<u>18</u>	<u>93</u>	<u>2,199</u>
53	2,000	1,102
-	6,442	6,592
-	(531)	(1,706)
-	6	4,105
-	-	(74)
<u>53</u>	<u>7,917</u>	<u>10,019</u>
188	(4,388)	65,025
<u>\$ 241</u>	<u>\$ 3,529</u>	<u>\$ 75,044</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Fleet Asset Replacement</u>	<u>Information Technology</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,934	\$ 82	\$ 57	\$ 404
Receipts for interfund services provided	110,249	5,260	2,507	54,332
Payments to suppliers	(108,548)	(2,892)	297	(20,517)
Payments to employees	(9,151)	(1,356)	-	(26,472)
Receipts for interfund services used	130	(918)	-	(8,096)
Net cash provided by (used for) operating activities	<u>4,614</u>	<u>176</u>	<u>2,861</u>	<u>(349)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	150	-
Transfers out	(1,025)	(150)	-	-
Net cash provided by (used for) noncapital and related financing activities	<u>(1,025)</u>	<u>(150)</u>	<u>150</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions in	-	-	-	4,099
Capital contributions out	-	-	(6)	(68)
Acquisition of capital assets	-	(223)	(2,132)	(4,684)
Gain (Loss) on disposal of capital assets	-	-	171	(90)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(223)</u>	<u>(1,967)</u>	<u>(743)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	1,683	7	112	205
Net cash provided by (used for) investing activities	<u>1,683</u>	<u>7</u>	<u>112</u>	<u>205</u>
Net increase (decrease) in cash and cash equivalents	5,272	(190)	1,156	(887)
Cash and cash equivalents - beginning	<u>75,202</u>	<u>788</u>	<u>4,578</u>	<u>8,808</u>
Cash and cash equivalents - ending	<u>\$ 80,474</u>	<u>\$ 598</u>	<u>\$ 5,734</u>	<u>\$ 7,921</u>

<u>Mail</u>	<u>Facilities</u>	<u>Total Internal</u>
<u>Distribution</u>	<u>Management</u>	<u>Service Funds</u>
\$ 3	\$ 2,278	14,758
2,903	56,457	231,708
(887)	(30,895)	(163,442)
(1,033)	(13,156)	(51,168)
(805)	(13,853)	(23,542)
<u>181</u>	<u>831</u>	<u>8,314</u>
-	6,442	6,592
<u>-</u>	<u>(531)</u>	<u>(1,706)</u>
-	5,911	4,886
<u>-</u>	<u>-</u>	<u>81</u>
(7)	(4,600)	(7,540)
<u>18</u>	<u>93</u>	<u>2,118</u>
<u>18</u>	<u>93</u>	<u>2,118</u>
192	2,235	7,778
<u>858</u>	<u>7,567</u>	<u>97,801</u>
<u>\$ 1,050</u>	<u>\$ 9,802</u>	<u>105,579</u>

(continued)

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Fleet Asset Replacement</u>	<u>Information Technology</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 3,701	\$ (1,385)	\$ 1,635	\$ (6,990)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization of capital assets	4	1,486	440	2,678
Changes in assets, liabilities and deferred inflows/outflows:				
Receivables	(3)	-	28	(10)
Inventories	-	(9)	-	2
Prepaid items	(227)	-	-	(1,982)
Capital assets	180	(34)	459	1,828
Accounts payable	(581)	(47)	299	2,184
Payroll payable	2	3	-	(25)
Claims and judgments payable	(1,544)	-	-	-
Unearned revenue	(27)	-	-	-
Compensated absences	(42)	(6)	-	(192)
Other accrued payables	-	-	-	-
Net OPEB liability - County Plan	(108)	(8)	-	(850)
Deferred outflows - OPEB - County Plan	1	-	-	29
Deferred inflows - OPEB - County Plan	259	39	-	818
Net OPEB asset - RHIA	(34)	(5)	-	(103)
Deferred outflows - OPEB - RHIA	7	1	-	30
Deferred inflows - OPEB - RHIA	6	1	-	17
Net pension liability	4,335	144	-	1,716
Deferred outflows - pension	(2,009)	(68)	-	(846)
Deferred inflows - pension	694	64	-	1,347
Total adjustments	913	1,561	1,226	6,641
Net cash provided by (used for) operating activities	<u>\$ 4,614</u>	<u>\$ 176</u>	<u>\$ 2,861</u>	<u>\$ (349)</u>
Noncash financing activities:				
None	\$ -	\$ -	\$ -	\$ -

<u>Mail Distribution</u>	<u>Facilities Management</u>	<u>Total Internal Service Funds</u>
\$ 35	\$ 1,907	(1,097)
12	113	4,733
-	172	187
4	(56)	(59)
2	(158)	(2,365)
-	184	2,617
109	(565)	1,399
5	(9)	(24)
-	-	(1,544)
-	-	(27)
(1)	(7)	(248)
-	3	3
(45)	(252)	(1,263)
2	6	38
29	390	1,535
(4)	(51)	(197)
1	12	51
1	9	34
(23)	(2,237)	3,935
8	1,003	(1,912)
46	367	2,518
146	(1,076)	9,411
<u>\$ 181</u>	<u>\$ 831</u>	<u>8,314</u>

\$ - \$ - \$ -

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Charges for services	\$ 115,082	\$ 115,356	\$ 110,332	\$ (5,024)
Insurance premiums	10,991	10,991	10,291	(700)
Licenses and permits	-	-	4	4
Interest	963	963	1,683	720
Miscellaneous	1,650	1,650	1,545	(105)
Total revenues	<u>128,686</u>	<u>128,960</u>	<u>123,855</u>	<u>(5,105)</u>
EXPENDITURES				
Current:				
County management	120,846	121,120	111,219	9,901
Nondepartmental	5,852	5,852	5,502	350
Contingency	3,213	3,213	-	3,213
Total expenditures	<u>129,911</u>	<u>130,185</u>	<u>116,721</u>	<u>13,464</u>
Revenues over (under) expenditures	<u>(1,225)</u>	<u>(1,225)</u>	<u>7,134</u>	<u>8,359</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,025)</u>	<u>(1,025)</u>	<u>(1,025)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,025)</u>	<u>(1,025)</u>	<u>(1,025)</u>	<u>-</u>
Net change in fund balances	(2,250)	(2,250)	6,109	8,359
Fund balances - beginning	<u>59,250</u>	<u>59,250</u>	<u>71,549</u>	<u>12,299</u>
Fund balances - ending	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>77,658</u>	<u>\$ 20,658</u>
Reconciliation to GAAP Basis:				
Internal loans receivable			3,000	
Compensated absences			(320)	
Claims and judgments payable			(12,347)	
OPEB - County Plan:				
Deferred outflows - County Plan			82	
Net OPEB liability - County Plan			(1,513)	
Deferred inflows - County Plan			(259)	
OPEB - RHIA:				
Net OPEB asset - RHIA			52	
Deferred outflows - RHIA			14	
Deferred inflows - RHIA			(15)	
Pension Plan:				
Deferred outflows - pension			4,741	
Net pension liability			(10,314)	
Deferred inflows - pension			(819)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 59,960</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Charges for services	\$ 5,240	\$ 5,240	\$ 5,268	\$ 28
Intergovernmental charges for services	15	15	2	(13)
Interest	26	26	7	(19)
Miscellaneous	35	35	66	31
Total revenues	<u>5,316</u>	<u>5,316</u>	<u>5,343</u>	<u>27</u>
EXPENDITURES				
Current:				
County assets	5,696	5,696	5,333	363
Total expenditures	<u>5,696</u>	<u>5,696</u>	<u>5,333</u>	<u>363</u>
Revenues over (under) expenditures	<u>(380)</u>	<u>(380)</u>	<u>10</u>	<u>390</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(463)	(463)	(150)	313
Total other financing sources (uses)	<u>(463)</u>	<u>(463)</u>	<u>(150)</u>	<u>313</u>
Net change in fund balances	(843)	(843)	(140)	703
Fund balances - beginning	843	843	1,027	184
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	887	<u>\$ 887</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			2,715	
Compensated absences			(68)	
OPEB - County Plan:				
Deferred outflows - County Plan			12	
Net OPEB liability - County Plan			(229)	
Deferred inflows - County Plan			(39)	
OPEB - RHIA:				
Net OPEB asset - RHIA			8	
Deferred outflows - RHIA			2	
Deferred inflows - RHIA			(2)	
Pension Plan:				
Deferred outflows - pension			477	
Net pension liability			(1,037)	
Deferred inflows - pension			(82)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 2,644</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,514	\$ 2,514	\$ 2,015	\$ (499)
Interest	25	25	112	87
Miscellaneous	-	-	24	24
Total revenues	<u>2,539</u>	<u>2,539</u>	<u>2,151</u>	<u>(388)</u>
EXPENDITURES				
Current:				
County assets	7,335	7,335	1,472	5,863
Total expenditures	<u>7,335</u>	<u>7,335</u>	<u>1,472</u>	<u>5,863</u>
Revenues over (under) expenditures	<u>(4,796)</u>	<u>(4,796)</u>	<u>679</u>	<u>5,475</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	463	463	150	(313)
Total other financing sources (uses)	<u>463</u>	<u>463</u>	<u>150</u>	<u>(313)</u>
Net change in fund balances	(4,333)	(4,333)	829	5,162
Fund balances - beginning	4,333	4,333	4,606	273
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	5,435	<u>\$ 5,435</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			<u>2,942</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 8,377</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 56,926	\$ 56,946	\$ 54,582	\$ (2,364)
Interest	-	-	205	205
Miscellaneous	-	-	6	6
Total revenues	<u>56,926</u>	<u>56,946</u>	<u>54,793</u>	<u>(2,153)</u>
EXPENDITURES				
Current:				
County assets	58,453	60,076	55,852	4,224
Contingency	351	351	-	351
Total expenditures	<u>58,804</u>	<u>60,427</u>	<u>55,852</u>	<u>4,575</u>
Net change in fund balances	(1,878)	(3,481)	(1,059)	2,422
Fund balances - beginning	<u>1,878</u>	<u>3,481</u>	<u>9,555</u>	<u>6,074</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	8,496	<u>\$ 8,496</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			12,312	
Compensated absences			(1,446)	
OPEB - County Plan:				
Deferred outflows - County Plan			258	
Net OPEB liability - County Plan			(4,770)	
Deferred inflows - County Plan			(818)	
OPEB - RHIA:				
Net OPEB asset - RHIA			165	
Deferred outflows - RHIA			44	
Deferred inflows - RHIA			(46)	
Pension Plan:				
Deferred outflows - pension			10,314	
Net pension liability			(22,435)	
Deferred inflows - pension			<u>(1,781)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 293</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Charges for services	\$ 2,878	\$ 2,878	\$ 2,905	\$ 27
Interest	7	7	18	11
Total revenues	<u>2,885</u>	<u>2,885</u>	<u>2,923</u>	<u>38</u>
EXPENDITURES				
Current:				
County assets	3,601	3,601	2,850	751
Total expenditures	<u>3,601</u>	<u>3,601</u>	<u>2,850</u>	<u>751</u>
Net change in fund balances	(716)	(716)	73	789
Fund balances - beginning	716	716	875	159
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	948	<u>\$ 948</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			10	
Compensated absences			(40)	
OPEB - County Plan:				
Deferred outflows - County Plan			9	
Net OPEB liability - County Plan			(171)	
Deferred inflows - County Plan			(29)	
OPEB - RHIA:				
Net OPEB asset - RHIA			6	
Deferred outflows - RHIA			2	
Deferred inflows - RHIA			(2)	
Pension Plan:				
Deferred outflows - pension			365	
Net pension liability			(794)	
Deferred inflows - pension			<u>(63)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 241</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, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 50,488	\$ 54,988	\$ 57,715	\$ 2,727
Intergovernmental charges for services	897	897	817	(80)
Interest	-	-	93	93
Miscellaneous	3,068	3,068	31	(3,037)
Total revenues	<u>54,453</u>	<u>58,953</u>	<u>58,656</u>	<u>(297)</u>
EXPENDITURES				
Current:				
County assets	56,085	66,917	61,717	5,200
Total expenditures	<u>56,085</u>	<u>66,917</u>	<u>61,717</u>	<u>5,200</u>
Revenues over (under) expenditures	<u>(1,632)</u>	<u>(7,964)</u>	<u>(3,061)</u>	<u>4,903</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	287	6,442	6,442	-
Transfers out	(531)	(531)	(531)	-
Total other financing sources (uses)	<u>(244)</u>	<u>5,911</u>	<u>5,911</u>	<u>-</u>
Net change in fund balances	(1,876)	(2,053)	2,850	4,903
Fund balances - beginning	<u>1,876</u>	<u>2,053</u>	<u>4,014</u>	<u>1,961</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,864</u>	<u>\$ 6,864</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			4,477	
Compensated absences			(547)	
Other accrued payables			(412)	
OPEB - County Plan:				
Deferred outflows - County Plan			123	
Net OPEB liability - County Plan			(2,275)	
Deferred inflows - County Plan			(390)	
OPEB - RHIA:				
Net OPEB asset - RHIA			79	
Deferred outflows - RHIA			21	
Deferred inflows - RHIA			(22)	
Pension Plan:				
Deferred outflows - pension			3,255	
Net pension liability			(7,082)	
Deferred inflows - pension			(562)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 3,529</u>	

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES FIDUCIARY FUNDS

Agency Funds

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

- **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 and Offices Agency Funds** - accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity
- **Public Guardian Fund** - accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- **Visitors' Facilities Trust Fund** - accounts for collection and disbursement of motor vehicle rental tax and transient lodging tax used for visitor facilities.

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MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2019
(amounts expressed in thousands)

	Property Tax	Department and Offices Agency	Public Guardian	Visitors Facilities Trust	Total
ASSETS					
Restricted assets:					
Cash and investments	\$ 6,996	\$ 15,912	\$ 472	\$ 22,950	\$ 46,330
Taxes receivable	41,870	156	-	3,034	45,060
Total assets	<u>48,866</u>	<u>16,068</u>	<u>472</u>	<u>25,984</u>	<u>91,390</u>
LIABILITIES					
Liabilities payable from restricted assets:					
Accounts payable	6,996	3,897	29	280	11,202
Due to other governmental units	41,870	-	-	-	41,870
Amounts held in trust	-	12,171	443	25,704	38,318
Total liabilities	<u>48,866</u>	<u>16,068</u>	<u>472</u>	<u>25,984</u>	<u>91,390</u>
NET POSITION					
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
PROPERTY TAX:				
Restricted assets:				
Cash and investments	\$ 6,506	\$ 174,961	\$ 174,471	\$ 6,996
Taxes receivable	68,341	634,868	661,339	41,870
Total assets	<u>\$ 74,847</u>	<u>\$ 809,829</u>	<u>\$ 835,810</u>	<u>\$ 48,866</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 6,506	\$ 406,872	\$ 406,382	\$ 6,996
Due to other governmental units	68,341	634,868	661,339	41,870
Amounts held in trust	-	406,514	406,514	-
Total liabilities	<u>\$ 74,847</u>	<u>\$ 1,448,254</u>	<u>\$ 1,474,235</u>	<u>\$ 48,866</u>
DEPARTMENT AND OFFICES AGENCY:				
Restricted assets:				
Cash and investments	\$ 14,749	\$ 724,712	\$ 723,549	\$ 15,912
Taxes receivable	134	177,469	177,447	156
Accounts receivable	-	213	213	-
Total assets	<u>\$ 14,883</u>	<u>\$ 902,394</u>	<u>\$ 901,209</u>	<u>\$ 16,068</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 3,844	\$ 12,507	\$ 12,454	\$ 3,897
Amounts held in trust	11,039	686,777	685,645	12,171
Total liabilities	<u>\$ 14,883</u>	<u>\$ 699,284</u>	<u>\$ 698,099</u>	<u>\$ 16,068</u>
PUBLIC GUARDIAN:				
Restricted assets:				
Cash and investments	\$ 637	\$ 1,497	\$ 1,662	\$ 472
Accounts receivable	-	-	-	-
Total assets	<u>\$ 637</u>	<u>\$ 1,497</u>	<u>\$ 1,662</u>	<u>\$ 472</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 43	\$ 850	\$ 864	\$ 29
Amounts held in trust	594	1,427	1,578	443
Total liabilities	<u>\$ 637</u>	<u>\$ 2,277</u>	<u>\$ 2,442</u>	<u>\$ 472</u>
VISITORS FACILITIES TRUST:				
Restricted assets:				
Cash and investments	\$ 19,086	\$ 66,355	\$ 62,491	\$ 22,950
Taxes receivable	2,875	3,034	2,875	3,034
Total assets	<u>\$ 21,961</u>	<u>\$ 69,389</u>	<u>\$ 65,366</u>	<u>\$ 25,984</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 209	\$ 16,270	\$ 16,199	\$ 280
Amounts held in trust	21,752	24,569	20,617	25,704
Total liabilities	<u>\$ 21,961</u>	<u>\$ 40,839</u>	<u>\$ 36,816</u>	<u>\$ 25,984</u>
TOTAL - ALL AGENCY FUNDS:				
Restricted assets:				
Cash and investments	\$ 40,978	\$ 967,525	\$ 962,173	\$ 46,330
Taxes receivable	71,350	815,371	841,661	45,060
Accounts receivable	-	213	213	-
Total assets	<u>\$ 112,328</u>	<u>\$ 1,783,109</u>	<u>\$ 1,804,047</u>	<u>\$ 91,390</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 10,602	\$ 436,499	\$ 435,899	\$ 11,202
Due to other governmental units	68,341	634,868	661,339	41,870
Amounts held in trust	33,385	1,119,287	1,114,354	38,318
Total liabilities	<u>\$ 112,328</u>	<u>\$ 2,190,654</u>	<u>\$ 2,211,592</u>	<u>\$ 91,390</u>

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OTHER FINANCIAL SCHEDULES

- Property Tax Collections and Outstanding Balances
- Capitalized Lease Obligations
- Loans Payable Outstanding
- Full Faith and Credit Bonds Outstanding

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MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2018	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, 2019
2018-19	\$ -	\$ 1,865,120	\$ (4,743)	\$ 551	\$ (49,067)	\$ (1,783,803)	\$ 28,059
2017-18	26,995	-	(5,574)	788	143	(8,961)	13,391
2016-17	11,732	-	(103)	691	(64)	(6,714)	5,542
2015-16	8,748	-	(85)	847	(97)	(6,974)	2,439
2014-15	9,568	-	(53)	605	(216)	(9,432)	472
2013-14 and prior	31,683	-	(110)	222	(823)	(27,125)	3,847
Total	\$ 88,726	\$ 1,865,120	\$ (10,668)	\$ 3,704	\$ (50,124)	\$ (1,843,009)	\$ 53,750

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2019

	Current Years' Levy	Prior Years' Levies	Total Property Taxes	Other Taxes*	Total
General Fund	\$ 4,706	\$ 4,596	\$ 9,302	\$ 10,733	\$ 20,035
Special revenue funds:					
Road Fund	-	-	-	1,193	1,193
Library Fund	-	91	91	-	91
Special Excise Tax Fund	-	-	-	3,318	3,318
Land Corner Preservation Fund	-	-	-	5	5
Oregon Historical Society Levy Fund	51	43	94	-	94
Library District Fund	1,295	1,065	2,360	-	2,360
Total special revenue funds	1,346	1,199	2,545	4,516	7,061
Agency funds	21,986	19,884	41,870	3,190	45,060
Subtotal taxes receivable	28,038	25,679	53,717	18,439	72,156
Special assessments:					
collected through taxes					
Dunthorpe-Riverdale Service District No. 1 Fund	13	8	21	-	21
Mid County Service District No. 14 Fund	7	5	12	-	12
Total special assessments	20	13	33	-	33
Total receivables	\$ 28,058	\$ 25,692	\$ 53,750	\$ 18,439	\$ 72,189

*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, 2019
(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
2020	\$ 34	\$ 84	\$ 173	\$ 11	\$ 207	\$ 95
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	\$ 828	\$ 648	708	\$ 26	\$ 1,536	\$ 674

MULTNOMAH COUNTY, OREGON
Schedule of Loans Payable Outstanding
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	OTIB*	
	Dated 9/4/2008	
	3.98%	
	Principal	Interest
2020	\$ 222	\$ 70
2021	231	61
2022	240	52
2023	250	42
2024	259	32
2025	270	22
2026	281	11
Total	\$ 1,753	\$ 290

*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, 2019. 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, 2019
(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
2020	\$ 5,319	\$ 19,876	\$ -	\$ 713	\$ 5,265	\$ 4,206
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	\$ 52,593	\$ 315,958	\$ 15,000	\$ 4,917	\$ 101,120	\$ 31,472

Series 2014 Date of Issue 6/18/2014 3.00 to 5.00%		Series 2017 Date of Issue 11/30/17 3.00 to 5.00%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 4,780	\$ 119	\$ 8,345	\$ 6,612	\$ 23,709	\$ 31,526
-	-	8,770	6,195	20,858	32,257
-	-	9,205	5,756	21,488	33,093
-	-	9,670	5,296	22,164	33,959
-	-	10,145	4,813	22,866	34,865
-	-	3,875	4,305	16,842	35,812
-	-	4,065	4,112	17,300	37,143
-	-	4,270	3,908	17,791	38,529
-	-	4,480	3,695	18,233	40,055
-	-	4,710	3,471	18,717	41,659
-	-	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>\$ 4,780</u>	<u>\$ 119</u>	<u>\$ 152,540</u>	<u>\$ 77,051</u>	<u>\$ 326,033</u>	<u>\$ 429,517</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.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental Activities:				
Net investment in capital assets	\$ 971,759	\$ 818,361	\$ 959,484	\$ 850,159
Restricted	114,253	186,049	88,143	81,351
Unrestricted	<u>(157,498)</u>	<u>(179,240)</u>	<u>(183,146)</u>	<u>(130,430)</u>
Total governmental activities net position	<u>\$ 928,514</u>	<u>\$ 825,170</u>	<u>\$ 864,481</u>	<u>\$ 801,080</u>
Business-Type Activities:				
Net investment in capital assets	\$ 6,001	\$ 5,688	\$ 5,589	\$ 5,315
Unrestricted	<u>1,454</u>	<u>4,296</u>	<u>3,027</u>	<u>1,529</u>
Total business-type activities net position	<u>\$ 7,455</u>	<u>\$ 9,984</u>	<u>\$ 8,616</u>	<u>\$ 6,844</u>
Primary Government:				
Net investment in capital assets	\$ 977,760	\$ 824,049	\$ 965,073	\$ 855,474
Restricted	114,253	186,049	88,143	81,351
Unrestricted	<u>(156,044)</u>	<u>(174,944)</u>	<u>(180,119)</u>	<u>(128,901)</u>
Total primary government net position	<u>\$ 935,969</u>	<u>\$ 835,154</u>	<u>\$ 873,097</u>	<u>\$ 807,924</u>

Source: Current and prior years' financial statements

<u>2015</u>	<u>Restated 2014</u>	<u>2013</u>	<u>Restated 2012</u>	<u>2011</u>	<u>2010</u>
\$ 768,977	\$ 705,519	\$ 670,483	\$ 686,874	\$ 637,922	\$ 620,544
100,186	99,882	29,565	29,565	103,600	103,600
1,360	(132,245)	74,009	74,009	81,502	(8,728)
<u>\$ 870,523</u>	<u>\$ 673,156</u>	<u>\$ 774,057</u>	<u>\$ 790,448</u>	<u>\$ 823,024</u>	<u>\$ 715,416</u>
\$ 3,775	\$ 3,672	\$ 3,752	\$ 3,612	\$ 3,696	\$ 3,442
19,550	18,241	13,402	17,442	13,600	9,631
<u>\$ 23,325</u>	<u>\$ 21,913</u>	<u>\$ 17,154</u>	<u>\$ 21,054</u>	<u>\$ 17,296</u>	<u>\$ 13,073</u>
\$ 772,752	\$ 709,191	\$ 674,235	\$ 690,486	\$ 641,618	\$ 623,986
100,186	99,882	29,565	29,565	103,600	103,600
20,910	(114,004)	87,411	91,451	95,102	903
<u>\$ 893,848</u>	<u>\$ 695,069</u>	<u>\$ 791,211</u>	<u>\$ 811,502</u>	<u>\$ 840,320</u>	<u>\$ 728,489</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Program Revenues				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$ 94,345	\$ 73,551	\$ 74,584	\$ 62,857
Health services	110,503	95,628	102,403	100,720
Social services	941	619	262	624
Public safety and justice	26,220	28,786	20,014	30,080
Community services	14,593	11,283	9,590	7,406
Library	2,530	2,130	1,842	2,189
Roads, bridges, and bike path improvements	13,684	13,104	12,893	13,314
Operating grants and contributions	587,246	466,906	445,317	383,728
Capital grants and contributions	15,474	23,937	43,958	10,364
Total governmental activities program revenues	<u>865,536</u>	<u>715,944</u>	<u>710,863</u>	<u>611,282</u>
Business-type activities:				
Charges for services:				
Dunthorpe-Riverdale Service Dist. No. 1	889	722	730	896
Mid County Service Dist. No. 14	481	449	456	453
Behavioral Health	37,268	37,169	34,767	61,700
Capital grants and contributions	-	-	267	-
Total business-type activities program revenues	<u>38,638</u>	<u>38,340</u>	<u>36,220</u>	<u>63,049</u>
Total primary government program revenues	<u>904,174</u>	<u>754,284</u>	<u>747,083</u>	<u>674,331</u>
Expenses				
Governmental activities:				
General government	269,029	420,189	306,755	271,016
Health services	278,820	242,155	222,213	242,366
Social services	193,215	217,044	219,884	227,737
Public safety and justice	254,494	221,307	215,267	255,904
Community services	244,965	94,327	91,297	54,495
Library	70,323	64,736	56,932	63,640
Roads, bridges, and bike path improvements	68,287	111,526	64,730	64,539
Interest on long-term debt	10,190	10,494	8,572	18,362
Total governmental activities expenses	<u>1,389,323</u>	<u>1,381,778</u>	<u>1,185,650</u>	<u>1,198,059</u>
Business-type activities:				
Dunthorpe-Riverdale Service Dist. No. 1	798	687	649	607
Mid County Service Dist. No. 14	384	416	321	329
Behavioral Health	40,260	34,207	34,260	79,420
Total business-type activities expenses	<u>41,442</u>	<u>35,310</u>	<u>35,230</u>	<u>80,356</u>
Total primary government expenses	<u>1,430,765</u>	<u>1,417,088</u>	<u>1,220,880</u>	<u>1,278,415</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	83,516	\$ 71,664	\$ 26,466	\$ 27,239	\$ 27,789	\$ 22,843
	89,951	72,286	68,943	72,910	77,276	70,455
	3,604	2,038	1,064	1,568	1,321	1,902
	19,472	15,473	17,167	16,809	16,056	17,490
	5,120	3,779	3,514	2,914	2,325	-
	3,126	1,652	1,639	1,747	1,759	1,757
	13,401	13,011	12,853	11,866	9,131	1,107
	350,767	340,367	318,956	308,392	316,218	299,735
	20,455	60,776	68	839	16,415	2,885
	<u>589,412</u>	<u>581,046</u>	<u>450,670</u>	<u>444,284</u>	<u>468,290</u>	<u>418,174</u>
	893	877	852	837	816	809
	454	452	377	380	363	341
	71,149	53,112	42,857	44,712	46,110	42,931
	-	-	10	6	36	133
	<u>72,496</u>	<u>54,441</u>	<u>44,096</u>	<u>45,935</u>	<u>47,325</u>	<u>44,214</u>
	<u>661,908</u>	<u>635,487</u>	<u>494,766</u>	<u>490,219</u>	<u>515,615</u>	<u>462,388</u>
	101,137	97,325	72,049	65,813	58,642	59,572
	147,909	152,854	148,528	150,421	151,327	137,615
	244,858	245,233	233,990	224,975	222,515	224,928
	200,669	228,463	221,744	217,842	216,403	210,079
	53,731	39,182	36,895	34,511	26,683	22,796
	60,150	64,708	58,488	61,641	60,343	56,548
	50,327	66,622	55,383	54,287	51,772	49,571
	19,785	20,822	18,932	10,695	11,774	12,800
	<u>878,566</u>	<u>915,209</u>	<u>846,009</u>	<u>820,185</u>	<u>799,459</u>	<u>773,909</u>
	622	573	554	507	486	516
	404	420	389	411	427	403
	69,242	53,156	38,586	49,014	43,640	39,207
	<u>70,268</u>	<u>54,149</u>	<u>39,529</u>	<u>49,932</u>	<u>44,553</u>	<u>40,126</u>
	<u>948,834</u>	<u>969,358</u>	<u>885,538</u>	<u>870,117</u>	<u>844,012</u>	<u>814,035</u>

(Continued)

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

(continued)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Revenue (Expense)				
Governmental activities	\$ (523,787)	\$ (665,834)	\$ (474,787)	\$ (586,777)
Business-type activities	(2,804)	3,030	990	(17,307)
Total primary government net expense	<u>(526,591)</u>	<u>(662,804)</u>	<u>(473,797)</u>	<u>(604,084)</u>
 General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property and other local taxes levied for:				
General purposes	390,396	383,074	360,178	342,128
Debt service	-	-	108	6,075
Personal income taxes	5	11	9	15
Business income taxes	99,500	93,400	84,450	80,710
Selective excise and use taxes	84,485	76,825	76,163	74,594
Payments in lieu of taxes	519	786	568	486
State government shared revenues	12,668	13,192	10,475	9,998
Grants and contributions not restricted to specific programs	9	2,958	24	13
Interest and investment earnings	14,954	6,235	2,045	3,016
Miscellaneous	-	-	1,559	2,304
Gain (loss) on sale of capital assets	24,595	29,811	2,609	(2,005)
Total governmental activities	<u>627,131</u>	<u>606,292</u>	<u>538,188</u>	<u>517,334</u>
Business-type activities:				
Interest and investment earnings	275	124	48	100
Miscellaneous	-	42	734	726
Total business-type activities	<u>275</u>	<u>166</u>	<u>782</u>	<u>826</u>
Total primary government	<u>627,406</u>	<u>606,458</u>	<u>538,970</u>	<u>518,160</u>
 Change in Net Position				
Governmental activities	103,344	(59,542)	63,401	(69,443)
Cumulative effect of change in accounting principle	-	-	-	-
Total governmental activities	<u>103,344</u>	<u>(59,542)</u>	<u>63,401</u>	<u>(69,443)</u>
Business-type activities	(2,529)	3,196	1,772	(16,481)
Total primary government change in net position	<u>\$ 100,815</u>	<u>\$ (56,346)</u>	<u>\$ 65,173</u>	<u>\$ (85,924)</u>

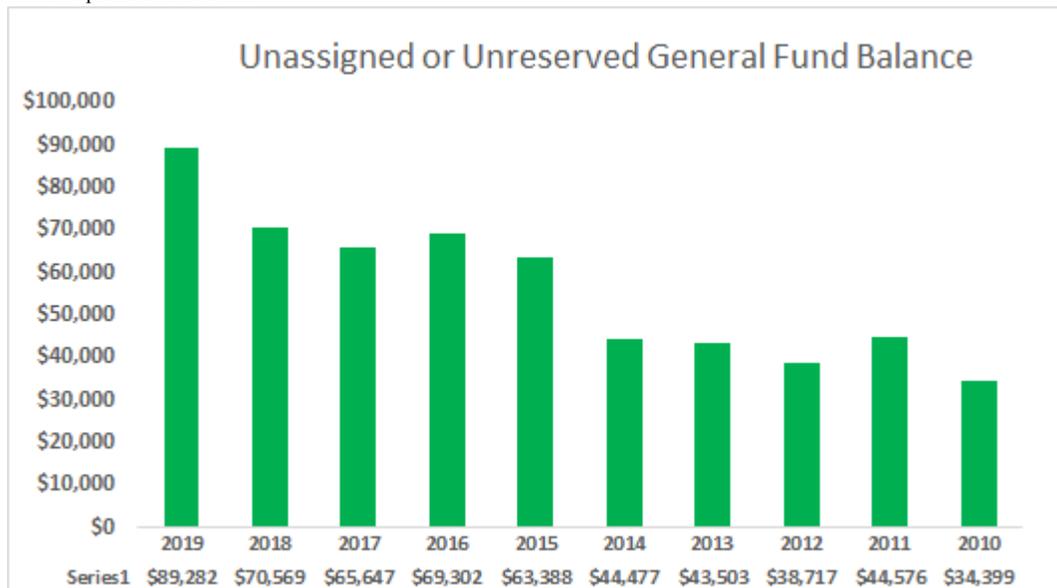
Source: Current and prior years' financial statements

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ (289,154)	\$ (334,163)	\$ (395,339)	\$ (375,901)	\$ (331,169)	\$ (355,735)
2,228	292	4,567	(3,997)	2,772	4,088
<u>(286,926)</u>	<u>(333,871)</u>	<u>(390,772)</u>	<u>(379,898)</u>	<u>(328,397)</u>	<u>(351,647)</u>
323,898	303,871	271,664	272,299	268,605	266,294
6,116	6,999	8,067	8,842	8,246	9,001
32	16	77	235	683	-
73,825	61,800	58,750	52,250	48,570	44,150
67,192	58,456	52,934	48,777	46,167	42,692
659	821	1,019	697	1,500	1,305
9,534	9,198	9,090	10,108	7,423	7,768
-	24	15	10	1	27
2,363	2,119	1,638	2,604	2,946	2,589
2,713	2,302	2,613	1,194	667	1,665
189	279	119	607	175	228
<u>486,521</u>	<u>445,885</u>	<u>405,986</u>	<u>397,623</u>	<u>384,983</u>	<u>375,719</u>
119	102	95	97	115	128
100	10	97	-	871	7
<u>219</u>	<u>112</u>	<u>192</u>	<u>97</u>	<u>986</u>	<u>135</u>
<u>486,740</u>	<u>445,997</u>	<u>406,178</u>	<u>397,720</u>	<u>385,969</u>	<u>375,854</u>
197,367	111,722	10,647	21,722	53,814	19,984
-	-	-	(504)	-	-
<u>197,367</u>	<u>111,722</u>	<u>10,647</u>	<u>21,218</u>	<u>53,814</u>	<u>19,984</u>
2,447	404	4,759	(3,900)	3,758	4,223
<u>\$ 199,814</u>	<u>\$ 112,126</u>	<u>\$ 15,406</u>	<u>\$ 17,318</u>	<u>\$ 57,572</u>	<u>\$ 24,207</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	979	595	682	619
Restricted	7,967	5,389	5,152	3,427
Committed	3,412	-	3,802	-
Unassigned	89,282	70,569	65,647	69,302
Total General Fund	<u>101,640</u>	<u>76,553</u>	<u>75,283</u>	<u>73,348</u>
All other governmental funds				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	718	1,000	855	1,378
Restricted	106,286	180,660	82,991	84,111
Committed	90,829	93,872	101,025	117,925
Assigned	12,419	16,557	15,475	18,335
Unassigned	-	(2)	(27)	(425)
Total all other governmental funds	<u>210,252</u>	<u>292,087</u>	<u>200,319</u>	<u>221,324</u>
Total governmental funds	<u>\$ 311,892</u>	<u>\$ 368,640</u>	<u>\$ 275,602</u>	<u>\$ 294,672</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.

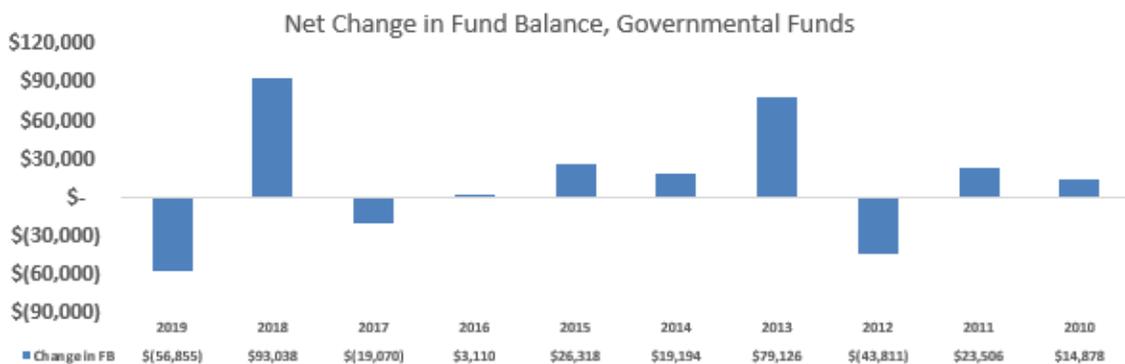


Source: Current and prior years' financial statements

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,016
-	-	-	-	-	34,399
781	622	576	364	654	-
176	254	429	534	487	-
-	-	-	42	487	-
<u>63,388</u>	<u>44,477</u>	<u>43,503</u>	<u>38,717</u>	<u>44,576</u>	<u>-</u>
<u>64,345</u>	<u>45,353</u>	<u>44,508</u>	<u>39,657</u>	<u>46,204</u>	<u>59,415</u>
-	-	-	-	-	97,220
-	-	-	-	-	30,594
1,358	1,115	1,269	1,418	1,237	-
106,261	104,838	105,341	28,506	48,942	-
104,004	99,651	86,123	86,457	94,237	-
15,594	14,494	9,255	11,282	20,914	-
-	(207)	(446)	(396)	(312)	-
<u>227,217</u>	<u>219,891</u>	<u>201,542</u>	<u>127,267</u>	<u>165,018</u>	<u>127,814</u>
<u>\$ 291,562</u>	<u>\$ 265,244</u>	<u>\$ 246,050</u>	<u>\$ 166,924</u>	<u>\$ 211,222</u>	<u>\$ 187,229</u>

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

	2019	2018	2017	2016
Revenues				
Taxes	\$ 574,385	\$ 553,499	\$ 519,718	\$ 503,745
Payments in lieu of taxes	519	601	568	517
Intergovernmental	589,112	468,765	456,252	376,935
Licenses and permits	30,309	31,894	31,999	30,059
Charges for services	132,878	112,662	125,090	129,206
Interest	10,226	5,988	3,172	1,898
Miscellaneous	132,445	100,482	101,207	99,840
Total revenues	<u>1,469,874</u>	<u>1,273,891</u>	<u>1,238,006</u>	<u>1,142,200</u>
Expenditures				
Current:				
General government	128,807	142,156	77,333	79,363
Health services	284,840	267,459	257,759	171,896
Social services	221,836	262,382	237,085	259,391
Public safety and justice	289,023	276,142	261,326	240,126
Community services	237,941	92,331	52,927	42,226
Library	81,635	70,208	65,206	62,673
Roads, bridges, and bike path improvements	63,277	68,595	55,292	53,269
Capital outlay	199,990	142,965	86,450	74,973
Debt service:				
Principal	39,964	32,880	22,437	22,731
Interest	14,230	12,426	20,785	22,407
Total expenditures	<u>1,561,543</u>	<u>1,367,544</u>	<u>1,136,600</u>	<u>1,029,055</u>
Revenues over (under) expenditures	<u>(91,669)</u>	<u>(93,653)</u>	<u>101,406</u>	<u>113,145</u>
Other Financing Sources (Uses)				
Proceeds from issuance of debt	107	181,208	1,000	-
Proceeds from issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	-
Issuance of capital lease	-	-	-	-
Proceeds from sale of capital assets	39,700	5,018	9	276
Payment to escrow agent - refunded debt	-	-	-	-
Transfers in	123,285	126,573	106,193	103,198
Transfers out	<u>(128,171)</u>	<u>(126,108)</u>	<u>(109,692)</u>	<u>(104,280)</u>
Total other financing sources (uses)	<u>34,921</u>	<u>186,691</u>	<u>(2,490)</u>	<u>(806)</u>
Net change in fund balances	<u>\$ (56,748)</u>	<u>\$ 93,038</u>	<u>\$ 98,916</u>	<u>\$ 112,339</u>
Debt service as a percentage of noncapital expenditures	<u>4.0%</u>	<u>3.7%</u>	<u>4.1%</u>	<u>4.7%</u>



Source: Current and prior years' financial statements

	2015	2014	2013	2012	2011	2010
\$	470,486	\$ 429,539	\$ 391,722	\$ 379,334	\$ 373,435	\$ 364,080
	659	858	1,019	697	1,500	1,305
	369,654	401,312	318,878	312,588	317,944	300,963
	29,113	27,244	27,685	27,727	23,535	14,722
	86,212	85,153	87,307	80,001	68,875	85,603
	2,024	1,796	1,315	1,180	1,486	1,796
	98,031	64,816	64,816	56,823	64,335	54,118
	<u>1,056,179</u>	<u>1,010,718</u>	<u>892,742</u>	<u>858,350</u>	<u>851,110</u>	<u>822,587</u>
	79,363	69,384	61,380	62,951	58,971	59,960
	171,896	155,451	156,344	158,283	145,555	138,941
	259,391	236,253	226,460	223,815	227,257	211,832
	240,126	225,707	221,094	220,279	215,442	219,797
	42,226	34,517	34,137	26,283	22,458	24,080
	62,673	52,438	55,088	54,223	52,118	50,872
	53,269	44,704	43,623	40,790	37,540	38,148
	74,973	79,769	80,888	32,804	21,481	20,783
	22,731	60,212	28,526	23,947	30,762	23,424
	22,407	19,702	10,583	11,759	12,997	13,989
	<u>1,029,055</u>	<u>978,137</u>	<u>918,123</u>	<u>855,134</u>	<u>824,581</u>	<u>801,826</u>
	<u>27,124</u>	<u>32,581</u>	<u>(25,381)</u>	<u>3,216</u>	<u>26,529</u>	<u>20,761</u>
	-	153,262	15,101	16,282	11,309	623
	-	-	-	-	45,175	-
	-	21,113	-	-	5,443	-
	-	-	-	815	-	-
	276	20	1,713	24	10	-
	-	-	-	-	(49,710)	-
	103,198	21,870	37,351	33,521	47,360	61,978
	(104,280)	(31,744)	(38,203)	(23,112)	(42,715)	(58,430)
	<u>(806)</u>	<u>164,521</u>	<u>15,962</u>	<u>27,530</u>	<u>16,872</u>	<u>4,171</u>
\$	<u>26,318</u>	<u>\$ 197,102</u>	<u>\$ (9,419)</u>	<u>\$ 30,746</u>	<u>\$ 43,401</u>	<u>\$ 24,932</u>
	<u>4.7%</u>	<u>8.9%</u>	<u>4.7%</u>	<u>4.3%</u>	<u>5.4%</u>	<u>4.8%</u>

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

Function/Program	2019	2018	2017	2016
Governmental activities:				
General government	\$ 102,776	\$ 74,698	\$ 79,161	\$ 78,014
Health services	203,720	178,702	210,508	181,336
Social services	147,255	248,955	201,187	184,797
Public safety and justice	139,242	100,627	78,917	88,203
Community services	195,611	13,358	42,309	9,393
Library	4,507	3,915	5,273	5,474
Roads and bridges	72,425	95,689	93,508	64,065
Total governmental activities	865,536	715,944	710,863	611,282
Business-type activities:				
Dunthorpe-Riverdale Service District No. 1	889	722	896	893
Mid County Service District No. 14	481	449	453	454
Behavioral health managed care	37,268	37,169	61,700	71,149
Total business-type activities	38,638	38,340	63,049	72,496
Total primary government	\$ 904,174	\$ 754,284	\$ 773,912	\$ 683,778

Source: Current and prior years' financial statements

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 87,840	\$ 76,839	\$ 31,273	\$ 32,200	\$ 34,230	\$ 27,142
126,335	116,869	100,994	107,371	113,591	104,070
205,639	185,991	194,176	172,360	180,874	180,656
63,252	61,636	57,886	57,705	60,451	60,818
6,684	5,389	5,104	5,898	7,184	3,636
7,035	4,233	5,724	5,318	4,948	5,178
92,627	130,089	55,513	63,432	67,012	36,674
<u>589,412</u>	<u>581,046</u>	<u>450,670</u>	<u>444,284</u>	<u>468,290</u>	<u>418,174</u>
893	877	837	822	877	713
454	452	386	393	406	344
71,149	53,112	44,712	46,110	42,931	39,027
<u>72,496</u>	<u>54,441</u>	<u>45,935</u>	<u>47,325</u>	<u>44,214</u>	<u>40,084</u>
<u>\$ 661,908</u>	<u>\$ 635,487</u>	<u>\$ 496,605</u>	<u>\$ 491,609</u>	<u>\$ 512,504</u>	<u>\$ 458,258</u>

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

Year	Property Taxes	Business Income Taxes	Transient Lodging Taxes	Motor Vehicle Rental Taxes	County Gasoline Taxes	Personal Income Taxes	Other Taxes	Total
2010	\$ 275,462	\$ 44,150	\$ 15,441	\$ 20,105	\$ 7,063	\$ 905	\$ 2,259	\$ 365,385
2011	277,258	48,570	18,208	20,842	7,052	657	2,348	374,935
2012	277,827	52,250	20,052	21,852	6,811	205	1,034	380,031
2013	279,697	58,750	21,464	24,764	6,707	76	1,283	392,741
2014	309,024	61,800	24,268	27,435	6,753	34	1,083	430,397
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

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>
2010	\$ 33,268,838	\$ 16,437,414	\$ 2,545,964	\$ 2,297,087	\$ 54,549,303	5.20	\$ 105,010,710
2011	34,269,351	16,954,346	2,569,318	2,194,393	55,987,408	5.10	101,559,353
2012	35,156,964	17,653,597	2,641,653	2,089,271	57,541,485	5.01	95,354,432
2013	35,929,873	18,050,498	2,599,627	2,097,912	58,677,910	4.89	93,735,420
2014	37,261,960	18,518,408	2,718,960	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

(1) See Property Tax Rates - Direct and Overlapping Governments, Total Direct Rates

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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year (Original Levy)</u>		<u>Total Adjusted Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections Subsequent Years</u>	<u>Total Collections to Date</u>	
	<u>Adjustments</u>	<u>Amount</u>		<u>Percentage of Levy</u>	<u>Amount</u>		<u>Percentage of Levy</u>	
2010	\$ 283,349	\$ (8,894)	\$ 274,455	\$ 266,292	93.98 %	\$ 8,008	\$ 274,300	96.81 %
2011	285,605	(8,600)	277,005	269,609	94.40	7,150	276,759	96.90
2012	288,355	(8,686)	279,669	270,714	93.88	7,657	278,371	96.54
2013	287,384	(8,212)	279,172	271,302	94.40	7,299	278,601	96.94
2014	253,024	(7,092)	245,932	239,352	94.60	5,860	245,212	96.91
2015	269,118	(7,620)	261,498	255,164	94.81	5,682	260,846	96.93
2016	284,628	(8,129)	276,499	270,282	94.96	4,331	274,613	96.48
2017	292,298	(8,575)	283,723	278,093	95.14	3,204	281,297	96.24
2018	305,936	(13,615)	292,321	291,133	95.16	1,406	292,539	95.62
2019	315,817	(10,376)	305,441	302,313	95.72	-	302,313	95.72

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						
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
2010	4.27	0.76	0.17	5.20	6.62	0.75	7.25	0.01	0.07	2.00	21.90
2011	4.24	0.71	0.15	5.10	6.56	0.73	7.23	0.01	0.07	2.02	21.72
2012	4.21	0.64	0.16	5.01	6.39	0.62	7.45	0.01	0.08	1.97	21.53
2013	4.16	0.59	0.14	4.89	6.39	0.64	7.41	0.01	0.08	1.97	21.39
2014	4.03	1.12	0.12	5.27	6.30	0.67	8.24	0.01	0.08	2.05	22.62
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

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

MULTNOMAH COUNTY, OREGON
Principal Taxpayers
Current Calendar Year and Nine Years Ago
(dollar amounts expressed in thousands)
(unaudited)

Taxpayer	December 31, 2018			Percentage of Total Assessed Valuation
	Tax	Real Property Assessed Valuation (1)	Rank	
Port of Portland	\$ 13,111	\$ 638,097	1	0.86 %
Portland General Electric Co.	9,396	580,604	2	0.78
Alaska Airlines Inc	7,363	487,260	3	0.66
CenturyLink	6,457	400,783	4	0.54
Weston Investment Co. LLC	6,118	278,307	5	0.37
Pacificorp (PP&L)	5,963	368,657	6	0.50
Comcast Corporation	4,211	256,574	7	0.34
AT&T, Inc.	4,167	256,803	8	0.35
Southwest Airlines Co.	4,089	232,663	9	0.31
Boeing Co	3,957	254,646	10	0.34
Totals	<u>\$ 64,832</u>	<u>\$ 3,754,394</u>		<u>5.05 %</u>

Total Assessed Valuation \$ 74,381,084

Taxpayer	December 31, 2009			Percentage of Total Assessed Valuation
	Tax	Real Property Assessed Valuation (1)	Rank	
Port of Portland	\$ 9,379	\$ 442,177	1	0.81 %
Portland General Electric	5,854	363,871	2	0.67
Comcast Corporation	5,113	318,952	3	0.58
Pacificorp (PP&L)	4,914	304,218	4	0.56
QWEST Corporation	3,870	238,573	5	0.44
Weston Investment Co. LLC	4,881	231,687	6	0.42
Verizon Communications	3,119	190,329	7	0.35
Boeing Co	3,029	186,428	8	0.34
Evraz Inc NA	2,883	179,207	9	0.33
Northwest Natural Gas Co	2,803	171,291	10	0.31
Totals	<u>\$ 45,845</u>	<u>\$ 2,626,733</u>		<u>4.82 %</u>

Total Assessed Valuation \$ 54,549,303

(1) Assessed valuation based on the valuation of property for tax collection years 2018-19 and 2009-10 respectively.

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>					<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita</u>
	<u>General Obligation Bonds (2)</u>	<u>Capitalized Lease Obligations</u>	<u>Full Faith and Credit Bonds (2)</u>	<u>Revenue Bonds</u>	<u>Loans Payable</u>			
2010	\$ 50,045	\$ 1,020	\$ 220,352	\$ 2,845	\$ 2,132	\$ 276,394	0.94 %	\$ 367
2011	42,794	1,719	218,330	2,430	3,414	268,687	0.86	355
2012	35,274	1,597	199,363	-	18,164	254,398	0.78	334
2013	27,718	1,468	337,075	-	3,133	369,394	1.11	458
2014	19,812	1,333	317,452	-	2,919	341,516	0.93	418
2015	12,961	1,191	299,648	-	2,723	316,523	0.81	384
2016	6,601	2,477	281,674	-	3,520	294,272	0.76	349
2017	-	2,016	252,520	-	3,289	257,825	0.66	321
2018	-	1,736	398,059	-	3,466	403,261	0.98	456
2019	-	1,536	326,033	-	3,358	330,927	0.70	403

Note: 2019 percentages calculated using 2018 personal income data, which is the most recent available.

(1) See population and personal income data on Demographic and Economic Statistics schedule.

(2) Amounts shown are net of associated discounts or premiums.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds (3)</u>	<u>Less: Amounts Restricted to Repaying Principal</u>	<u>Total</u>	<u>Percentage of Personal Income (2)</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2010	\$ 50,045	\$ (7,611)	\$ 42,434	0.13 %	0.07 %	\$ 51
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)	-	-	-	-	-

(1) See taxable assessed value schedule on Assessed Valuation and Actual Values of Taxable Property schedule.

(2) See population and personal income data on Demographic and Economic Statistics schedule.

(3) Amounts shown are net of associated discounts or premiums.

(4) No general obligation bonds outstanding at June 30, 2019.

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		
2010	\$ 35	\$ -	\$ 35	\$ 395	\$ 152	0.06 %	
2011	36	5	31	415	133	0.06	
2012	39	1	38	2,430	78	0.02	
2013	-	-	-	-	-	-	
2014	-	-	-	-	-	-	
2015	-	-	-	-	-	-	
2016	-	-	-	-	-	-	
2017	-	-	-	-	-	-	
2018	-	-	-	-	-	-	
2019	-	-	-	-	-	-	

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

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

ORS 287A.100 provides a debt limit on general obligation bonds of 2 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Real market value	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901	\$ 119,581,740
Debt limit rate	2.00%	2.00%	2.00%	2.00%
Debt limit	3,455,044	3,171,037	2,787,118	2,391,635
Less bonded debt at June 30	-	-	-	5,905
Legal debt margin	<u>\$ 3,455,044</u>	<u>\$ 3,171,037</u>	<u>\$ 2,787,118</u>	<u>\$ 2,385,730</u>

Total net debt applicable to the limit as a percentage of debt limit.	-	-	-	0.25
	%	%	%	%

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.

Real market value	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901	\$ 119,581,740
Debt limit rate	1.00%	1.00%	1.00%	1.00%
Debt limit	1,727,522	1,585,518	1,393,559	1,195,817
Less bonded debt at June 30	273,440	290,990	140,085	150,690
Legal debt margin	<u>\$ 1,454,082</u>	<u>\$ 1,294,528</u>	<u>\$ 1,253,474</u>	<u>\$ 1,045,127</u>

Total net debt applicable to the limit as a percentage of debt limit.	15.83	18.35	10.05	12.60
	%	%	%	%

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.

Real market value	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901	\$ 119,581,740
Debt limit rate	5.00%	5.00%	5.00%	5.00%
Debt limit	8,637,610	7,927,592	6,967,795	5,979,087
Less bonded debt at June 30	52,593	74,793	94,263	111,248
Legal debt margin	<u>\$ 8,585,017</u>	<u>\$ 7,852,799</u>	<u>\$ 6,873,532</u>	<u>\$ 5,867,839</u>

Total net debt applicable to the limit as a percentage of debt limit.	0.61	0.94	1.35	1.86
	%	%	%	%

2015	2014	2013	2012	2011	2010
\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353	\$ 105,010,710
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2,163,475	1,961,574	1,874,708	1,907,089	2,031,187	2,100,214
11,570	17,725	24,935	31,795	38,620	45,175
<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>	<u>\$ 2,055,039</u>

0.53 % 0.90 % 1.33 % 1.67 % 1.90 % 2.15 %

\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353	\$ 105,010,710
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1,081,737	980,787	937,354	953,544	1,015,594	1,050,107
160,255	172,025	186,395	198,353	217,158	219,018
<u>\$ 921,482</u>	<u>\$ 808,762</u>	<u>\$ 750,959</u>	<u>\$ 755,191</u>	<u>\$ 798,436</u>	<u>\$ 831,089</u>

14.81 % 17.54 % 19.89 % 20.80 % 21.38 % 20.86 %

\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353	\$ 105,010,710
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5,408,686	4,903,936	4,686,771	4,767,722	5,077,968	5,250,536
118,093	122,562	127,034	131,513	142,223	151,373
<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>	<u>\$ 5,099,163</u>

2.18 % 2.50 % 2.71 % 2.76 % 2.80 % 2.88 %

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
For the Year Ended June 30, 2019
(dollar amounts expressed in thousands)
(unaudited)

<u>Overlapping District (1)</u>	Gross (2) Property-tax Backed Debt	Net (3) Property-tax Backed Debt	Percent (4) Overlapping	Total Overlapping Debt
Burlington Water District	\$ 1,260	\$ 1,260	100.00 %	\$ 1,260
City of Fairview	3,607	3,607	100.00	3,607
City of Gresham	80,026	46,663	100.00	46,663
City of Lake Oswego	202,820	55,645	5.27	2,932
City of Milwaukie	35,548	32,388	0.81	262
City of Portland	730,277	300,122	99.71	299,252
City of Troutdale	10,885	10,885	100.00	10,885
Clackamas County ESD	20,970	20,970	0.06	13
Clackamas County RFPD #1	44,467	29,447	0.11	32
Clackamas County SD 7J (Lake Oswego)	249,044	249,044	0.31	772
Columbia County SD 1J (Scappoose)	24,780	24,780	24.25	6,009
Corbett Water District	798	798	100.00	798
Lusted Water District	650	650	100.00	650
Metro	836,005	819,020	52.50	429,986
Mt Hood Community College	53,819	20,660	83.65	17,282
Multnomah County Drainage Dist No 1	4,388	4,388	100.00	4,388
Multnomah County RFPD 10	3,019	3,019	100.00	3,019
Multnomah County SD 10J (Gresham-Barlow)	344,989	344,989	81.91	282,580
Multnomah County SD 1 (Portland)	867,455	867,455	99.47	862,857
Multnomah County SD 28J (Centennial)	17,678	17,678	91.99	16,262
Multnomah County SD 3 (Parkrose)	74,811	74,811	100.00	74,811
Multnomah County SD 39 (Corbett)	1,793	1,793	100.00	1,793
Multnomah County SD 40 (David Douglas)	75,387	75,387	100.00	75,387
Multnomah County SD 51J (Riverdale)	18,127	18,127	95.17	17,251
Multnomah County SD 7 (Reynolds)	200,178	198,464	100.00	198,464
Multnomah ESD	26,825	-	-	-
Northwest Regional ESD	3,300	-	-	-
Pleasant Home Water District	1,425	1,425	93.89	1,338
Port of Portland	58,453	-	-	-
Portland Community College	678,493	602,298	51.07	307,594
Rockwood Water PUD	4,655	-	-	-
Tualatin Valley Fire & Rescue District	38,125	26,055	1.48	386
Valley View Water District	1,435	1,435	100.00	1,435
Washington County SD 1J (Hillsboro 7 Bd)	1,683	1,683	-	-
Washington County SD 1J (Hillsboro)	461,390	461,390	-	-
Washington County SD 48J (Beaverton)	996,146	996,146	0.36	3,586
Subtotal, overlapping debt	\$ 6,174,711	\$ 5,312,482		\$ 2,671,554
Multnomah County direct debt	\$ 330,927	\$ 330,220	100.00	330,927
Total direct and overlapping debt				<u>\$ 3,002,481</u>

(1) The overlapping debt calculation was performed by Municipal Debt Advisory Commission as of June 30, 2019.

(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

MULTNOMAH COUNTY, OREGON
Demographic and Economic Statistics
Last Ten Fiscal Years
(dollar amounts expressed in thousands, except per capita)
(unaudited)

<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>
2010	736,785	\$ 29,424,258	\$ 39,899	10.0 %
2011	741,925	31,161,157	41,658	8.9
2012	748,445	32,715,802	43,089	7.9
2013	756,530	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	N/A (4)	N/A (4)	3.9 (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 December 2018

(5) Information available as of October 2019

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

Fiscal Year 2018-19			
Employer	Employees	Rank	Percentage of Total PMSA* Employment
Intel Corporation	20,600	1	1.67 %
Providence Health & Services	18,885	2	1.53
Oregon Health & Science University	17,556	3	1.42
Nike, Inc.	12,000	4	0.97
Legacy Health	11,404	5	0.92
Kaiser Permanente	11,243	6	0.91
Fred Meyer Stores	9,777	7	0.79
City of Portland	7,376	8	0.60
Portland Public Schools	6,500	9	0.53
Beaverton School District	5,458	10	0.44
Total	120,799		9.78 %
Total PMSA* employment	1,233,000 (1)		

Fiscal Year 2009-10			
Employer	Employees	Rank	Percentage of Total PMSA* Employment
State of Oregon	21,900	1	1.88 %
U.S. Government	20,000	2	1.71
Intel Corporation	15,228	3	1.30
Providence Health System	13,831	4	1.18
Oregon Health and Science University	13,283	5	1.14
Fred Meyer Stores	9,630	6	0.82
Kaiser Foundation Health Plan	9,204	7	0.79
Legacy Health System	8,250	8	0.71
Multnomah County	6,310	9	0.54
Nike Inc.	6,000	10	0.51
Total	123,636		10.58 %
Total PMSA* employment	1,167,745		

* Portland Metropolitan Statistical Area
(1) As of October 2019

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MULTNOMAH COUNTY, OREGON
Full Time Equivalent (FTE) County Employees
by Function/Program and Bargaining Unit
(dollar amounts expressed in thousands)
(unaudited)

Function/Program	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:				
General government	798	767	669	679
Health services	1,312	1,439	1,373	1,411
Social services	735	639	643	682
Public safety and justice	1,463	1,536	1,472	1,531
Community services	17	183	88	78
Library	369	545	515	504
Roads and bridges	124	102	110	128
Total governmental activities	<u>4,818</u>	<u>5,211</u>	<u>4,870</u>	<u>5,013</u>
Business-type activities:				
Behavioral health	-	1	3	3
Total business-type activities	<u>-</u>	<u>1</u>	<u>3</u>	<u>3</u>
Total primary government budgeted FTE	<u>4,818</u>	<u>5,212</u>	<u>4,873</u>	<u>5,016</u>
MULTNOMAH COUNTY EMPLOYEES				
Management and exempt	<u>782</u>	<u>796</u>	<u>816</u>	<u>778</u>
Bargaining units:				
Multnomah County Employees Union - Local 88 and Physicians Unit - Local 88-4, AFSCME AFL-CIO	3,260	3,121	3,081	3,217
International Brotherhood of Electrical Workers (IBEW) - Local 48, AFL-CIO	24	23	24	19
International Union of Operating Engineers - Local 701, AFL-CIO	15	16	15	14
International Union of Painters and Allied Trades - District Council 5, Local 1094, AFL-CIO	1	1	1	1
Multnomah County Corrections Deputy Association (MCCDA)	409	411	420	433
Multnomah County Deputy Sheriff's Association (MCDSA)	124	126	113	110
Oregon Nurses Association (ONA)	224	208	186	229
Multnomah County Employees Union - Juvenile Custody Services Specialists Unit (JCSS) - Local 86, AFSCME AFL-CIO	108	58	59	62
Multnomah County Prosecuting Attorneys Association	72	74	75	77
Federation of Oregon Parole and Probation Officers (FOPPO)	122	122	128	129
Total bargaining units	<u>4,359</u>	<u>4,160</u>	<u>4,102</u>	<u>4,291</u>
Temporary County employees	105	256	489	1,119
Total actual County employees	<u>5,246</u>	<u>5,212</u>	<u>5,407</u>	<u>6,188</u>

Source: Multnomah County payroll records

2015	2014	2013	2012	2011	2010
654	653	618	614	637	614
1,039	973	969	955	967	916
846	760	672	660	650	662
1,532	1,443	1,424	1,445	1,476	1,504
73	69	69	62	63	61
514	502	434	461	480	477
130	136	140	144	146	138
4,788	4,536	4,326	4,341	4,419	4,372
3	5	5	8	6	6
3	5	5	8	6	6
4,791	4,541	4,331	4,349	4,425	4,378
740	694	678	675	764	716
3,013	2,893	2,729	2,750	2,771	2,740
19	19	17	19	19	18
13	14	13	12	13	13
1	1	1	-	1	1
429	413	415	421	411	420
89	92	90	88	87	92
196	188	192	189	199	216
70	58	51	54	52	52
78	74	69	73	68	78
128	114	111	115	121	123
4,036	3,866	3,688	3,721	3,742	3,753
1,215	1,213	132	129	128	100
5,991	5,773	4,498	4,525	4,634	4,569

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

FUNCTION/PROGRAM	2019	2018	2017
Governmental Activities:			
General Government			
Number of property tax accounts - residential	232,436	233,744	231,873
Number of property tax accounts - personal	12,228	35,535	61,078
Number of property tax accounts - commercial	14,586	17,590	17,852
Number of marriage licenses issued	6,825	6,906	7,676
Health Services			
Total clinic visits	289,493	314,865	328,255
County residents who rate their health good or better	84 %	86 %	86 %
Environmental health inspections	14,156	14,733	14,574
Women, infants, and children (WIC) served in the WIC program	21,290	22,613	24,458
Flu vaccinations at health clinics	15,225	15,875	16,028
Social Services			
Households that have received assistance with energy bills	18,156	17,287	17,555
Clients with developmental disabilities served	6,072	6,033	5,706
Senior and physically disabled clients served	N/A	N/A	N/A
Alcohol and drug treatment clients	3,953	3,925	3,519
Early childhood mental health clients	3,623	3,642	3,644
Families served in early childhood programs	869	998	935
Students enrolled in extended day school activities	22,598	22,383	24,552
Public Safety and Justice			
Sheriff			
Responses to calls for services (a)	64,426	63,310	56,661
Number of arrests (parts 1, 2 and 3 crimes)	3,657	3,374	3,234
Corrections			
Number of inmates booked	31,971	31,795	30,896
Average daily jail population	1,074	1,087	1,077
Average length of jail stay in days	13	13	13
Number of transports to courthouse	14,410	15,793	19,335
Juvenile			
Youth admitted to detention center	456	539	1,304
Monthly average length of stay in days in youth detention center	15.5	24.1	11.6
Community service hours completed	5,530	6,395	2,890
Monthly average number of youth on supervision/probation (b)	546	75	315

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

2016	2015	2014	2013	2012	2011	2010
243,358	243,036	242,721	242,566	242,228	242,210	241,771
65,070	64,215	62,437	62,085	61,876	62,125	63,075
33,574	33,682	33,785	33,895	34,042	34,063	34,161
7,899	7,766	7,045	6,608	6,306	6,201	6,276
312,735	309,484	307,137	314,940	339,794	362,546	384,762
85 %	83 %	84 %	85 %	85 %	85 %	90 %
13,425	12,850	14,263	12,793	13,109	13,371	12,572
25,706	28,400	29,072	30,424	31,277	32,107	31,542
18,052	25,127	26,154	24,755	22,687	20,982	15,597
21,169	17,340	16,286	17,249	17,160	17,383	19,292
5,566	5,383	4,921	4,704	4,485	4,336	4,465
N/A	60,753	62,877	61,602	N/A	39,136	37,470
2,450	2,266	3,638	4,576	4,255	N/A	6,824
5,564	5,485	5,410	5,874	5,327	4,025	4,511
1,291	1,218	801	504	472	505	615
31,589	24,270	21,108	19,529	19,958	19,127	17,669
59,063	54,350	48,975	49,105	46,749	40,655	40,835
3,136	N/A	2,712	2,652	2,812	2,776	2,850
34,421	35,952	39,731	39,162	37,166	36,557	38,634
1,193	1,145	1,220	1,264	1,240	1,187	1,274
13	12	12	12	13	13	13
19,035	19,200	19,196	17,846	18,280	17,536	16,748
1,504	1,508	1,453	1,554	1,566	1,638	1,758
12	13	10	10	10	9	8
3,780	4,446	3,107	3,766	2,180	3,277	4,353
343	350	324	337	339	378	478

(continued)

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

(continued) FUNCTION/PROGRAM	2019	2018	2017
Public Safety and Justice (continued)			
Adult			
Community service hours completed	31,424	30,915	38,273
Adults participating in educational classes	-	-	203
Clients receiving GED's	-	-	29
Average no. adults on probation & post-prison supervision/month	7,615	8,125	8,463
District Attorney			
Cases of adult criminal activity prosecuted	12,525	12,562	12,780
Juvenile delinquency cases prosecuted	893	855	838
Hours of Community Court community service completed	2,260	2,916	2,925
Community Services			
Number of registered voters	531,729	513,498	505,145
Number of votes cast in last general election (a)	383,325	157,932	404,059
Percent of registered voters who voted in last general election	72 %	31 %	80 %
Animal control - total intake - dogs and cats	5,552	5,382	5,810
Library			
New library cards issued annually	52,554	52,685	56,019
Books circulated (total circulation) (b)	18,349,763	18,554,896	18,728,761
Borrowers who used their cards in last three years (c)	416,935	465,828	444,459
Library satisfaction (d)	98.0 %	96.0 %	96.5 %
Web site visits/hits	3,717,521	3,868,361	4,267,424
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	565	566	595
Mid County Service District No. 14			
Lighting - number of accounts	7,923	7,928	7,894

(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

2016	2015	2014	2013	2012	2011	2010
59,580	73,787	N/A	89,204	98,240	101,392	141,732
225	450	689	689	801	710	705
27	14	125	93	85	78	79
8,666	8,823	9,351	8,300	8,284	8,278	7,896
15,111	16,273	25,880	26,932	26,137	24,241	25,932
808	666	491	528	550	476	651
3,589	7,471	11,930	10,380	14,295	13,869	17,552
466,964	441,157	434,898	437,729	451,659	408,126	407,541
302,584	302,584	367,992	370,142	284,104	284,104	367,540
69 %	69 %	85 %	83 %	70 %	70 %	86 %
5,728	6,433	6,894	6,740	7,563	8,606	8,320
59,026	66,884	60,715	57,592	69,198	73,566	71,809
19,221,448	20,268,163	19,486,176	21,984,923	24,794,942	23,939,091	22,715,292
436,476	444,231	432,685	441,505	444,618	436,949	425,749
97.0 %	96.8 %	97.0 %	96.9 %	98.4 %	91.5 %	90.1 %
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	6,710,594
N/A	5,476,348	6,230,998	6,629,449	6,888,701	7,158,805	N/A
595	563	563	595	593	592	591
7,934	7,952	7,942	7,944	7,986	7,993	7,985

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

FUNCTION/PROGRAM	2019	2018	2017	2016
Governmental Activities:				
General Government				
Buildings owned	80	80	79	76
Buildings leased	62	61	56	57
Automobiles	287	293	294	311
Vehicles (excluding automobiles)	339	321	303	303
Heavy equipment	95	93	80	80
Health Services				
Health and dental centers	8	8	8	8
School based health centers	12	12	12	13
Social Services				
Aging and disability offices	9	8	5	5
Public Safety and Justice				
Sheriff				
Vehicular patrol units	90	78	71	78
Number of employees (sworn and civilian)	768	774	764	781
River patrol offices	4	3	2	2
Corrections				
Jails:				
Facilities	2	2	2	2
Population	1,074	1,086	1,251	1,310
Community Justice				
Adult probation and parole offices	5	6	4	5
Adult housing program offices	-	-	-	-
Juvenile counseling offices	2	2	1	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	268	268
Unpaved	24	24	29	29
Bridges				
Major	6	6	6	6
Minor	20	19	20	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	4,779	4,738	4,742	4,742

Source: Multnomah County Departments

2015	2014	2013	2012	2011	2010
77	79	80	79	78	74
48	48	48	55	54	51
321	294	297	308	310	316
267	276	281	294	253	263
90	96	103	105	100	93
7	8	8	7	7	7
13	12	12	14	14	14
5	5	5	5	5	5
68	58	55	63	65	66
781	759	762	766	763	785
2	3	3	3	3	3
2	2	2	2	2	2
1,310	1,310	1,310	1,310	1,310	1,367
5	7	7	7	7	6
-	1	4	4	4	4
1	3	4	4	4	4
3	2	2	2	2	2
13	11	11	11	11	11
6	6	6	6	6	6
268	270	270	270	270	270
29	24	24	24	24	24
6	6	6	6	6	6
21	19	19	19	19	19
1	1	1	1	1	1
15	15	15	15	15	15
4,535	4,535	4,526	4,507	4,507	4,499

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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*

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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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 30, 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 2019 and 2020.
- 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.

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 *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State.

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.



For Moss Adams LLP
Eugene, Oregon
January 30, 2020

FEDERAL GRANT PROGRAMS

- Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Management's View and Corrective Action Plan to Current Year Audit Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings and Questioned Costs

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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, 2019, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated January 30, 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. The financial statements of the Library Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Library Foundation.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



Eugene, Oregon
January 30, 2020

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

The Board of County Commissioners
Multnomah County, Oregon

Report on Compliance for Each Major Federal Program

We have audited Multnomah County, Oregon's (the County) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Moss Adams, LLP

Eugene, Oregon
January 30, 2020

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA	* Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
DEPARTMENT OF AGRICULTURE						
10.553	School Breakfast Program	STATE OF OREGON - DEPARTMENT OF EDUCATION	187OROR3N1099		162,369	-
10.555	National School Lunch Program	STATE OF OREGON - DEPARTMENT OF EDUCATION			7,914	-
		<i>Total Child Nutrition Cluster</i>			<u>170,283</u>	-
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	STATE OF OREGON - PUBLIC HEALTH DIVISION	154125		2,850,873	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	STATE OF OREGON - PUBLIC HEALTH DIVISION	187OROR4Q7503		17,429	-
		<i>Total SNAP Cluster</i>			<u>17,429</u>	-
TOTAL DEPARTMENT OF AGRICULTURE					<u>3,038,585</u>	-
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
14.218	Community Development Block Grants/ Entitlement Grants	U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT	B-17-UC-41-0003 B-18-UC-41-0003		399,181	342,197
		<i>Total Community Development Block Grants/Entitlement Grants Cluster</i>			<u>399,181</u>	<u>342,197</u>
14.231	Emergency Solutions Grant Program	STATE OF OREGON - DEPARTMENT OF HOUSING & COMMUNITY	E17-DC-41-0001		115,126	115,126
14.231	Emergency Solutions Grant Program	CITY OF PORTLAND - BUREAU OF HOUSING	E-17-MC-41-0003 E-18-MC-41-0003		530,909	465,550
		<i>Total Emergency Solutions Grant Program</i>			<u>646,035</u>	<u>580,676</u>
14.241	* Housing Opportunities for Persons with AIDS	CITY OF PORTLAND - BUREAU OF HOUSING	ORH17F001 ORH18F001		1,403,755	1,377,334
14.241	* Housing Opportunities for Persons with AIDS	U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT	ORH150-001 ORH150-002		243,761	240,159
		<i>Total Housing Opportunities for Persons with AIDS</i>			<u>1,647,516</u>	<u>1,617,493</u>

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA * Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)</u>					
			OR0226LE011600/OR002 6L0E011609/OR0022L0E 011609/OR0028L0E0116 09/OR0032L0E011508/O R0032L0E011609/OR004 6L0E011508/OR0046L0E 011609/OR0026L0E0117 10/OR0241L0E011700		
14.267	Continuum of Care Program		U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT	2,010,931	1,378,078
14.881	Moving to Work Demonstration Program		Home Forward	18,463	-
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				4,722,126	3,918,444
<u>DEPARTMENT OF THE INTERIOR</u>					
15.227	Distribution of Receipts to State and Local Governments		U.S. DEPARTMENT OF INTERIOR	169,150	-
TOTAL DEPARTMENT OF THE INTERIOR				169,150	-
<u>DEPARTMENT OF JUSTICE</u>					
16.123	Community-Based Violence Prevention Program		U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUSTICE PROGRAMS	223,014	115,060
16.529	Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities		U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUSTICE PROGRAMS	116,606	18,936
16.566	National Institute of Justice W.E.B DuBois Fellowship Program		U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUSTICE PROGRAMS	40,562	-
16.575	Crime Victim Assistance		STATE OF OREGON - DEPARTMENT OF JUSTICE	653,840	-
16.585	Drug Court Discretionary Grant Program		U.S. DEPARTMENT OF JUSTICE	95,235	95,235
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUSTICE PROGRAMS	187,664	122,013
16.736	Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault		U.S. DEPARTMENT OF JUSTICE	59,879	59,878
16.745	Criminal and Juvenile Justice and Mental Health Collaboration		CITY OF GRESHAM	14,404	-

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA * Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
DEPARTMENT OF JUSTICE (continued)					
16.738 Edward Byrne Memorial Justice Assistance Grant Program	OREGON CRIMINAL JUSTICE COMMISSION	2014-DJ-BX-1050		62	-
16.754 Harold Rogers Prescription Drug Monitoring Program	U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUSTICE PROGRAMS	2016-PM-BX-D003		208,926	1,248
16.812 Second Chance Act Reentry Initiative	U.S. DEPARTMENT OF JUSTICE	2015-SM-BX-0001/2017- CZ-BX-0002/2018-SM- BX-0002		469,747	30,473
16.823 Emergency Planning for Juvenile Justice Facilities	U.S. DEPARTMENT OF JUSTICE	2017-EJ-FX-0001		112,825	-
16.922 Equitable Sharing Program	U.S. DEPARTMENT OF JUSTICE	3317FAS170141		145,861	-
	TOTAL DEPARTMENT OF JUSTICE			2,328,625	442,843
DEPARTMENT OF TRANSPORTATION					
20.205 Highway Planning and Construction	STATE OF OREGON - DEPARTMENT OF TRANSPORTATION	41C051110ER11/41C051 110Z240/41C051094LS3E 30/41C051099Z240/41C0 51105L24E		4,404,363	-
	<i>Total Highway Planning and Construction Cluster</i>			<u>4,404,363</u>	-
20.507 Federal Transit-Formula Grants	METRO	41LU205900221		106,080	-
	<i>Total Federal Transit Cluster</i>			<u>106,080</u>	-
	TOTAL DEPARTMENT OF TRANSPORTATION			4,510,443	-
GENERAL SERVICES ADMINISTRATION					
39.003 Donation of Federal Surplus Personal Property	STATE OF OREGON - DEPARTMENT OF ADMINISTRATIVE SERVICES			459	-
	TOTAL GENERAL SERVICES ADMINISTRATION			459	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
45.310 Grants to States	STATE OF OREGON - LIBRARY	LS-00-18-0038-18		119,223	-
	TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			119,223	-
ENVIRONMENTAL PROTECTION AGENCY					
66.432 State Public Water System Supervision	STATE OF OREGON - PUBLIC HEALTH DIVISION	31216		3,407	-

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA * Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
ENVIRONMENTAL PROTECTION AGENCY (continued)					
66.468 Capitalization Grants for Drinking Water State Revolving Funds	STATE OF OREGON - PUBLIC HEALTH DIVISON	98009015		4,922	-
	<i>Total Drinking Water State Revolving Fund Cluster</i>			<u>4,922</u>	<u>-</u>
	TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>8,329</u>	<u>-</u>
DEPARTMENT OF ENERGY					
81.042 * Weatherization Assistance for Low-Income Persons	STATE OF OREGON - DEPARTMENT OF HOUSING & COMMUNITY	DE-EE0007945		446,804	-
	TOTAL DEPARTMENT OF ENERGY			<u>446,804</u>	<u>-</u>
DEPARTMENT OF EDUCATION					
84.287 Twenty-First Century Community Learning Centers	GRESHAM-BARLOW SCHOOL DISTRICT	S287C170037		155,246	155,246
	TOTAL DEPARTMENT OF EDUCATION			<u>155,246</u>	<u>155,246</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
93.041 Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	18AAORT7EA		6,778	-
93.043 Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	18AAORT3PH/18AAORT355		78,128	66,907
93.048 Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	STATE OF OREGON - DEPARTMENT OF CONSUMER & BUSINES	90MPO212-02-00/90MPQ212-03-00		10,000	-
93.052 National Family Caregiver Support, Title III, Part E	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	18AAORT3FC		295,078	76,583
93.044 Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	17AAORT3SS/18AAORT355		896,674	190,330
93.045 Special Programs for the Aging-Title III, Part C-Nutrition Services	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	18AAORT3CM/18AAORT3HD		1,341,762	1,323,040
93.053 Nutrition Services Incentive Program	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	18AAORNSIP		477,719	477,719
	<i>Total Aging Cluster</i>			<u>2,716,155</u>	<u>1,991,089</u>
93.069 Public Health Emergency Preparedness	STATE OF OREGON - PUBLIC HEALTH DIVISON	5NU90TP00054405/75-0958-1-1-550		183,448	-

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA	* Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>						
93.069	Public Health Emergency Preparedness	WASHINGTON COUNTY - PUBLIC HEALTH DEPARTMENT	U90TP00544/75-0958-1-1-550		37,790	-
		<i>Total Public Health Emergency Preparedness</i>			221,238	-
93.070	Environmental Public Health and Emergency Response	STATE OF OREGON - PUBLIC HEALTH DIVISON	154125-4		36,908	-
93.071	Medicare Enrollment Assistance Program	STATE OF OREGON - DEPARTMENT OF CONSUMER & BUSINES	14OAAORMAAA		279,044	-
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	PORTLAND PUBLIC SCHOOLS	67799		4,400	-
93.103	Food and Drug Administration Research	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	UFD006270A		34,343	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	STATE OF OREGON - PUBLIC HEALTH DIVISON	U52PS004708/5NU62PS004959-04		19,811	-
93.136	Injury Prevention and Control Research and State and Community Based Programs	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	NH28CE002394		426,415	34,443
93.136	Injury Prevention and Control Research and State and Community Based Programs	STATE OF OREGON - PUBLIC HEALTH DIVISON	5 NU17CE002751-04-00/6 NU17CE002751-04-00/NU17CE924829/U17E002751		78,273	-
		<i>Total Injury Prevention and Control Research and State and Community Based Programs</i>			504,688	34,443
93.145	AIDS Education and Training Centers	UNIVERSITY OF WASHINGTON	5U10HA29296		85,301	-
93.150	Projects for Assistance in Transition from Homelessness (PATH)	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	SM016038-17		242,265	242,265
93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	H12HA24796		442,199	-
93.197	Childhood Lead Poisoning Prevention Program CLPPP	STATE OF OREGON - PUBLIC HEALTH DIVISON	6 NUE2EH001388-01-02		45,083	-
93.217	Family Planning Services	STATE OF OREGON - PUBLIC HEALTH DIVISON	FPHPA106038		48,673	-

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA	* Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>						
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	H80CS00149		9,625,188	139,517
		<i>Total Health Center Program Cluster</i>			<u>9,625,188</u>	<u>139,517</u>
93.235	Affordable Care Act (ACA) Abstinence Education Program	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	75-1512-01-1-506 5H79TI025030- 03/SM061700/SP021987/ SP021987/TI080163/1H7		19,653	-
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	9TI080163		337,834	179,223
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES			<u>40,147</u>	-
		<i>Total Substance Abuse and Mental Health Services Projects of Regional and National Significance</i>			<u>377,981</u>	<u>179,223</u>
93.276	Drug-Free Communities Support Program Grants	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	SP061700/SP020521		150,760	-
93.279	Drug Abuse and Addiction Research Programs	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	5R01DA039293-03		169,170	32,675
93.297	Teenage Pregnancy Prevention Program	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	TP1AH000082/75-0120-0- 1-551		1,066,635	600,120
93.297	Teenage Pregnancy Prevention Program	TEXAS A&M HEALTH SCIENCE	75-0120-0-1-551		<u>43,103</u>	-
		<i>Total Teenage Pregnancy Prevention Program</i>			<u>1,109,738</u>	<u>600,120</u>
93.317	Emerging Infections Program	STATE OF OREGON - PUBLIC HEALTH DIVISION	CK000484-02/CK000484- 01/CK000389-03-06/6 NU50CK000484-02		187,129	-
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	STATE OF OREGON - PUBLIC HEALTH DIVISION	154125/CK000389-03-06		11,475	-
93.324	State Health Insurance Assistance Program	STATE OF OREGON - DEPARTMENT OF CONSUMER & BUSINES	14AAORMSHI		14,905	-
93.327	Demonstration Grants for Domestic Victims of Human Trafficking	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	90TV0004		77,379	-
93.500	Pregnancy Assistance Fund Program	STATE OF OREGON - PUBLIC HEALTH DIVISION	6SP1AH000039/1 SP1AH000060-01-00		51,552	-

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA	* Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>						
93.501	Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	1 C12CS32585-01-00		10,204	-
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	OREGON CHILD DEVELOPMENT COALITION	OCDC 06-041		878	-
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements	STATE OF OREGON - PUBLIC HEALTH DIVISION	CK000484-01/6 NU50CK000484-02		73,844	-
93.556	Promoting Safe and Stable Families	UNITED WAY OF THE COLUMBIA- WILLAMETTE	G-1701ORFPSS		231,256	231,256
93.558	Temporary Assistance for Needy Families	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	1801ORTANF		588,025	588,025
93.558	Temporary Assistance for Needy Families	STATE OF OREGON - DEPARTMENT OF HOUSING & COMMUNITY	1801ORTANF		347,430	79,983
		<i>Total TANF Cluster</i>			935,455	668,008
93.563	Child Support Enforcement	STATE OF OREGON - DEPARTMENT OF JUSTICE	1804ORCSES		2,536,543	-
93.568	* Low-Income Home Energy Assistance	STATE OF OREGON - DEPARTMENT OF HOUSING & COMMUNITY	G-18B1ORLIEA/G- 19B1ORLIEA		6,339,277	659,786
93.569	* Community Services Block Grant	STATE OF OREGON - DEPARTMENT OF HOUSING & COMMUNITY	G-18B2ORCOSR/G- 1901ORCOSR		859,571	751,094
93.576	Refugee and Entrant Assistance-Discretionary Grants	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	90RX0271/90RX0290-01- 00		103,182	-
93.597	Grants to States for Access and Visitation Programs	U.S. DEPARTMENT OF JUSTICE OREGON CHILD DEVELOPMENT COALITION	EMW-2018-SS-00072- S01/1701ORSAPV		78,755	-
93.600	Head Start	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	OCDC 06-041		15,040	-
93.658	Foster Care Title IV-E	STATE OF OREGON - DEPARTMENT OF JUSTICE	1601ORFOST		185,333	4,757
93.658	Foster Care Title IV-E	STATE OF OREGON - DEPARTMENT OF JUSTICE	1801ORFOST		287,089	-
		<i>Total Foster Care Title IV-E</i>			472,422	4,757

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA	* Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>						
93.667	Social Services Block Grant	STATE OF OREGON - DEPARTMENT OF EDUCATION	1801ORSOSR		321,142	321,142
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	NU58DP005955/NU58DP006576		458,426	196,605
93.788	Opioid STR	STATE OF OREGON - PUBLIC HEALTH DIVISON	1H79TI080258/TI-17-014/154125		286,790	182,376
93.788	Opioid STR	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	T1080258		13,329	-
		<i>Total Opioid STR</i>			<u>300,119</u>	<u>182,376</u>
93.865	Child Health and Human Development Extramural Research	PORTLAND STATE UNIVERSITY	R21HD087734		43,122	-
93.870	Maternal, Infant and Early Childhood Home visiting Grant	STATE OF OREGON - PUBLIC HEALTH	X10MC29499		15,000	-
		<i>Total Maternal, Infant, and Early Childhood Home Visiting Cluster</i>			<u>15,000</u>	<u>-</u>
93.889	National Bioterrorism Hospital Preparedness Program	STATE OF OREGON - PUBLIC HEALTH DIVISON	75-0140-0-1-551		265,195	-
93.914	HIV Emergency Relief Project Grants	BOSTON UNIVERSITY	U69HA30462		17,398	-
93.914	HIV Emergency Relief Project Grants	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	H89HA00040		4,265,661	1,666,871
		<i>Total HIV Emergency Relief Project Grants</i>			<u>4,283,059</u>	<u>1,666,871</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Ryan White HIV/AIDS Dental Reimbursement and Community	U.S. DEPARTMENT OF HEALTH & OREGON HEALTH & SCIENCES	H76HA00197		732,525	-
93.924	Based Dental Partnership Grants	UNIVERSITY - PROJECTS ADM	5H65HA00006		13,120	-
93.926	Healthy Start Initiative	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	H49MC00141		681,291	-
93.928	Special Projects of National Significance	AIDS UNITED	2016153		7,197	-
93.940	HIV Prevention Activities- Health Dept. Based Human Immunodeficiency Virus (HIV)/Acquired	STATE OF OREGON - PUBLIC HEALTH DIVISON	U62PS003642/6NU62PS003642-05-04		611,186	248,486
93.944	Immunodeficiency Virus Syndrome (AIDS) Surveillance	STATE OF OREGON - PUBLIC HEALTH DIVISON	5NU62PS004959-04		302,284	-
93.958	Block Grants for Community Mental Health Services	STATE OF OREGON - DEPARTMENT OF I	SM010043-17		365,559	364,559
93.959	* Block Grants for Prevention and Treatment of Substance Abuse	STATE OF OREGON - DEPARTMENT OF HUMAN SERVICES	TI010043-18/TI010043-17		3,546,402	3,437,382

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2019

CFDA * Program Title	Grantor	Pass-Through Number	Entity	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>					
93.959 * Block Grants for Prevention and Treatment of Substance Abuse	STATE OF OREGON - PUBLIC HEALTH DIVISION	2B08TI010043-17		37,641	-
	<i>Total Block Grants for Prevention and Treatment of Substance Abuse</i>			<u>3,584,043</u>	<u>3,437,382</u>
93.977 Preventive Health Services Sexually Transmitted Diseases Control Grants	U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES	5NH25PS0042256/5 NH25PS004256-05-00		242,488	-
93.991 Preventive Health and Health Services Block Grants	STATE OF OREGON - PUBLIC HEALTH DIVISION	NB01OT009115		54,916	-
93.994 Maternal and Child Health Services Block Grant to the States	STATE OF OREGON - PUBLIC HEALTH DIVISION	154125		259,872	110,262
	TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>41,061,993</u>	<u>12,205,406</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
94.011 Foster Grandparent Program	CORPORATION FOR NATIONAL & COMMUNITY SERVICE	16SFPOR004		210,340	-
	<i>Total Foster Grandparent/Senior Companion Cluster</i>			<u>210,340</u>	<u>-</u>
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>210,340</u>	<u>-</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>					
95.001 High Intensity Drug Trafficking Areas Program	OREGON-IDAHO HIDTA	G17OR0003A		60,306	-
	TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			<u>60,306</u>	<u>-</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
97.012 Boating Safety Financial Assistance	STATE OF OREGON - MARINE BOARD	3317FAS170141		596,331	-
97.042 Emergency Management Performance Grants	STATE OF OREGON - OFFICE OF EMERGENCY MANAGEMENT	EMS-2017-EP-000/EMS- 2018-EP-00005-S01 EMW2015SS00044S/EM W-2016-SS-00089-S01/70-		305,171	-
97.067 Homeland Security Grant Program	CITY OF PORTLAND	0560-0-1-999		177,523	-
97.067 Homeland Security Grant Program	STATE OF OREGON - OFFICE OF EMERGENCY MANAGEMENT	EMW-2018-SS-00072- S01		3,448	-
	<i>Total Homeland Security Grant Program</i>			<u>180,971</u>	<u>-</u>
	TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>1,082,473</u>	<u>-</u>
	TOTAL FEDERAL FUNDING			<u>57,914,102</u>	<u>16,721,939</u>

* Indicates a Major Program

MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note A – General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs of Multnomah County, Oregon (the County) for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of the Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The County's reporting entity is defined in Note 1 to the County's June 30, 2019 basic financial statements.

Note B – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting, as described in Note 1 to the County's basic financial statements. Expenditures reported on this schedule are recognized following the cost principles in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

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

Note C – Relationship to Basic Financial Statements

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

Note D – Non-cash Awards

The accompanying Schedule of Expenditures of Federal Awards includes three non-cash awards.

An award from the Oregon Department of Education provides food donations (CFDA #10.555 - Commodity Supplemental Food Program) for the Juvenile Detention Center. The value of the food is determined by the grantor: \$7,914. This amount is included in the total federal expenditures reported on the Schedule of Expenditures of Federal Awards.

During the year ended June 30, 2019, the County received surplus property valued at \$459 from the Oregon Department of Administrative Services (CFDA #39.003 – Donations of Federal Surplus Personal Property). Donated surplus property is valued at fair market value at the time of receipt or the assessed value provided by the federal agency. This amount is included in the total federal expenditures reported on the Schedule of Expenditures of Federal Awards.

MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note D – Non-cash Awards (continued)

An additional award from the Department of Health and Human Services is in the form of immunization vaccines (CFDA #93.268 – Childhood Immunization Grants). The value of the non-cash portion of the Childhood Immunization Grant award was determined by the granting agency and was determined as non-federal funds. The amount expended and advanced at June 30, 2019 is calculated on a proportionate basis; \$2,497,959. This amount is disclosed only and is not included in the Schedule of Expenditures of Federal Awards.

Multnomah County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
81.042	Weatherization Assistance for Low Income Persons	Unmodified
93.568	Low Income Home Energy Assistance	Unmodified
93.569	Community Services Block Grant	Unmodified
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Unmodified
14.241	Housing Opportunities for Persons with AIDS	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 1,737,423

Auditee qualified as low-risk auditee? Yes No

Multnomah County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

FINDING 2019-001 – Allowable Costs – Significant Deficiency in Internal Controls over Compliance

<i>CFDA Number</i>	<i>Federal Agency/Pass-through Entity - Program Name</i>	<i>Award Number</i>	<i>Award year</i>	<i>Questioned Costs</i>
93.569	Community Services Block Grant	4511	Multiple	None Reported

Criteria or specific requirement: County policy requires actual effort expended on each project to be reviewed and certified by each responsible employee and then approved by their supervisor, at the end of each pay period.

Condition: We identified an instance where there was no supervisor approval of employee time.

Context: We noted, for one pay period tested, the employee time card was not reviewed and approved by their supervisor.

Effect: Errors on time cards could go undetected and result in incorrect payroll related expenses being charged to the program.

Cause: In order for payroll to be paid, time entered into the system must be certified. Controls in place do not address the risk that the individual certifying the payroll could be someone other than the employee's supervisor. Additionally, controls implemented currently do not allow for retroactive approval of employee time, when review by the employee's supervisor was not done timely.

Recommendation: We recommend that the County address the internal controls regarding supervisor approval of time to ensure that time entered and charged to the program are appropriate and consistent with actual hours worked.

Views of responsible officials: Management agrees with the finding and auditor recommendation.

FINDING 2019-002 – Allowable Costs – Significant Deficiency in Internal Controls over Compliance

<i>CFDA Number</i>	<i>Federal Agency/Pass-through Entity - Program Name</i>	<i>Award Number</i>	<i>Award year</i>	<i>Questioned Costs</i>
81.042,	Weatherization Assistance for Low Income Persons,	4511	Multiple	None Reported
93.568,	Low Income Home Energy Assistance,	4511	Multiple	None Reported
93.569	Community Services Block Grant	4511	Multiple	None Reported

Criteria or specific requirement: As of January 1, 2019, the County’s payroll policy was updated to stipulate payroll charges to programs be based on actual hours and certified by employees through daily time entry.

Condition: Quarterly time studies were used to allocate payroll charges to programs, after the County’s policy changed.

Context: We noted, for each pay period tested, time studies were used to support payroll allocations.

Effect: Time charged was not based on actual hours worked and certified by the employee, daily, which is against County policy.

Cause: Controls in place were not sufficient to ensure the County’s payroll policy was properly adopted on the effective date, resulting in delays/ inconsistent adoption of the policy by some departments.

Recommendation: We recommend that the County address the internal controls to ensure payroll charged to programs is consistent with County policy, and based on actual hours, certified by employees on a daily basis.

Views of responsible officials: Management agrees with the finding and auditor recommendation.



January 31, 2020

As required by OMB Uniform Guidance, we have provided below our response and corrective action plan addressing the findings in the "Report on Federal Awards in Accordance with the OMB Uniform Guidance" for the year ended June 30, 2019

Management's View and Corrective Action Plan to Current Year Audit Findings and Questioned Costs

Finding #2019-001: Allowable Costs – Significant Deficiency in Internal Control

Management agrees with the finding and auditor's recommendation. The County has recently implemented a new Enterprise Resource Planning (ERP) system, Workday, which encompasses all employee and manager approvals for time entry. If a manager did not approve their employee's time before the payroll cut off date, a Workday Admin staff has to advance time entered without approval to ensure that the employee is paid for time worked. Starting February 1, 2020 a new process will be implemented within Workday that will send a "To-Do" to all managers who were not able to ensure accurate time and attendance before the payroll cutoff. Once they complete their review, they will complete the "To-Do" and make any necessary alterations to the employee's time and attendance.

Finding #2019-002: Allowable Costs – Significant Deficiency in Internal Control

Management agrees with the finding and auditor's recommendation. Effective 7/1/2019 the County has developed an alternative method to specifically account for the complexities of actual time worked by employees and the eligibility of both Weatherization and LIHEAP funding. For all Programs, employees will record actual hours worked to be in compliance with the County's internal control policies.

The Deputy CFO will be responsible for ensuring that the correcting actions take place as described. If you have any questions of require additional information, please feel free to contact me at (503-988-7966) or at cora.bell@multco.us.

Sincerely,

Cora Bell
Fiscal and Grant Compliance Manager

Department of County Management

MULTNOMAH COUNTY OREGON

501 SE Hawthorne Blvd, Suite 531

Portland, Oregon 97214

(503) 988-3312 phone

(503) 988-3292 fax



Summary Schedule of Prior Audit Findings and Questioned Costs
For the Fiscal Year Ending June 30, 2018

Finding #2018-01: Allowable Costs – Significant Deficiency in Internal Control

Condition: Approved Time and Attendance reports did not agree to what was reflected within the system and thus time charged and paid was not based on actual hours.

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

Status of Finding: With the January 1, 2019 implementation of the County's new Enterprise Resource Planning (ERP) system, Workday, County staff are now required to timely report actual time and attendance within Workday rather than on paper timesheets with timekeepers to enter time into the system. There were no instances of unallowable costs noted during the current year audit.

Finding #2018-02: Financial Statement Finding – Accounting for the Value of Donated Capital Assets – Significant Deficiency in Internal Control

Condition: The County has been receiving certain road and bridge improvements from the State of Oregon, Department of Transportation (ODOT) for several years now. ODOT has provided documentation on the cumulative costs incurred by the State for each capital asset, and the County has used that information as the best estimate of the fair value to record in the County's financial statements. County personnel responsible for evaluating the information provided by the State were making mistakes in interpreting which numbers represented the correct total costs incurred resulting in \$10.8 million of costs capitalized in excess of costs actually incurred by the State.

Recommendation: It is recommended that the County improve the finance staff review of capital asset accounting entries during the financial close and review process.

Status of Finding: The County implemented a new Enterprise Resource Planning (ERP) system, Workday, which has improved internal controls over accounting and reporting of capital assets. The new system requires departmental staff, who are directly engaged with the projects, to account for construction in progress and capital assets in the Business Assets Register. As costs are aggregated in construction in progress, they are reviewed by the departmental project accountants, and then project assets are created in the Business Assets Register when projects are completed.

For contributed assets, departmental finance managers review the calculations and support to approve the amounts to be booked. In the response to this particular finding, calculations for contributions and support documentation were reviewed by the Finance Manager for the Department of Community Services (DCS) who is responsible for the financial reporting of capital assets for DCS. A General Ledger staff member, who oversees capital assets county-wide, then enters manual journal entries to record the contributions in the general ledger and attaches the support documentation received by the department that includes the formal approval by the departmental manager. Project assets, including contributed capital assets, are then capitalized and registered into capital assets and depreciation begins.