

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2017

About the Cover

The rendering on the cover of the Comprehensive Annual Financial Report is a view of what the new Gladys McCoy Health Department Headquarters will look like upon completion. ZGF Architects designed the building and the general contractor is JE Dunn.

In fiscal year 2017, significant progress was made on the project after nearly 15 years of planning. This new building will replace the current McCoy Building, one of the County's low performance properties per the Facilities Asset Strategic Plan II. The current McCoy Building has been identified for disposition for many years.

The new building was named in honor of former Multnomah County Chair Gladys McCoy. McCoy is widely recognized for her positive impact in the community. Some of her many accomplishments include earning her master's degree in social work from Portland State University. She became the first African American member of the Portland Public School Board, the Multnomah County Board of Commissioners, and the first African American Chair of the Board. She faithfully served as Chair of the Board until her passing in April 1993.

The new building will provide an updated laboratory, pharmacy, and other modern clinics. Health administrators and managers offices from the former McCoy Building and the Lincoln Building will be combined into a single modern facility to accommodate growth and increase operational efficiencies by bringing together scattered Health Department programs and staff. The building will provide an accessible, sustainable, long-term facility to deliver critical services to Multnomah County residents.

The new-nine story, \$93 million Health Department headquarters will have a brick exterior like its historic Old Town neighbors, but with a lighter shade of brick to communicate an "optimistic" view ahead. The project team aspires towards LEED Gold, the Architecture 230 Challenge, the 2009 Climate Action Plan, and the 1.5% for Solar Program.

The building is a very civic-looking building that will function with the sun to avoid glare and heat problems. The ground floor will be active and accessible to the public with an open floor plan. The design will take advantage of being on the MAX trains approaching from the south and at the same time, strengthen the presence of the Union Station clock tower. The building is scheduled to open in 2019.

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017



Prepared by: Department of County Management
Joseph Mark Campbell, Chief Financial Officer
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MULTNOMAH COUNTY, OREGON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017
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INTRODUCTORY SECTION

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Department of County Management

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January 31, 2018

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Multnomah County, Oregon, for the fiscal year ended June 30, 2017, together with the unmodified opinion thereon of our independent certified public accountants, Moss Adams LLP. The Department of County Management prepared this report as required by Oregon Revised Statutes 297.425. Also included are Audit Comments and Disclosures required under the *Minimum Standards for Audits of Oregon Municipal Corporations* Division 10 of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the 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 210.

This report presents fairly the financial position of the various funds of the County at June 30, 2017, and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). It is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management 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.

The CAFR is presented in three main sections: introductory, financial, and statistical. The *Introductory Section* includes this transmittal letter, a list of principal officials, organizational charts, and a copy of last fiscal year's *Certificate of Achievement for Excellence in Financial Reporting* awarded by the Government Finance Officers Association of the United States and Canada (GFOA).

PROFILES OF MULTNOMAH COUNTY, OREGON

(amounts expressed in thousands)

The *Financial Section* is prepared in accordance with accounting principles generally accepted in the United States of America. This section of the CAFR includes the *Management's Discussion and Analysis* (MD&A), which can be found immediately following the report of the independent auditor. US GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The *Basic Financial Statements*, *Required Supplementary Information*, and combining and individual fund statements and schedules follows the MD&A. The basic financial statements include the government-wide financial statements that present an overview of the City's entire operations, while the fund level statements present the financial information of each of the City's major funds, as well as non-major funds.

The *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.

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, 2015 of 790,294 residents. The cities of Portland and Gresham are the largest incorporated cities in the County.

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

Multnomah County provides a full range of services, including public safety protection; corrections and probation; construction and maintenance of roads, highways, bridges and other infrastructure; health and social services; library and community enhancement; and internal business support. Certain sanitary and lighting services are provided as legally separate Service District Authorities, which function, in essence, as departments of the County and therefore are included in the County's financial statements as component units. The legally separate Library District of Multnomah County is also included in the County's financial statements, as is The Library Foundation, a tax-exempt foundation whose primary purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries. The County also maintains a Hospital Facilities Authority (Authority) whose primary purpose is to issue conduit debt for health care facilities. The Hospital Facilities Authority is also considered a component unit but it is not included in the County's financial statements as the activity of the Authority is not material to the County's financial statements. Additional information on these legally separate entities can be found in Note I. *Summary of Significant Accounting Policies* of the *Notes to the Basic Financial Statements*.

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County budget is adopted by the Board of County Commissioners by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional 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

FACTORS AFFECTING FINANCIAL CONDITION

(amounts expressed in thousands)

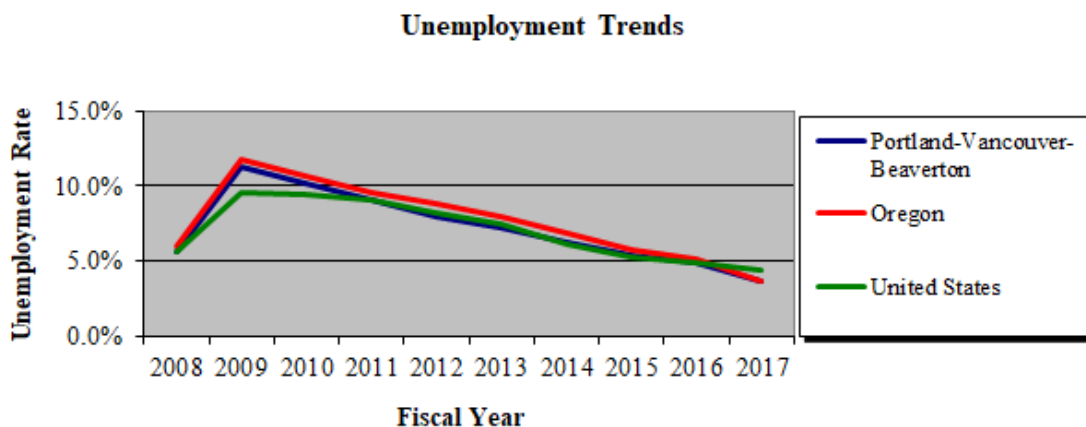
between categories. Appropriation transfers must be approved by the Board of County Commissioners in public meetings prior to the related expenditures. During the fiscal year, two supplemental budgets were adopted.

Budget to actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. The General Fund and Federal/State Program Special Revenue Fund budget to actual comparisons are provided on pages 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 113.

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

The Portland-Vancouver-Beaverton PMSA's (Primary Metropolitan Statistical Area) economy experienced above average long-term trend growth according to the University of Oregon Index of Economic Activity during fiscal year 2017. Like the rest of the nation, the region saw increasing real estate values. Employment growth has been strong. The rest of the State also saw improved economic conditions with Eugene-Springfield, Central Oregon, and Salem growing at average to slightly above average employment rates, while the Rogue Valley has only recently experienced improved growth rates. It is likely that the local economy will continue average to above average growth in the upcoming year.

As of June 30, 2017, the Portland-Vancouver-Beaverton PMSA's unemployment rate was at 3.7 percent, down from 4.9 percent a year ago. The unemployment rate for the area is on par with both the State of Oregon (at 3.7 percent) and national average of 4.4 percent. The chart below compares the area's unemployment rate to the rates for the state and nation.



Financial outlook: Multnomah County has taken great strides toward achieving fiscal resilience over the past few years. Significant budget gaps have been closed while the County has maintained a wide array of health, social, and public safety services. Prudent financial planning, careful management of long-term liabilities, and a low inflation environment, allowed the County to increase service levels in fiscal year 2017.

FACTORS AFFECTING FINANCIAL CONDITION

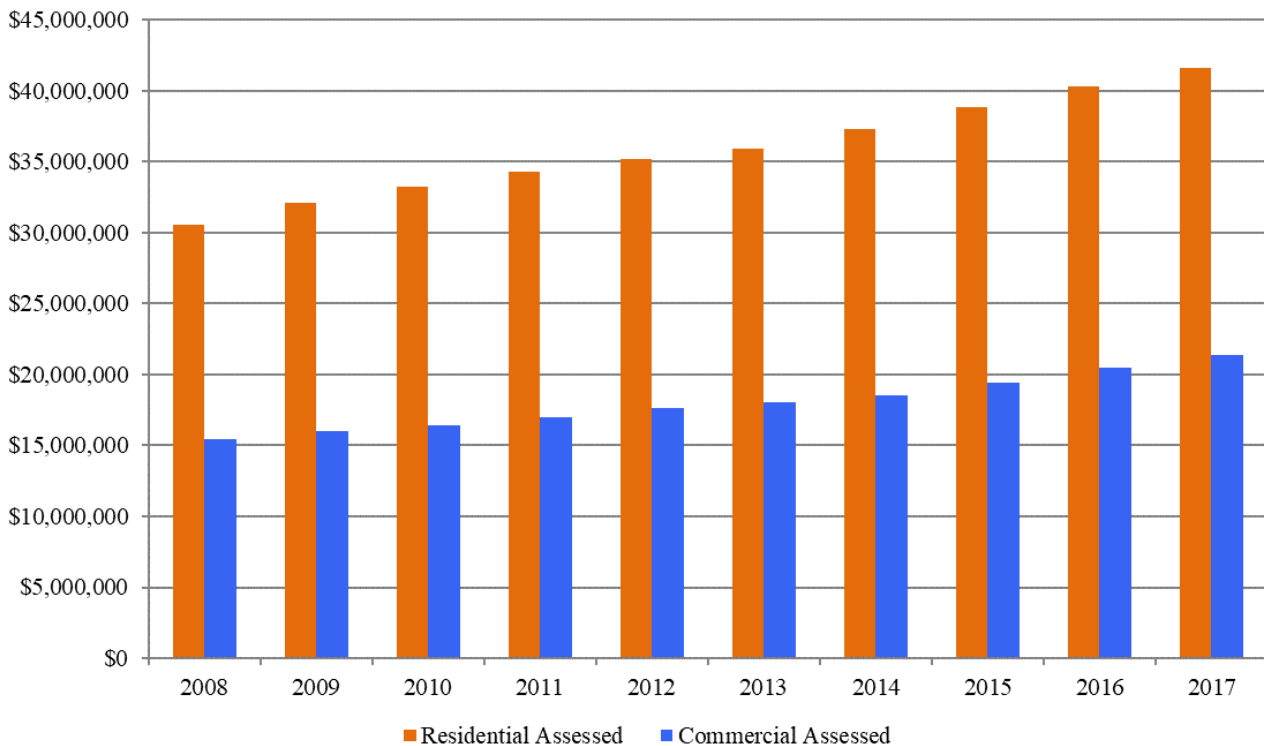
(amounts expressed in thousands)

The current forecast assumes steady growth in employment and personal income over the next few years. Barring a recession or unexpected reductions in State or Federal funding, the General Fund is expected to provide funding at current service levels in fiscal year 2018. The current five year forecast projects that revenues will grow, on average, by slightly less than 3 percent from fiscal years 2018 to 2022. At this level, revenue growth should exceed inflation over the forecast period.

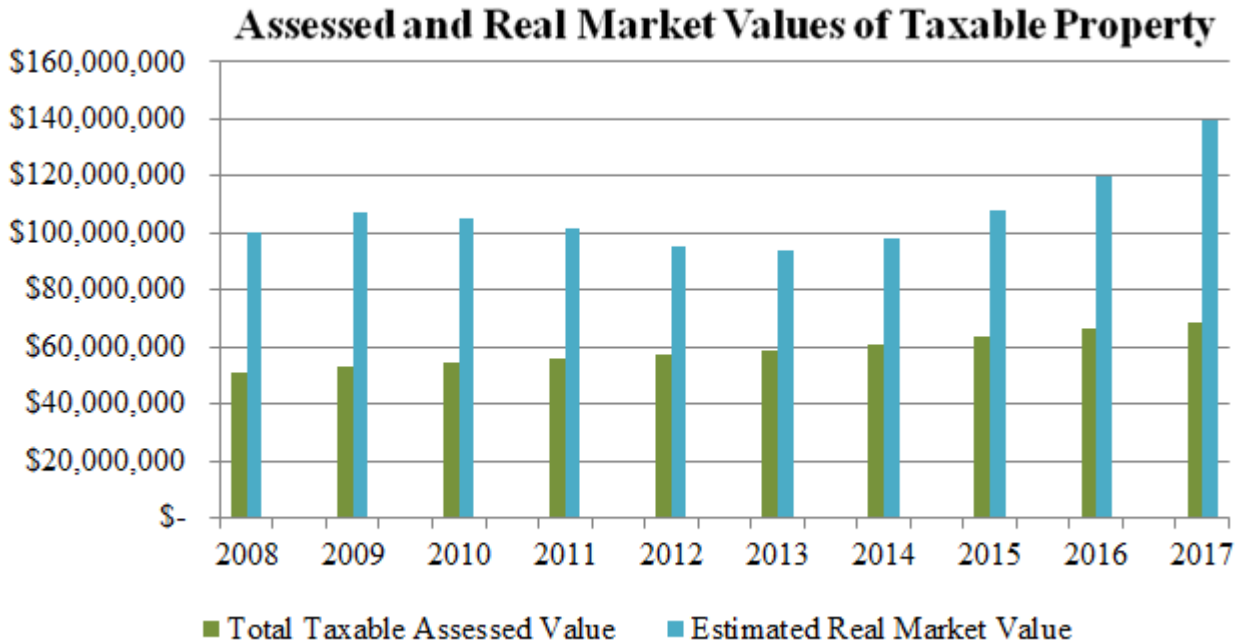
Property taxes, which account for approximately two-thirds of General Fund revenues, have seen a consistent increase over the past ten years despite fluctuations in real estate values. Property taxes are governed by two state constitutional measures, Measure 5 and Measure 50, which set limits on the amount of tax that can be collected. In general, individual property taxable values may not grow by more than 3 percent year over year. For fiscal year 2018, property tax collections are expected to increase by 4 percent driven by new construction and decreased Measure 5 compression.

The following charts highlight the County's residential and commercial assessed (taxable) values over the past ten years. Residential property has experienced a 36.1 percent increase in taxable property value over a ten-year period compared to a 38.7 percent increase for commercial property value over the same period. Because assessed values remain well below real market values for most properties, property tax collections are relatively inelastic to falling real market values. Had real market values declined below assessed values rather than stabilize and grow, there would have been an adverse impact on the amount of property tax collected and the year over year property tax growth.

Assessed Values of Taxable Property

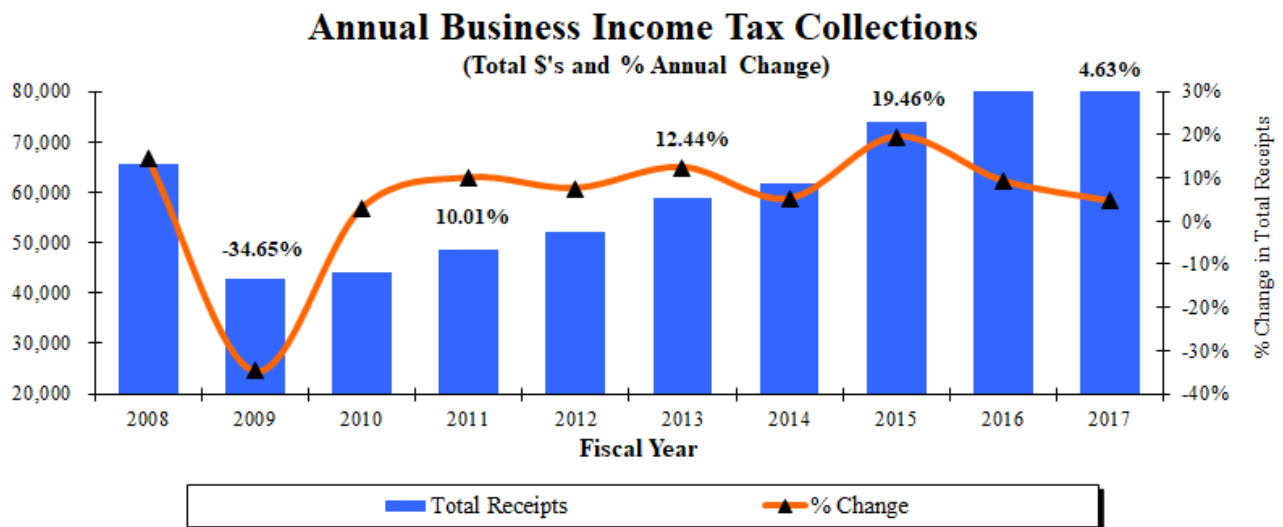


FACTORS AFFECTING FINANCIAL CONDITION
(amounts expressed in thousands)



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. BIT collections generally parallel economic cycles. Prior to the onset of the “great recession”, fiscal year 2008, BIT collections were nearly \$66 million and had exhibited five years of double-digit growth. The following year they declined by more than a third, with fiscal year 2009 collections coming in at just under \$43 million. In fiscal year 2017, collections were nearly \$4.5 million, a 4.6 percent increase over fiscal year 2016 and the highest level of BIT collections ever received.

The following chart highlights the volatility of BIT collections over the past ten years. Current forecasts assume moderate growth in BIT revenue. 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 \$8 million providing an additional 10 percent buffer.



FACTORS AFFECTING FINANCIAL CONDITION

(amounts expressed in thousands)

Motor vehicle rental taxes (MVRT) account for about 6.5 percent of General Fund tax revenues. The tax rate is set at 17 percent of vehicle rental charges, with the majority of revenue collections dedicated for use in the General Fund. MVRT collections are highly influenced by the economy. The travel and tourism industry was particularly hard hit by the “great recession” and tax collections declined by about 14 percent from fiscal year 2008 to fiscal year 2010. They have rebounded since then and fiscal year 2016 General Fund revenues were \$28.2 million. Since bottoming out in fiscal year 2010, MVRT revenues have increased by more than 80 percent over the past five years reflecting the growing importance of travel and tourism to the region. The expectation is for MVRT to continue to grow at above historical averages in the short term.

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 required to balance revenues and expenditures. It is an estimate that takes into account the rate of inflation, growth in employee benefits and long-term fixed costs. This gap is chiefly the result of property tax limitation measures passed by Oregon voters in 1990 and 1997. As noted earlier, property taxes cannot grow (with a few exceptions) by more than 3 percent a year. Since property taxes make up a large percentage of General Fund revenues, the property tax limits have the effect of constraining overall revenue growth. The volatility of the BIT also factors into this equation. Expenditures, driven by health care costs (which have been below trend for the past four years) and OPERS costs (which are expected to increase in coming fiscal years); typically tend to grow faster than revenues.

The “structural deficit” of roughly 1 percent of revenues, has been masked over the past few years by low inflation, moderating cost growth, and decreasing property tax compression. The “structural deficit” is forecast to reappear, as inflation returns to more normal levels and property tax compression can no longer fall. Because the budget, by state statute, must be balanced, it is likely that the County will need to trim program spending, allocate one-time sources of revenue, or some combination thereof to bring expenditures in line with revenues. The County will only draw down on budgeted reserves under only extreme circumstances to meet ongoing operational requirements.

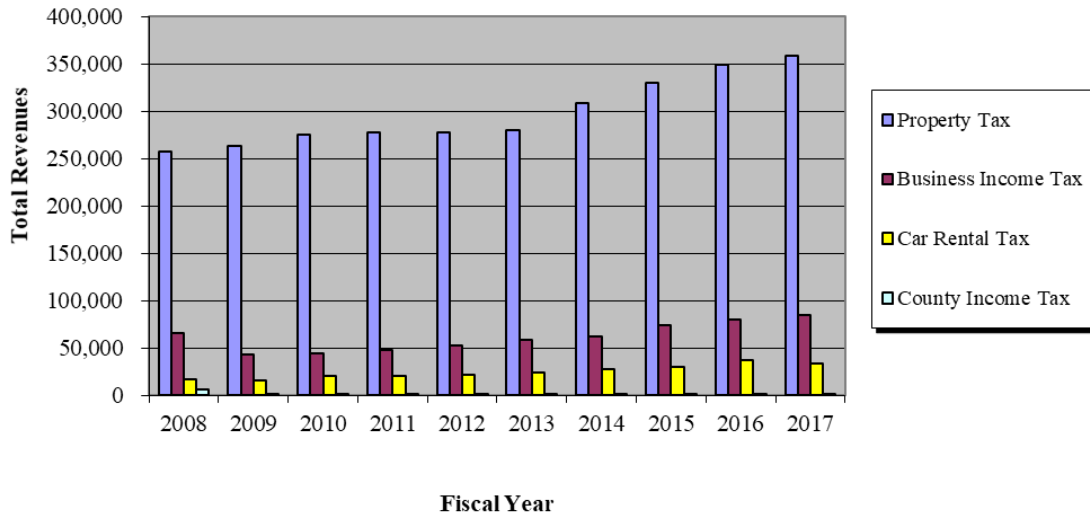
The State of Oregon provides a significant portion of the County’s funding, of which is mostly recorded in the Federal/State Program Special Revenue Fund. The State’s General Fund is highly dependent upon economically sensitive personal income taxes, with approximately 85 percent of State General Fund revenue attributable to this tax. For the County’s fiscal year 2017 and the State’s 2015-17 biennium, State funding was generally stable as the State’s financial picture improved with the economy.

FACTORS AFFECTING FINANCIAL CONDITION

(amounts expressed in thousands)

The following graph highlights the County's major tax sources.

County General Fund Tax Revenues



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

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

Consistent application of these financial policies has helped ensure that the County has appropriately recorded and accounted for transactions in our financial statements.

The County's adopted financial and budget policies generally provide for the County to use one-time-only resources for costs that will not recur in future years. However, the policies allow the use of one-time-only resources when, in the short term, it would be more beneficial to allocate such resources to the highest priority public services than to restrict them to non-recurring costs.

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.

FACTORS AFFECTING FINANCIAL CONDITION

(amounts expressed in thousands)

The fiscal year 2018 adopted budget includes approximately \$60 million of one-time only General Fund resources after fully funding the General Fund reserve. The majority of these one-time only funds are used for one-time-only expenses:

- \$18 million for replacement of the County's Downtown Courthouse,
- \$7 million for construction of a new Health Department "headquarters" facility,
- Approximately \$5.8 million for development and construction of new homeless shelters and supportive housing units,
- \$4.2 million for upgrades to detention facility electronic systems,
- \$2.5 million to provide ramp down funds in anticipation of federal and state funding reductions, and
- \$1.2 million for pilot programs designed to divert offenders from jail.

A complete list of the uses of one-time-only funds can be found on page 22 of the Budget Director's Message in the County's fiscal year 2018 adopted budget. The adopted budget document can be found on line at: <https://multco.us/budget/fy-2018-adopted-budget>.

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 2017 as evidenced by the fact that receipts from the Business Income Tax reached a record high. As a result of the improved economic conditions, the County has been able to focus on longer-term initiatives.

The County has undertaken a number of major capital project over the past few years. Among those projects are the construction of a new Health Department headquarters, to relocate operations from the outdated McCoy Building to the east half of Block U in downtown Portland is underway. When completed the building is expected to be approximately 157,000 gross square feet with nine floors of office, clinic, and laboratory space. The anticipated project cost of the new building and relocation of current operations is expected to be approximately \$95 million, with \$36.4 million anticipated in the form of a grant from the Prosper Portland (previously known as the Portland Development Commission) from the River District Urban Renewal Area. General Fund cash transfers account for another \$13.4 million and the County borrowed funds in 2017 to cover the remaining anticipated projects costs.

FACTORS AFFECTING FINANCIAL CONDITION

(amounts expressed in thousands)

Construction is well underway and the new building is anticipated to be ready for occupancy in spring 2019.

Construction is also underway on a new Multnomah County Central Courthouse. The existing Courthouse is over 100 years old and has been determined to be both functionally and structurally obsolete. It is at capacity and there is no room for additional growth. The County has collaborated with the State of Oregon, as well as other stakeholders, to plan a new facility of approximately 445,000 square feet, which will meet all modern standards for court operations and security. The project is anticipated to cost \$325 million. Under legislation passed in 2013, the State of Oregon will provide \$125 million toward construction of the project. The County has allocated approximately \$80 million of General Fund one-time-only resources, issued \$90 million in long-term debt in 2017, and anticipated another bond sale in 2018 or 2019 to cover the balance of the project cost. The 2015 legislature authorized surcharges on court and parking fines that will be used to support between \$25 and \$30 million of the long-term debt associated with the project.

The County is also currently engaged in an enterprise resource planning (ERP) system conversion. After a two-year evaluation process, the County selected an ERP suite anchored by Workday, for human resources and finance operations functions, and supplemented by Jaegger for contracting, Qwestica for budget development, and Tririga, for facilities management. All of these are cloud based, software as a service applications, and the County is scheduled to go live with the new systems in fiscal year 2019. The ERP replacement project is funded by \$41.2 million of long-term debt issued in 2017.

These three projects will use a large portion of the County's debt capacity (as measured by its internal 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 drafted. The plan will be updated annually and it is anticipated that future budgets will reflect recommendations that support the County's long-term goals.

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 2018 budget includes total JOHS funding of \$58.2 million, which includes nearly \$20.6 million of discretionary County revenues.

While the County is experiencing strong economic growth, it is not immune to broader pressures and issues that could impact its current financial status. The effects of proposed federal tax legislation are largely unknown at this time and there are upward pressures on personnel costs related to pensions and healthcare. However, the County weathered the "great recession" and came out of it in as good, if not better, financial shape as any public jurisdiction in the state of Oregon. 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

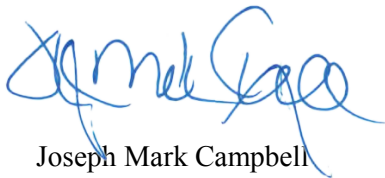
(amounts expressed in thousands)

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, 2016. The County has received this prestigious award for 32 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,



Joseph Mark Campbell
Chief Financial Officer



Samina S. Gillum
Accounting Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
Reporting**

**Presented to
Multnomah County
Oregon**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

June 30, 2016



Executive Director/CEO

ELECTED OFFICIALS — MULTNOMAH COUNTY OREGON



Sharon Meieran
Commissioner District 1



Deborah Kafoury
Chair



Loretta Smith
Commissioner District 2



Jessica Vega Pederson
Commissioner District 3



Lori Stegmann
Commissioner District 4



Steve March
Auditor



Michael Reese
Sheriff

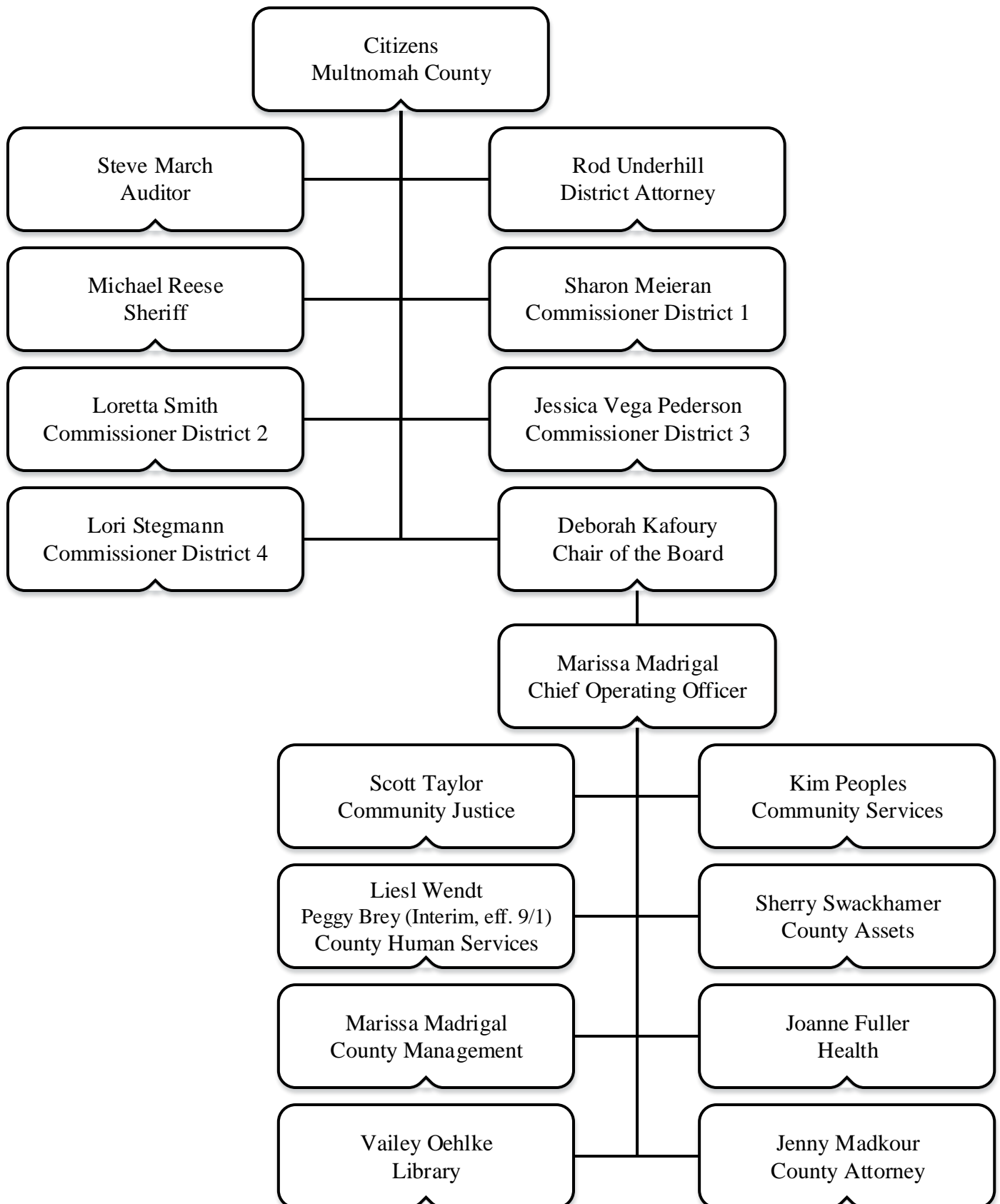


Rod Underhill
District Attorney

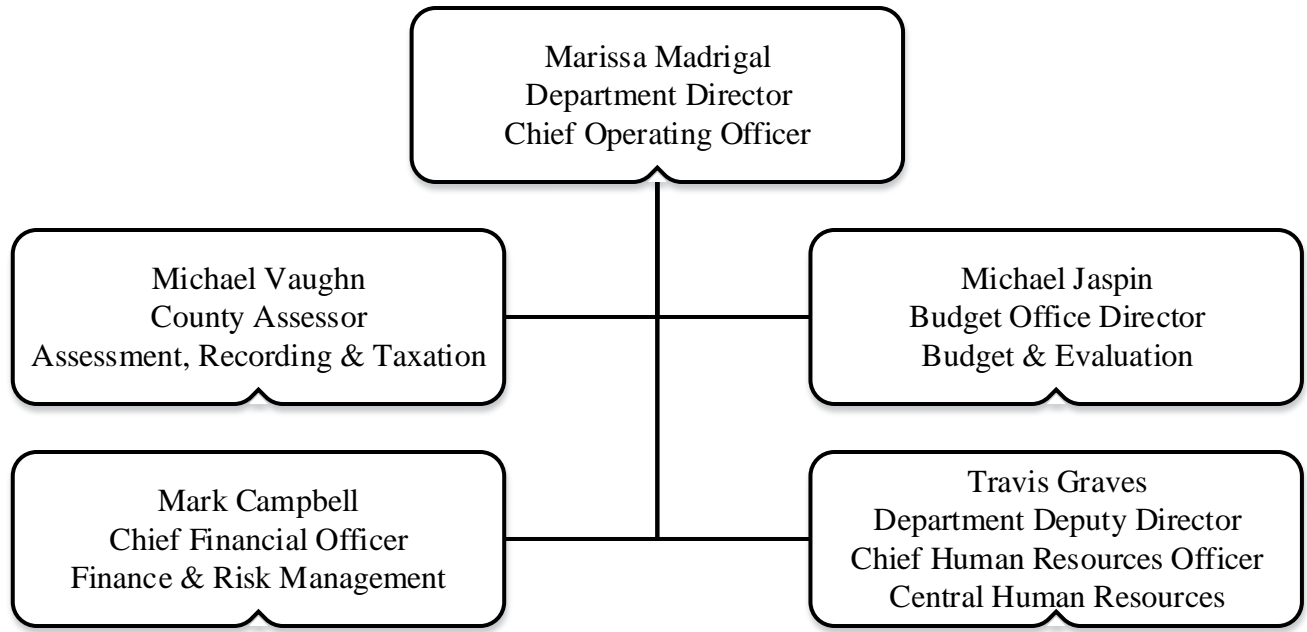
MULTNOMAH COUNTY, OREGON
For the Year Ended June 30, 2017
Principal Officers

Title	Name	Term Expires
<u>Board of County Commissioners</u>		
Chair of Board	Deborah Kafoury 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2018
District No. 1	Sharon Meieran 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2020
District No. 2	Loretta Smith 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2018
District No. 3	Jessica Vega Pederson 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2020
District No. 4	Lori Stegmann 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2020
<u>Other Elected Officials</u>		
County Auditor	Steve March 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2018
County District Attorney	Rod Underhill 1021 SW Fourth Avenue Portland, OR 97204	12/31/2020
County Sheriff	Michael Reese 501 SE Hawthorne Blvd, 3 rd Floor Portland, OR 97214	12/31/2018
<u>Other Appointed Officials</u>		
Chief Financial Officer	Joseph Mark Campbell	Not elected
County Attorney	Jenny Madkour	Not elected

MULTNOMAH COUNTY, OREGON



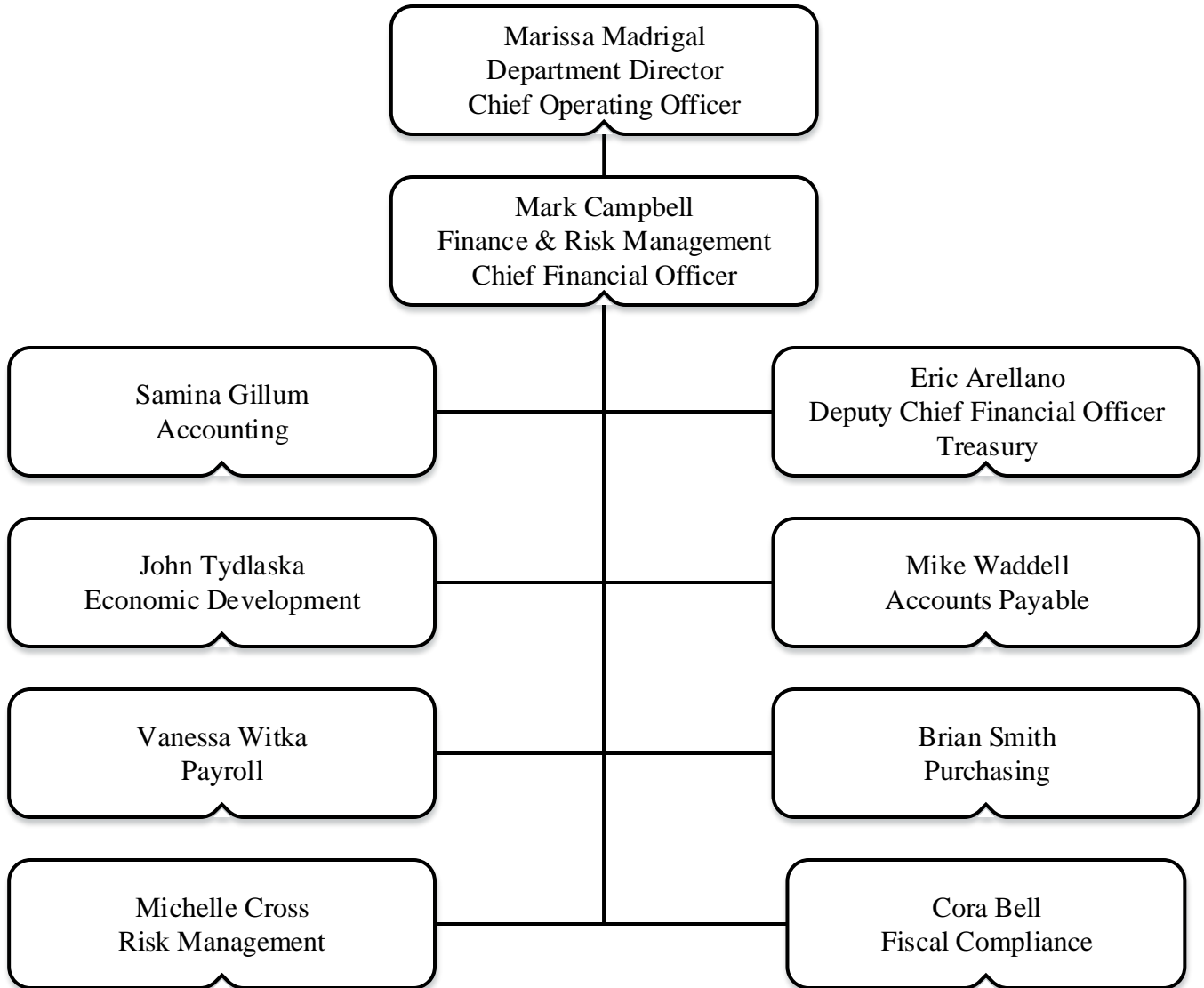
MULTNOMAH COUNTY, OREGON
Department of County Management



MULTNOMAH COUNTY, OREGON

Department of County Management

Finance & Risk Management



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"), Oregon, as of and for the year ended June 30, 2017, 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, 2017, 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 other postemployment healthcare benefits schedule of funding progress, 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 listing in the table of contents (collectively, the required supplementary information) on pages 20 through 35 and 109 through 112, 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 (CFR) 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 (CFR) 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2018 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated January 31, 2018 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 31, 2018

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, 2017. The information presented here should be read in conjunction with the letter of transmittal, which can be found on pages 1-10 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, 2017, by \$873,097 (*net position*). Of this amount, \$38,738 is restricted for capital projects and buildings, \$15,492 is restricted for improvements to roads, bridges and bike path improvements, \$14,831 is restricted for various community support programs, \$18,270 is restricted for library operations and \$226 is restricted for document storage and retrieval. The largest portion of the County's net position reflects an investment of \$965,073 or 110.5 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 \$180,119 *unrestricted net position* due to the net effect of pension-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 2017, the County reported \$526,778 for its proportionate share of the OPERS net pension liability, pension-related deferred outflows of \$301,418, and pension-related deferred inflows of \$12,138. A net pension liability of \$206,128 was reported in fiscal year 2016, a net pension liability of \$526,778 in fiscal year 2017. Total pension expense for the fiscal year ending 2017 and 2016 was \$92,172 and \$200,636 respectively, which is a net change (decrease) of 54.1 percent.
- Total assets for governmental activities increased by \$74,729 or 4.7 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 the Willamette River bridge projects. Non-depreciating assets (land, right-of-ways, construction in process) increased by \$92,222 or 22 percent over 2016. Current year additions to construction in process for major projects are described in the Capital Assets section below.

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

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$275,602. The net change in governmental fund balances during the year was a decrease of \$19,070 or 6.5 percent over fiscal year 2016.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$65,647, or approximately 13.3 percent of total General Fund expenditures and 16.7 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).

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.

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

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 36-38 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 29 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Federal/State Program Fund, the PERS Pension Bond Sinking Fund and the Sellwood Bridge Replacement Fund, which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements and respective reconciliations can be found on pages 39-44 of this report.

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

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 165-166 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 113 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 109-112.

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 \$873,097 at the close of the most recent fiscal year.

Multnomah County's Net Position

	Governmental Activities		Business- Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 532,547	\$ 546,030	\$ 7,809	\$ 10,046	\$ 540,356	\$ 556,076
Capital assets	1,123,870	1,035,658	5,589	5,315	1,129,459	1,040,973
Total assets	1,656,417	1,581,688	13,398	15,361	1,669,815	1,597,049
Deferred outflows of resources	297,236	123,728	4,182	1,567	301,418	125,295
Liabilities:						
Current and other liabilities	185,430	184,622	1,488	6,289	186,918	190,911
Noncurrent liabilities	890,742	590,984	7,308	2,604	898,050	593,588
Total liabilities	1,076,172	775,606	8,796	8,893	1,084,968	784,499
Deferred inflows of resources	13,000	128,730	168	1,191	13,168	129,921
Net position:						
Net investment in capital assets	959,484	850,159	5,589	5,315	965,073	855,474
Restricted for:						
Capital projects	38,738	40,614	-	-	38,738	40,614
Roads, bridges and bike paths	15,492	22,892	-	-	15,492	22,892
Other programs	33,913	17,845	-	-	33,913	17,845
Unrestricted surplus (deficit)	(183,146)	(130,430)	3,027	1,529	(180,119)	(128,901)
Total net position	\$ 864,481	\$ 801,080	\$ 8,616	\$ 6,844	\$ 873,097	\$ 807,924

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 \$965,073 as compared to \$855,474 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 \$88,143 as compared to \$81,351 a year ago. Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is a net deficit of \$180,119.

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 2017 and 2016.

Multnomah County's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 221,588	\$ 217,190	\$ 35,953	\$ 63,049	\$ 257,541	\$ 280,239
Operating grants and contributions	445,317	383,728	-	-	445,317	383,728
Capital grants and contributions	43,958	10,364	267	-	44,225	10,364
General revenues:						
Taxes:						
Property	360,286	348,203	-	-	360,286	348,203
Business income	84,450	80,710	-	-	84,450	80,710
Other	76,740	75,095	-	-	76,740	75,095
State government shared revenues	10,475	9,998	-	-	10,475	9,998
Grants and contributions not restricted to specific programs	24	13	-	-	24	13
Interest and investment earnings	2,045	3,016	48	100	2,093	3,116
Miscellaneous	1,559	2,304	734	726	2,293	3,030
Gain (loss) on sale of capital assets	2,609	(2,005)	-	-	2,609	(2,005)
Total revenues	1,249,051	1,128,616	37,002	63,875	1,286,053	1,192,491
Expenses:						
General government	306,755	271,016	-	-	306,755	271,016
Health services	222,213	242,366	-	-	222,213	242,366
Social services	219,884	227,737	-	-	219,884	227,737
Public safety and justice	215,267	255,904	-	-	215,267	255,904
Community services	91,297	54,495	-	-	91,297	54,495
Library services	56,932	63,640	-	-	56,932	63,640
Roads and bridges	64,730	64,539	-	-	64,730	64,539
Interest on long-term debt	8,572	18,362	-	-	8,572	18,362
Dunthorpe-Riverdale Service District Number 1	-	-	649	607	649	607
Mid County Service District Number 14	-	-	321	329	321	329
Behavioral Health Managed Care	-	-	34,260	79,420	34,260	79,420
Total expenses	1,185,650	1,198,059	35,230	80,356	1,220,880	1,278,415
Change in net position	63,401	(69,443)	1,772	(16,481)	65,173	(85,924)
Beginning net position	801,080	870,523	6,844	23,325	807,924	893,848
Ending net position	<u>\$ 864,481</u>	<u>\$ 801,080</u>	<u>\$ 8,616</u>	<u>\$ 6,844</u>	<u>\$ 873,097</u>	<u>\$ 807,924</u>

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

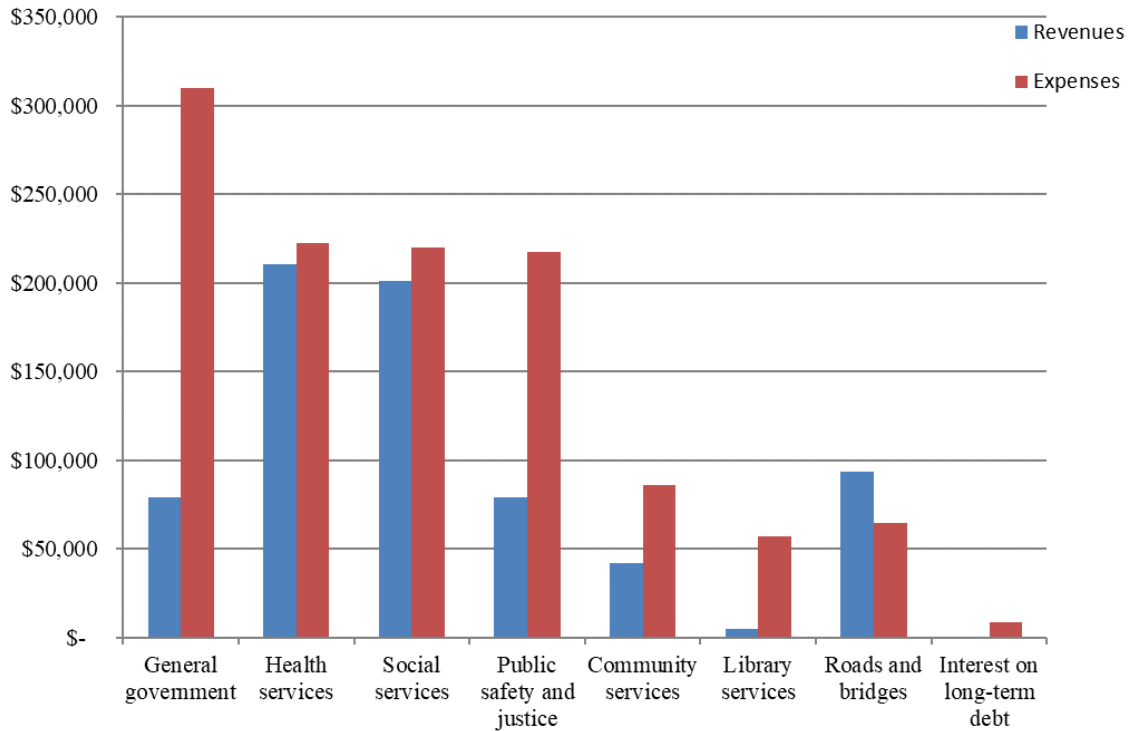
Governmental activities. Governmental activities increased the County's net position by \$63,401; listed are noteworthy reasons for the change from prior year:

- Property tax revenues are up by \$12,083 or 3.5 percent over 2016. The increase is primarily attributable to a 4.07 percent increase in assessed values and a decrease in Measure 50 compression.
- Business income taxes increased by \$3,740 or nearly 4.6 percent over the prior year. This is a reflection of the continued strength of the regional economy.
- Other taxes increased by \$1,645 or 2.7 percent over the prior year. Other taxes includes selective excise and use taxes such as transient lodging and motor vehicle rental tax which were up in fiscal year 2017 primarily due to the continued popularity of the Portland area as a travel destination.
- Total operating grants and contributions increased by \$61,589 from fiscal year 2016. Governmental activities that showed significant increases include \$30,733 for Community Services, \$16,752 for Social Services, and \$7,683 for Roads and Bridges.
- Total capital grants and contributions for governmental activities increased by \$33,594 from the prior fiscal year. In the current year, Roads and Bridges received transportation capital contributions of \$22,181. In fiscal year 2017, Health Services received new capital grants and contributions of \$21,758 for construction of the new Health Department headquarters facility, of which \$16,948 came from the from Prosper Portland (formerly the Portland Development Commission), and a donation of land valued at \$4,810.
- Expenses across all functional areas decreased by \$12,409, or about one percent in 2017.

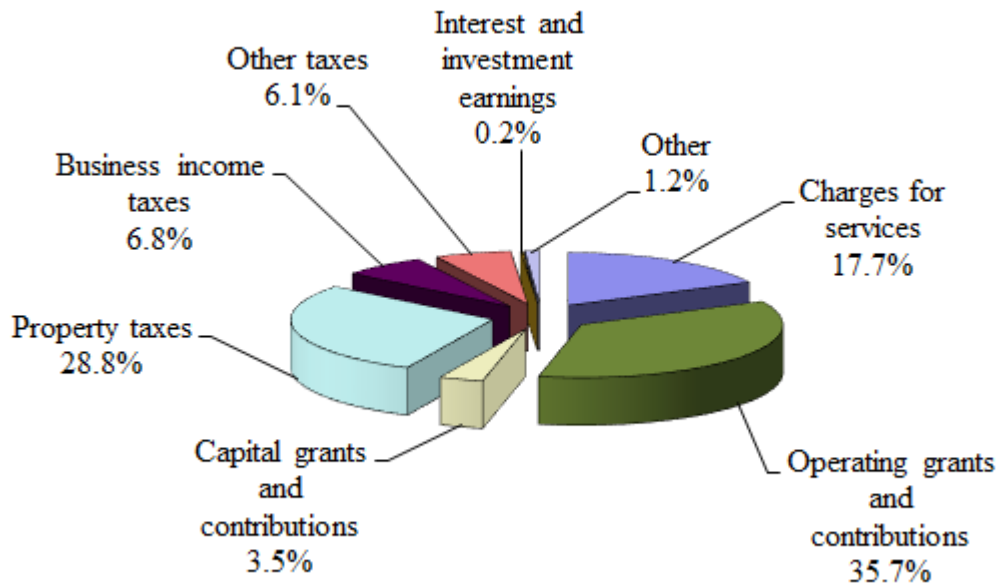
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

The graphs on this page show the County's Governmental Activities expenses and revenues by program area and revenue by sources.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



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

Business-type activities. Business-type activities increased the County's net position by \$1,772, compared to a decrease of \$16,481 in the prior year. More than half of the for the current year's increase are within the Behavioral Health Managed Care Fund. The Health Department operates the Multnomah Mental Health (MMH) Risk-Accepting Entity as part of HealthShare 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. In the fall of 2015, OHA re-evaluated Oregon Health Plan member service premiums and determined a retroactive premium revenue adjustment was necessary to bring the Oregon Health Plan into compliance with Centers for Medicare and Medicaid Services regulations. Mental Health rates decreased by nearly 14 percent. As a result, HSO withheld the premium revenue adjustments applicable to the prior fiscal year 2016 from the fiscal year 2017 premium revenue payments, and therefore, had a similarly negative impact on net position.

Beginning July 1, 2016, Health Share of Oregon, HSO entered into an agreement with Multnomah County, Washington County, and Clackamas County in which the three counties transferred the majority of the claims based contracts resulting in a proportionate reduction in the amount of premium revenues paid to each county. As a result, Multnomah County's premium revenues and vendor contracts were significantly reduced. Program revenues decreased by \$26,933 from fiscal year 2016, or by 43.7 percent, and expenses decreased by \$45,160, or 56.9 percent. Net position for the Behavioral health managed care activities increased by \$507. However, general revenues collected through the Behavioral Health Managed Care Fund were \$770; the total net position of \$1,277, within the business-type activities is attributable to this fund.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$275,602 a decrease of \$19,070 over the prior year. Approximately 29.4 percent or \$81,095 of this total amount constitutes *assigned and unassigned fund balances*, which is available for spending at the government's discretion. Unassigned fund balances in the General Fund represent available amounts. A deficit unassigned fund balance in the Federal/State Program Special Revenue Fund represents overspending on assigned amounts. Assigned fund balances in other governmental funds represent available fund balance in those funds. The restricted fund balance is \$88,143 or 32 percent of the total fund balance. More than half of the restricted fund balance is dedicated to three capital projects: \$24,856 for the Downtown Courthouse, \$11,415 for the Health Department headquarters, and \$11,506 for the Sellwood Bridge replacement; the Library District makes up another 20.7 percent or \$18,270.

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

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 \$65,647 in the General Fund or approximately 87.2 percent of the total fund balance of \$75,283. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 13.3 percent of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$1,935 or 2.6 percent from the prior fiscal year, reflecting revenues that were 1.03 percent above budgeted amounts while expenditures were 5.9 percent lower than appropriations.

The Federal/State Program Special Revenue Fund has a total fund balance of \$5,030, of which \$85 is nonspendable due to balances reported for prepaid items and inventories. The restricted balance of \$4,972 includes grants and other amounts received in advance that are restricted to specific purposes by external parties. In general, Federal revenues are closely matched with Federal expenditures. The remaining balance of negative \$27 is reported as unassigned because the total nonspendable and restricted amounts were greater than the total ending fund balance. The ending fund balance in the Federal/State Program Fund decreased by \$317 or 5.9 percent from the prior fiscal year. This was resulting from an increase in spending of carry-over funds from fiscal year 2015 in the Department of County Human Services for settlements related to prior biennium's of the State Mental Health Block Grant for various mental health and developmental disabilities programs.

The PERS Bond Sinking Fund is a debt service fund with a total fund balance of \$69,706, which is a decrease of \$16,046 or 18.7 percent over the prior year's ending fund balance of \$85,752. The decrease is directly related to the County's conservative approach to recover OPERS costs through internal service charges. The total fund balance is committed for future debt service.

The Sellwood Bridge Replacement Capital Project Fund reported a total fund balance of \$14,402 of which \$2,419 is committed and \$477 is assigned. The largest balance is reported as restricted fund balance of \$11,506. The restricted balance primarily represents unspent grants and capital contributions to finance construction of the new Sellwood Bridge.

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 Fund, \$991
- Mid County Service District Fund, \$287
- Behavioral Health Managed Care Fund, \$1,749

The total change in net position for all proprietary funds was an increase of \$1,772. Other factors concerning the finances of these three funds have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The adjustments necessary to bring the expenditure budget into agreement with the revised revenue budget account for some of the differences between the original General Fund budget and the final adopted budget. Total final adopted budgeted revenues increased by \$2,290 and the total final adopted budgeted expenditures increased by \$1,592 from the original budgeted numbers; transfers out increased by \$698.

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

- Expenditures for Health Services were increased by \$4,213 increase to provide funding for Corrections Health, Behavioral Health, and Law Enforcement Assisted Diversion programs.
- The contingency modifications account for increases in budgeted expenditures not related to increased revenues 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 \$3,780 between the final budget and actual expenditures, of which \$2,570 was used for Health Services.

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

- The final budget for County Management was \$45,881. However, the actual amount expended was only \$40,343, a variance of \$5,538 or 12.1 percent less than budgeted.
- Business income tax revenues were budgeted at \$79,975. However, actual revenues received were \$84,450. The variance was \$4,475 or 5.6 percent more than budgeted. The difference is directly attributable to the health of the economy in the County.

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

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, 2017, amounts to \$1,129,459 (net of accumulated depreciation). This investment in capital assets includes land, right of ways, buildings and improvements, machinery and equipment, internally developed software, roads and bridges, sewer and street lighting systems, motor vehicles, and works of art. The total overall change in the County's investment in capital assets for the current fiscal year was an increase of \$88,486 or approximately 8.5 percent.

The increase in capital assets is primarily attributable to several projects under construction at the end of fiscal year 2017. The significant additions to construction in process during fiscal 2017 were: \$16,879 for the Sellwood Bridge, \$25,157 for other bridges, \$18,874 for the Downtown Central Courthouse, and \$11,798 for the Health Department headquarters facility. These projects account for \$72,708 of the total \$78,141 increase in construction in process.

Buildings not-in-service represents the Wapato jail facility. Construction was completed in fiscal year 2005 at a total cost of \$51,164; however, the County does not have sufficient resources to operate the facility. In fiscal year 2013, management determined the asset had been impaired. Since then, a total impairment write-down of \$5,600 has been recorded, which includes \$300 for fiscal year ending June 30, 2017. The net book value of the Wapato jail facility is \$45,564. As of November 9, 2017, the County has entered into an Agreement of Purchase and Sale for the facility. See Note IV.F. *Subsequent Events* for details.

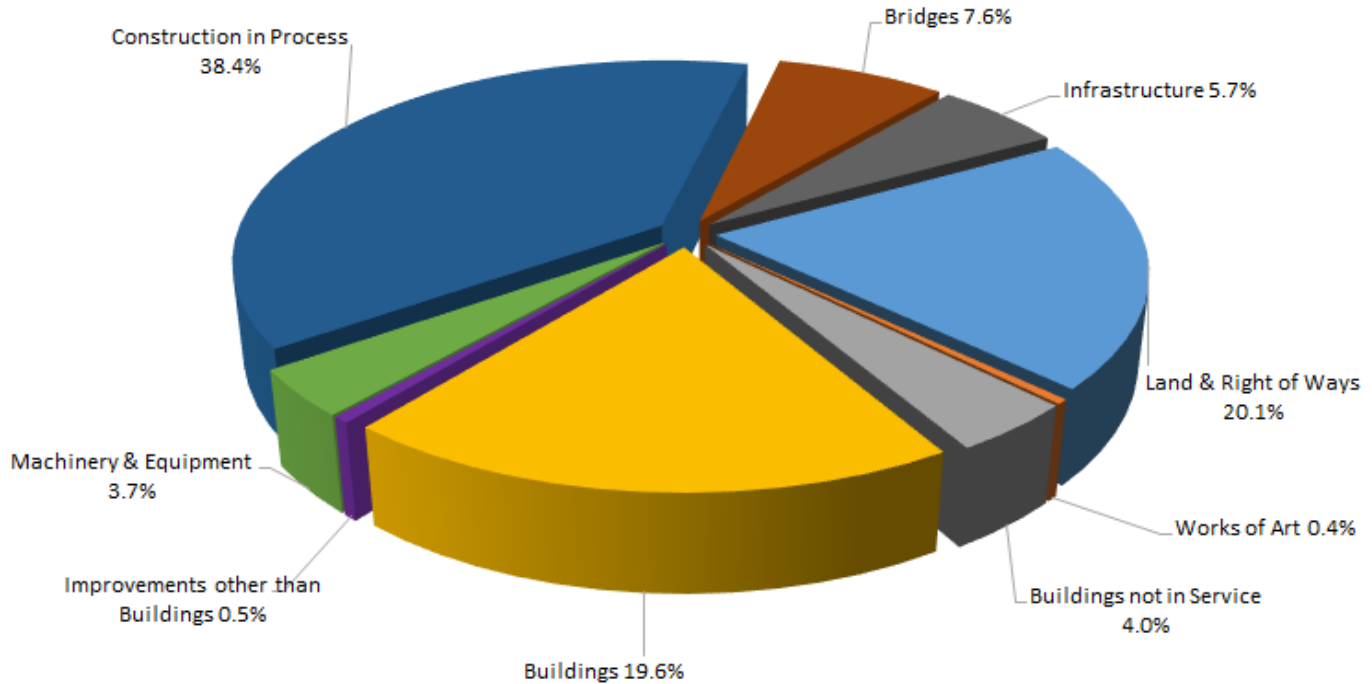
Multnomah County's Capital Assets
(net of depreciation, where applicable)

	Governmental Activities		Business- Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and right of ways	\$ 226,901	\$ 212,537	\$ -	\$ -	\$ 226,901	\$ 212,537
Construction in process	433,074	352,912	121	2,142	433,195	355,054
Works of art	4,447	4,430	-	-	4,447	4,430
Buildings not-in-service	45,564	45,864	-	-	45,564	45,864
Buildings	220,894	214,260	-	-	220,894	214,260
Improvements other than buildings	595	635	5,468	3,173	6,063	3,808
Machinery & equipment	42,306	43,390	-	-	42,306	43,390
Bridges	85,690	88,527	-	-	85,690	88,527
Infrastructure	64,399	73,103	-	-	64,399	73,103
Total capital assets	\$ 1,123,870	\$ 1,035,658	\$ 5,589	\$ 5,315	\$ 1,129,459	\$ 1,040,973

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

The following chart indicates the County's capital assets as of June 30, 2017. 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



Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$257,824. Of this amount, \$252,520 represents full faith and credit bonds; \$3,289 comprises long-term loan obligations; and the remainder of \$2,015 represents capitalized leases. Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County. Only Governmental Activities held long-term debt during fiscal year 2017.

Multnomah County's Outstanding Debt

	Governmental Activities	
	2017	2016
General obligation bonds	\$ -	\$ 6,601
Full faith and credit bonds	252,520	281,674
Capital leases	2,015	2,477
Loans	3,289	3,520
Total outstanding debt	<u>\$ 257,824</u>	<u>\$ 294,272</u>

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

The County's total debt decreased by \$36,448 or approximately 12.5 percent during the current fiscal year. No new debt was issued in fiscal year 2017. Changes to the County's long-term debt during fiscal year 2017 consisted primarily of principal payments.

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

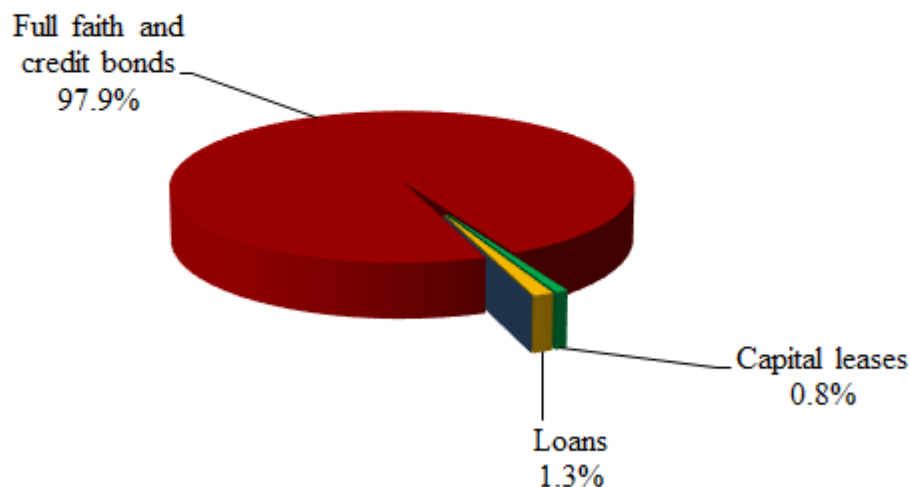
State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for general obligation debt is \$2,787,118. The County had no outstanding general obligation debt at June 30, 2017.

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 \$1,393,559, which is in excess of the County's outstanding full faith and credit debt.

The County is also subject to State statute on revenue bonds used to finance pension liabilities by five percent of the real market value of all taxable property within the County's boundaries. The current debt limitation for pension revenue bonds is \$6,967,795, which is in excess of the County's outstanding pension revenue bonds.

The following chart indicates the County's long-term liabilities as of June 30, 2017. Additional information on the County's long-term liabilities can be found in Note III.G. *Long-term debt* of this report.

Total Outstanding Long-Term Debt



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

Key Economic Factors and Budget Information for Next Year

- The unemployment rate for the Portland-Vancouver-Beaverton PMSA (Primary Metropolitan Statistical Area) at the close of the fiscal year the rate had dropped to approximately 3.7 from 5 percent at the same time last year. The consensus forecast has Oregon employment growing 2.3 percent in 2017 and 2.2 percent in 2018. Personal income growth is projected to increase 3.8 percent in 2017 and 5.4 percent in 2018.
- Property tax revenues are the single largest source of revenue in the General Fund accounts for over half of ongoing revenues. Therefore, General Fund growth is particularly sensitive to taxable value growth and compression. Property tax revenues are based on projections and estimates. This data shows an increase in the 2018 budget of 4.3 percent due to a combination of increases in assessed values and a reduction in Measure 50 compression.
- The forecast for fiscal year 2018 projects business income tax revenues will increase by 6.1 percent over budgeted fiscal year 2017 levels. Business income tax (BIT) is highly sensitive to economic conditions and has historically been a volatile revenue source. The fiscal year 2017 budget includes an additional 10 percent BIT stabilization reserve to help mitigate the risk of an unexpected downturn in the regional economy.
- Motor vehicle rental tax revenues are a good indicator of tourism activity in the region and correlate very closely with the growth in air traffic passengers who pass through Portland International Airport (PDX). The forecast for fiscal year 2018 calls for a 10 percent increase over budgeted fiscal year 2017 levels.
- 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 costs related to personnel. Expenditures for employee salary and benefits are forecast to grow by an estimated 4.7 percent in fiscal year 2018. Wage growth is based on the change in the CPI, which has been above long-term trends for the past three years. Employee healthcare costs have again begun to increase at rates greater than inflation after being relatively flat for a number of years.
- The County has taken a conservative approach to OPERS. In years when required contribution rates have decreased, the County has kept rates charged to departments internally at higher levels. This has had two positive consequences. It has provided for the accumulation of reserves that are committed to repayment of debt service. Moreover, as forecast for fiscal year 2018, it allows the County to use the internal rates as a lever to control overall wage and benefit growth. Due to the Supreme Court decision in the Moro case, it is anticipated that OPERS rates will increase significantly over the next several biennium. In fiscal year 2017, the County has used accumulated reserves to fund a "side account" with OPERS. This strategy will help the County mitigate the impacts of the forecast OPERS rate increases.

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

- The County has recently begun to tackle some of its long-term capital needs. Replacement of the Sellwood Bridge is estimated to be substantially completed during fiscal year 2018. Over the past few years, the County has dedicated approximately \$80,000 of one-time-only revenues to support construction of a new Central Courthouse. The project is anticipated to cost approximately \$325,000 and will be supplemented with funding from the State of Oregon as well as proceeds from long-term debt issuance. The new Courthouse is anticipated to be ready for use in the spring of 2020. The County is also in the process of constructing a new headquarters building for the County's Health Department (estimated to cost approximately \$95,000). When completed these projects will add significantly to the County's asset base and reduce the amount of deferred capital maintenance. In addition, the County has recently implemented a Strategic Capital Planning program that will prioritize future capital investments.

All of these factors were considered in preparing the County's budget for fiscal year 2018.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$65,647. At this level, the County is able to fully fund the reserve account in the General Fund unappropriated fund balance as described in the Financial and Budget policies. The Finance and Budget policies state it is the goal of the Board of County Commissioners to fund and maintain a General Fund budgeted reserve, designated as unappropriated fund balance and funded at approximately 10 percent of specifically identified revenues, "corporate" revenues, of the General Fund. In fiscal year 2017, reserves are budgeted at 10 percent of the "corporate" revenues of the General Fund. The fiscal year 2018 budget fully funds the reserve in the General Fund.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2017
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	The Library Foundation
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 281,860	\$ 4,999	\$ 286,859	\$ 18,330
Receivables, net:				
Taxes	28,269	-	28,269	-
Accounts	39,236	2,725	41,961	-
Loans	4,038	-	4,038	-
Interest	718	-	718	-
Special assessments	11	85	96	-
Contracts	186	-	186	-
Contributions	-	-	-	170
Inventories	1,532	-	1,532	-
Prepaid items	4,009	-	4,009	23
Split interest and other agreements	-	-	-	582
Current assets (restricted):				
Cash and investments	96,044	-	96,044	64
Receivables, net:				
Taxes	5,401	-	5,401	-
Accounts	70,012	-	70,012	-
Loans	558	-	558	-
Inventories	673	-	673	-
Total current assets	532,547	7,809	540,356	19,169
Noncurrent assets (unrestricted):				
Capital assets:				
Capital assets, not being depreciated	709,986	121	710,107	-
Capital assets, net of accumulated depreciation	413,884	5,468	419,352	17
Total noncurrent assets	1,123,870	5,589	1,129,459	17
Total assets	1,656,417	13,398	1,669,815	19,186
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	297,236	4,182	301,418	-
Total deferred outflows of resources	297,236	4,182	301,418	-
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	40,548	1,488	42,036	255
Accrued salaries and benefits	14,112	-	14,112	-
Accrued interest payable	988	-	988	-
Gift annuity payable	-	-	-	5
Unearned revenue	759	-	759	-
Compensated absences	30,220	-	30,220	-

MULTNOMAH COUNTY, OREGON
Statement of Net Position
June 30, 2017
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	The Library Foundation
Current liabilities (payable from unrestricted assets, continued):				
Other accrued liabilities	412	-	412	-
Bonds payable	30,548	-	30,548	-
Capital leases payable	234	-	234	-
Loans payable	205	-	205	-
Current liabilities (payable from restricted assets)				
Accounts payable	48,062	-	48,062	-
Accrued salaries and benefits	8,338	-	8,338	-
Unearned revenue	11,004	-	11,004	-
Total current liabilities	185,430	1,488	186,918	260
Noncurrent liabilities (payable from unrestricted assets):				
Compensated absences	148	-	148	-
Bonds payable	221,972	-	221,972	-
Capital leases payable	1,781	-	1,781	-
Loans payable	3,084	-	3,084	-
Claims and judgments payable	11,089	-	11,089	-
Other accrued liabilities	414	-	414	-
Net other postemployment benefits obligation	132,784	-	132,784	-
Net pension liability	519,470	7,308	526,778	-
Total noncurrent liabilities	890,742	7,308	898,050	-
Total liabilities	1,076,172	8,796	1,084,968	260
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
Pension plan	11,970	168	12,138	-
Resources received before time requirements met	974	-	974	-
Restricted:				
Resources received before time requirements met	56	-	56	-
Total deferred inflows of resources	13,000	168	13,168	-
NET POSITION				
Net investment in capital assets	959,484	5,589	965,073	17
Restricted for:				
Nonexpendable - library operations	-	-	-	4,369
Expendable - library operations	18,270	-	18,270	4,495
Capital projects, buildings	38,738	-	38,738	-
Community support programs	14,831	-	14,831	-
Document storage and retrieval	226	-	226	-
Road, bridge and bike path improvements	15,492	-	15,492	-
Debt service	586	-	586	-
Unrestricted	(183,146)	3,027	(180,119)	10,045
Total net position	\$ 864,481	\$ 8,616	\$ 873,097	\$ 18,926

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, 2017
(amounts expressed in thousands)

38

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
The Library Foundation								
Primary government:								
Governmental activities:								
General government	\$ 306,755	\$ 74,584	\$ 4,577	\$ -	\$ (227,594)	\$ -	\$ (227,594)	\$ -
Health services	222,213	102,403	86,347	21,758	(11,705)	-	(11,705)	-
Social services	219,884	262	200,925	-	(18,697)	-	(18,697)	-
Public safety and justice	215,267	20,014	58,903	-	(136,350)	-	(136,350)	-
Community services	91,297	9,590	32,717	2	(48,988)	-	(48,988)	-
Library	56,932	1,842	3,414	17	(51,659)	-	(51,659)	-
Roads and bridges	64,730	12,893	58,434	22,181	28,778	-	28,778	-
Interest on long-term debt	8,572	-	-	-	(8,572)	-	(8,572)	-
Total governmental activities	1,185,650	221,588	445,317	43,958	(474,787)	-	(474,787)	-
Business-type activities:								
Dunthorpe-Riverdale Service District No. 1	649	730	-	-	-	81	81	-
Mid County Service District No. 14	321	456	-	267	-	402	402	-
Behavioral health managed care	34,260	34,767	-	-	-	507	507	-
Total business-type activities	35,230	35,953	-	267	-	990	990	-
Total primary government	\$ 1,220,880	\$ 257,541	\$ 445,317	\$ 44,225	\$ (474,787)	\$ 990	\$ (473,797)	\$ -
Component unit:								
The Library Foundation	\$ 2,607	\$ -	\$ 1,468	\$ -	\$ -	\$ -	\$ -	\$ (1,139)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					360,178	-	360,178	-
Property taxes, levied for debt service					108	-	108	-
Personal income taxes					9	-	9	-
Business income taxes					84,450	-	84,450	-
Selective excise and use taxes					76,163	-	76,163	-
Payments in lieu of taxes					568	-	568	-
State government shared unrestricted revenues					10,475	-	10,475	-
Grants and contributions not restricted to specific programs					24	-	24	629
Interest and investment earnings					2,045	48	2,093	1,574
Miscellaneous					1,559	734	2,293	-
Gain (loss) on disposal of capital assets					2,609	-	2,609	-
Total general revenues					538,188	782	538,970	2,203
Change in net position					63,401	1,772	65,173	1,064
Net position - beginning					801,080	6,844	807,924	17,862
Net position - ending					\$ 864,481	\$ 8,616	\$ 873,097	\$ 18,926

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, 2017

(amounts expressed in thousands)

	General Fund	Federal/State Program Special Revenue Fund	PERS Bond Sinking Debt Service Fund
ASSETS			
Unrestricted:			
Cash and investments	\$ 80,268	\$ -	\$ 69,706
Receivables:			
Taxes	24,245	-	-
Accounts, net	37,569	389	-
Loans	3,663	-	-
Interest	718	-	-
Special assessments	11	-	-
Contracts	186	-	-
Due from other funds	4,278	-	-
Inventories	373	-	-
Prepays and deposits	309	85	-
Restricted:			
Cash and investments	406	827	-
Receivables:			
Taxes	-	-	-
Accounts, net	4,759	42,630	-
Loans	-	558	-
Inventories	-	673	-
Total assets	<u>\$ 156,785</u>	<u>\$ 45,162</u>	<u>\$ 69,706</u>
LIABILITIES			
Liabilities payable from unrestricted assets:			
Accounts payable	\$ 24,003	\$ 416	\$ -
Payroll payable	11,399	-	-
Unearned revenue	339	-	-
Liabilities payable from restricted assets:			
Accounts payable	13	17,032	-
Payroll payable	-	7,680	-
Due to other funds	-	4,000	-
Internal loans payable	-	-	-
Unearned revenue	-	11,004	-
Total liabilities	<u>35,754</u>	<u>40,132</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unrestricted:			
Resources not yet available:			
Clinic fees	27,905	-	-
Property taxes	16,869	-	-
Resources received before time requirements met	974	-	-
Restricted:			
Resources not yet available:			
Property taxes	-	-	-
Resources received before time requirements met	-	-	-
Total deferred inflows of resources	<u>45,748</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	682	85	-
Restricted	5,152	4,972	-
Committed	3,802	-	69,706
Assigned	-	-	-
Unassigned	65,647	(27)	-
Total fund balances	<u>75,283</u>	<u>5,030</u>	<u>69,706</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 156,785</u>	<u>\$ 45,162</u>	<u>\$ 69,706</u>

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

Sellwood Bridge Replacement Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,896	\$ 49,567	\$ 202,437
-	4,024	28,269
-	923	38,881
-	375	4,038
-	-	718
-	-	11
-	-	186
-	179	4,457
-	204	577
-	566	960
6,652	82,254	90,139
-	5,401	5,401
11,669	10,954	70,012
-	-	558
-	-	673
<u>\$ 21,217</u>	<u>\$ 154,447</u>	<u>\$ 447,317</u>
\$ -	\$ 8,157	\$ 32,576
-	1,892	13,291
-	375	714
6,815	24,202	48,062
-	658	8,338
-	457	4,457
-	3,000	3,000
-	-	11,004
<u>6,815</u>	<u>38,741</u>	<u>121,442</u>
-	-	27,905
-	746	17,615
-	-	974
-	3,723	3,723
-	56	56
<u>-</u>	<u>4,525</u>	<u>50,273</u>
-	770	1,537
11,506	66,513	88,143
2,419	28,900	104,827
477	14,998	15,475
-	-	65,620
<u>14,402</u>	<u>111,181</u>	<u>275,602</u>
<u>\$ 21,217</u>	<u>\$ 154,447</u>	<u>\$ 447,317</u>

MULTNOMAH COUNTY, OREGON
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2017
(dollar amounts expressed in thousands)

Fund balances - governmental funds	\$	275,602
Amounts reported for governmental activities in the <i>Statement of Net Position</i> 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	1,774,770	
Less accumulated depreciation	<u>(666,514)</u>	1,108,256
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 - pension		272,723
Accrued interest payable		(988)
Long-term liabilities, not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	(252,520)	
Capital leases payable	(2,016)	
Loans payable	<u>(3,289)</u>	(257,825)
Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds		(27,748)
Net other postemployment benefits obligation		(132,784)
Net pension liability		(476,628)
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred inflows of resources - pension		(10,982)
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	27,905	
Property taxes	21,338	
Other long-term assets	<u>(1,094)</u>	48,149
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>66,706</u>
Net position of governmental activities	\$	<u><u>864,481</u></u>

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

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MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	General Fund	Federal/State Program Special Revenue Fund	PERS Bond Sinking Debt Service Fund
REVENUES			
Taxes	\$ 393,601	\$ -	\$ -
Payments in lieu of taxes	568	-	-
Intergovernmental	13,124	354,445	-
Licenses and permits	13,906	1,303	-
Charges for services	62,830	55,146	-
Interest	1,127	1	820
Non-governmental grants	7,279	5,679	-
Service reimbursements	28,550	56	29,478
Miscellaneous	1,357	67	-
Total revenues	<u>522,342</u>	<u>416,697</u>	<u>30,298</u>
EXPENDITURES			
Current:			
General government	103,042	-	25,001
Health services	140,829	132,071	-
Social services	45,035	201,579	-
Public safety and justice	203,140	50,406	-
Community services	-	33,261	-
Library services	-	-	-
Roads and bridges	-	-	-
Capital outlay	1,596	827	-
Debt service:			
Principal	500	-	16,985
Interest	29	-	4,358
Total expenditures	<u>494,171</u>	<u>418,144</u>	<u>46,344</u>
Revenues over (under) expenditures	<u>28,171</u>	<u>(1,447)</u>	<u>(16,046)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,657	-	-
Transfers out	(31,927)	-	-
Proceeds from sale of capital assets	3,812	13	-
Proceeds from issuance of new debt	123	1,117	-
Proceeds from debt restructuring	99	-	-
Total other financing sources (uses)	<u>(26,236)</u>	<u>1,130</u>	<u>-</u>
Net change in fund balances	1,935	(317)	(16,046)
Fund balances - beginning	<u>73,348</u>	<u>5,347</u>	<u>85,752</u>
Fund balances - ending	<u>\$ 75,283</u>	<u>\$ 5,030</u>	<u>\$ 69,706</u>

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

Sellwood Bridge Replacement Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 126,117	\$ 519,718
-	-	568
10,684	77,999	456,252
12,083	4,707	31,999
-	7,114	125,090
113	1,111	3,172
-	3,503	16,461
-	25,105	83,189
22	111	1,557
<u>22,902</u>	<u>245,767</u>	<u>1,238,006</u>
-	-	128,043
-	645	273,545
-	-	246,614
-	8,415	261,961
-	56,804	90,065
-	67,682	67,682
10,254	49,066	59,320
16,879	74,724	94,026
-	17,883	35,368
-	6,743	11,130
<u>27,133</u>	<u>281,962</u>	<u>1,267,754</u>
<u>(4,231)</u>	<u>(36,195)</u>	<u>(29,748)</u>
-	105,836	107,493
-	(70,157)	(102,084)
-	12	3,837
-	-	1,240
-	93	192
<u>-</u>	<u>35,784</u>	<u>10,678</u>
(4,231)	(411)	(19,070)
<u>18,633</u>	<u>111,592</u>	<u>294,672</u>
<u>\$ 14,402</u>	<u>\$ 111,181</u>	<u>\$ 275,602</u>

MULTNOMAH COUNTY, OREGON
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

Net change in fund balances - governmental funds		\$ (19,070)
Amounts reported for governmental activities in the <i>Statement of Net Position</i> are different because:		
Governmental funds report capital outlay as expenditures. However, in the <i>Statement of Activities</i> , the cost of those assets are depreciated over their estimated useful lives:		
Expenditures for capital assets	94,026	
Current year depreciation expense	<u>(31,142)</u>	62,884
Contributed and donated capital assets	27,012	
Proceeds on sale of capital assets	<u>(3,837)</u>	
Loss on disposal of capital assets	2,550	25,725
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	(9,135)	
Increase in deferred inflows of resources - property taxes	1,243	
Decrease in long term assets	<u>(1,750)</u>	(9,642)
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 <i>Statement of Net Position</i> :		
The current year premium is amortized to interest expense in the <i>Statement of Activities</i>		2,260
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 <i>Statement of Net Position</i>		34,411
Some expenses reported in the Statement of Activities do not require use of current resources:		
Accrual of PERS net pension liability not reported as an expenditure in governmental funds	(25,613)	
Decrease in long-term compensated absences	333	
Decrease in accrued interest expense	<u>298</u>	(24,982)
Activities related to pollution remediation obligations:		
Pollution remediation activities incurred and paid within the fiscal year		27
Current year expense for net other postemployment benefits obligation		(4,728)
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>(3,484)</u>
Change in net position of governmental activities		<u>\$ 63,401</u>

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

MAJOR GOVERNMENTAL FUNDS

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

- **General Fund** - accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes, personal income taxes, and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, health and social services.
- **Federal/State Program Fund** - accounts for the majority of grant restricted revenues and expenditures related to funding received from federal, state and local programs. This fund also includes some non-restricted operations revenues in the form of fees and licenses.
- **PERS Bond Sinking Fund** - accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's Oregon Public Employees Retirement System (PERS) unfunded liability. Revenues consist of charges to departments and interest. The Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the PERS Bond Sinking Debt Service Fund can be found in the Combining and Individual Statements and Schedules - Governmental Funds section.
- **Sellwood Bridge Replacement Fund** - accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from vehicle registration fees, City of Portland, Clackamas County, the State of Oregon and a request for federal funds, debt issuance or other financing proceeds. The Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the Sellwood Bridge Replacement Capital Projects Fund 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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes:				
Property	\$ 279,061	\$ 279,061	\$ 280,241	\$ 1,180
Business income	79,624	79,975	84,450	4,475
Personal income	-	-	9	9
Motor vehicle rental	28,218	28,218	28,863	645
Transient lodging	-	-	38	38
Payments in lieu of taxes	261	261	568	307
Intergovernmental	12,955	12,955	13,124	169
Licenses and permits	12,698	13,330	13,906	576
Charges for services	54,481	54,652	53,694	(958)
Interest	1,338	1,338	1,127	(211)
Other:				
Non-governmental grants	6,632	7,436	7,279	(157)
Service reimbursements	29,013	29,345	28,550	(795)
Miscellaneous	1,402	1,402	1,357	(45)
Total revenues	505,683	507,973	513,206	5,233
EXPENDITURES				
Current:				
Community justice	63,806	63,824	60,133	3,691
Community services	15,712	15,712	15,175	537
County assets	6,770	6,770	6,311	459
County management	45,881	45,881	40,343	5,538
District attorney	23,746	23,746	23,495	251
Health services	140,646	144,859	140,969	3,890
Human services	48,477	48,643	45,044	3,599
Nondepartmental	45,152	45,503	42,849	2,654
Sheriff	120,741	121,365	119,852	1,513
Contingency	12,639	8,859	-	8,859
Total expenditures	523,570	525,162	494,171	30,991
Revenues over (under) expenditures	(17,887)	(17,189)	19,035	36,224
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	123	123
Proceeds from debt restructuring	-	-	99	99
Transfers in	1,755	1,755	1,657	(98)
Transfers out	(31,229)	(31,927)	(31,927)	-
Proceeds from sale of capital assets	-	-	3,812	3,812
Total other financing sources (uses)	(29,474)	(30,172)	(26,236)	3,936
Net change in fund balances	(47,361)	(47,361)	(7,201)	40,160
Fund balances - beginning	87,215	87,215	110,389	23,174
Fund balances - ending	\$ 39,854	\$ 39,854	103,188	\$ 63,334

Reconciliation to GAAP Basis:

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

Difference in beginning fund balance	(37,041)
Payments unavailable in prior year, recognized current year	20,773
Current year revenues unavailable	(11,637)

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

\$ 75,283

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 241,371	\$ 251,712	\$ 247,351	\$ (4,361)
Licenses and permits	1,165	1,165	1,303	138
Charges for services	55,013	61,803	55,146	(6,657)
Interest	-	-	1	1
Non-governmental grants	4,712	6,672	5,679	(993)
Service reimbursements	68	68	56	(12)
Miscellaneous	98	98	67	(31)
Total revenues	302,427	321,518	309,603	(11,915)
EXPENDITURES				
Current:				
Community justice	30,580	31,041	30,524	517
Community services	4,292	4,408	1,931	2,477
District attorney	9,197	9,197	8,157	1,040
Health services	131,264	140,467	132,628	7,839
Human services	94,048	99,578	94,584	4,994
Nondepartmental	29,087	33,277	31,330	1,947
Sheriff	11,845	12,335	11,896	439
Total expenditures	310,313	330,303	311,050	19,253
Revenues over (under) expenditures	(7,886)	(8,785)	(1,447)	7,338
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	13	13
Proceeds from issuance of new debt	3,951	3,951	1,117	(2,834)
Total other financing sources (uses)	3,951	3,951	1,130	(2,821)
Net change in fund balances	(3,935)	(4,834)	(317)	4,517
Fund balances - beginning	3,935	4,834	5,347	513
Fund balances - ending	\$ -	\$ -	5,030	\$ 5,030
Reconciliation to GAAP Basis:				
Intergovernmental revenues for State payments to County service providers			107,094	
State payments to County service providers			(107,094)	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			\$ 5,030	

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

PROPRIETARY FUNDS

The County utilizes eight proprietary funds made up of three enterprise funds and five internal service funds. See the Combining and Individual Statements and Schedules Proprietary Funds section for the internal service 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, 2017
(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	\$ 1,188	\$ 283	\$ 3,528	\$ 4,999	\$ 86,422
Receivables:					
Accounts, net	1	-	2,724	2,725	355
Special assessments	55	30	-	85	-
Inventories	-	-	-	-	954
Prepaid items	-	-	-	-	3,049
Total current assets	1,244	313	6,252	7,809	90,780
Noncurrent assets:					
Internal loans receivable	-	-	-	-	3,000
Capital assets:					
Construction in progress	121	-	-	121	2,978
Other capital assets (net of accumulated depreciation)	3,387	2,081	-	5,468	12,638
Total noncurrent assets	3,508	2,081	-	5,589	18,616
Total assets	4,752	2,394	6,252	13,398	109,396
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	-	-	4,182	4,182	24,513
Total deferred outflows of resources	-	-	4,182	4,182	24,513
LIABILITIES					
Current liabilities:					
Accounts payable	253	26	1,209	1,488	7,972
Payroll payable	-	-	-	-	821
Unearned revenue	-	-	-	-	45
Compensated absences	-	-	-	-	2,472
Other accrued payables	-	-	-	-	412
Total current liabilities	253	26	1,209	1,488	11,722
Noncurrent liabilities:					
Compensated absences	-	-	-	-	148
Claims and judgments payable	-	-	-	-	11,089
Other accrued payables	-	-	-	-	414
Net pension liability	-	-	7,308	7,308	42,842
Total noncurrent liabilities	-	-	7,308	7,308	54,493
Total liabilities	253	26	8,517	8,796	66,215
DEFERRED INFLOWS OF RESOURCES					
Pension plan	-	-	168	168	988
Total deferred inflows of resources	-	-	168	168	988
NET POSITION					
Net investment in capital assets	3,508	2,081	-	5,589	15,616
Unrestricted	991	287	1,749	3,027	51,090
Total net position	\$ 4,499	\$ 2,368	\$ 1,749	\$ 8,616	\$ 66,706

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017
(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	\$ 712	\$ 449	\$ -	\$ 1,161	\$ -
Prior assessments	11	6	-	17	-
Charges for services	7	-	34,767	34,774	190,856
Insurance premiums	-	-	-	-	9,221
Experience ratings	-	-	-	-	561
Miscellaneous	-	-	734	734	257
Total operating revenues	730	455	35,501	36,686	200,895
OPERATING EXPENSES					
Cost of sales and services	548	196	32,390	33,134	190,440
Administration	17	30	1,870	1,917	5,798
Depreciation and amortization	84	94	-	178	3,414
Total operating expenses	649	320	34,260	35,229	199,652
Operating income (loss)	81	135	1,241	1,457	1,243
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	10	2	36	48	623
Gain (loss) on disposal of capital assets	-	-	-	-	59
Total nonoperating revenues	10	2	36	48	682
Income (loss) before contributions and transfers	91	137	1,277	1,505	1,925
Transfers in	-	-	-	-	697
Transfers out	-	-	-	-	(6,106)
Capital contributions in	-	267	-	267	-
Change in net position	91	404	1,277	1,772	(3,484)
Total net position - beginning	4,408	1,964	472	6,844	70,190
Total net position - ending	\$ 4,499	\$ 2,368	\$ 1,749	\$ 8,616	\$ 66,706

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, 2017
(dollar amounts expressed in thousands)

	Business Type Activities - Enterprise Funds				
	Dunthorpe - Riverdale Service District No. 1	Mid County Service District No. 14	Behavioral Health Manage Care	Total	Governmental Activities - Internal Service Funds
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 730	\$ 455	\$ 32,875	\$ 34,060	\$ 12,435
Receipts for interfund services provided	-	-	-	-	188,467
Payments to suppliers	(651)	(212)	(27,515)	(28,378)	(134,634)
Payments to employees	(3)	(25)	(8,813)	(8,841)	(44,527)
Receipts for interfund services used	-	-	(1,564)	(1,564)	(15,100)
Net cash provided by (used for) operating activities	76	218	(5,017)	(4,723)	6,641
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	697
Transfers out	-	-	-	-	(6,106)
Net cash provided by (used for) noncapital and related financing activities	-	-	-	-	(5,409)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(115)	(72)	-	(187)	(2,893)
Proceeds from sales of capital assets	-	-	-	-	153
Net cash provided by (used for) capital and related financing activities	(115)	(72)	-	(187)	(2,740)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earnings	10	2	36	48	623
Net cash provided by (used for) investing activities	10	2	36	48	623
Net increase (decrease) in cash and cash equivalents	(29)	148	(4,981)	(4,862)	(885)
Cash and cash equivalents - beginning	1,217	135	8,509	9,861	87,307
Cash and cash equivalents - ending	\$ 1,188	\$ 283	\$ 3,528	\$ 4,999	\$ 86,422
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 81	\$ 135	\$ 1,241	\$ 1,457	\$ 1,243
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization of capital assets	84	94	-	178	3,414
Changes in assets and liabilities:					
Receivables, net	1	(1)	(2,625)	(2,625)	14
Inventories	-	-	-	-	13
Prepaid items	-	-	-	-	(127)
Accounts payable	(90)	(10)	(3,671)	(3,771)	(392)
Claims and judgments payable	-	-	(1,028)	(1,028)	794
Payroll payable	-	-	-	-	59
Unearned revenue	-	-	-	-	(9)
Compensated absences	-	-	-	-	(36)
Other accrued payables	-	-	-	-	(364)
Net pension liability	-	-	4,704	4,704	26,086
Deferred outflows - pension	-	-	(2,615)	(2,615)	(14,257)
Deferred inflows - pension	-	-	(1,023)	(1,023)	(9,797)
Total adjustments	(5)	83	(6,258)	(6,180)	5,398
Net cash provided by (used for) operating activities	\$ 76	\$ 218	\$ (5,017)	\$ (4,723)	\$ 6,641
Noncash financing activities:					
Capital contributions	\$ -	\$ 267	\$ -	\$ 267	\$ -

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, 2017
(amounts expressed in thousands)

	<u>Agency Funds</u>
ASSETS	
Restricted assets:	
Cash and investments	\$ 33,441
Taxes receivable	<u>80,162</u>
Total assets	<u>113,603</u>
 LIABILITIES	
Liabilities payable from restricted assets:	
Accounts payable	11,600
Due to other governmental units	76,339
Amounts held in trust	<u>25,664</u>
Total liabilities	<u>113,603</u>
 NET POSITION	
Total net position	<u><u>\$ -</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017
(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, although legally separate entities, are, in substance, part of the County's operations. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or levying of taxes. Multnomah County has three blended component units, which are included in this report.

Blended component units. Dunthorpe-Riverdale Sanitary Service District No. 1 and Mid County Lighting Service District No. 14 serve residents within each district's geographical boundaries and are governed by a board comprised of the County's elected Board. The Board approves rates for user charges for both districts. Each district is reported as an enterprise fund. County management handles the management of the districts. Separate financial statements for the individual component units may be obtained at the Finance and Risk Management Division of the County's administrative offices.

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

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The County also maintains a Hospital Facilities Authority (Authority) that issues conduit debt for health care facilities. The Authority is considered a blended component unit of the County because the board for the Authority consists of board members from the County. The balances and activity of the Authority are insignificant and therefore the financial statements of the County do not include the Authority. The County is not fiscally accountable for the Authority. Nor do the County and the Authority have any financial benefit, or burden between their relationships.

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

TLF is 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:

<https://multco.us/finance/financial-reports>.

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.

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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.

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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.

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 *PERS Pension Bond Sinking Fund* is a debt service fund that accounts for payment of principal and interest on general obligation bonds that were issued to fund the County's OPERS unfunded liability. Revenues are derived from charge backs to departments based on departmental payroll costs and interest.

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

Proprietary funds account for the operations of predominantly self-supporting activities. Proprietary funds are classified as either enterprise or internal service. *Enterprise funds* account for services rendered to the public on a user charge basis. The following are the County's major enterprise funds:

The *Dunthorpe-Riverdale Service District No. 1 Fund* accounts for the 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.

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.

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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.

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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.

Specific fund changes

During the fiscal year ended June 30, 2017, two new capital projects funds were established:

The Information Technology Capital Fund accounts for expenditures for information technology capital projects. Resources are derived from transfers from the Information Technology Internal Service Fund and the General Fund.

The Hansen Building Replacement Fund accounts for expenditures for planning, relocation, and construction of new County Sheriff's Office operation facility. Resources are derived from debt issuance or other financing proceeds.

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 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.

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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.

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.

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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.

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</u>
Vehicles and Heavy Equipment	3 to 10	\$ 5,000
Equipment	3 to 20	5,000
Software	3 to 10	100,000
Street lighting	30	10,000
Roads and bridges	40	100,000
Buildings and improvements	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 amounts: contributions made subsequent to the measurement date, changes in proportionate share, net difference between projected and actual earnings on investments, and 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 amounts: net difference between projected and actual earnings on investments and net differences between employers 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 measureable but not available.

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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.

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. 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 are reported in the *Statement of Revenues, Expenses, and Changes in Fund Net Position* as a program or operating expense (or as revenues for recoveries received after all remediation activities have been completed), special item or extraordinary item.

In the County's governmental fund financial statements, 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.

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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.

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 obligation (net OPEB obligation)

The net OPEB obligation is recognized as a long-term liability in the government-wide financial statements. The liability is based on the current contribution to the plan compared to the actuarially required contribution. If the two match - there's no liability recognized. The net other postemployment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year. This liability is funded via internal service charges from the Risk Management internal service fund to all governmental funds that support personnel costs, via a rate charged to subject salary costs.

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.

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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 in the adopted annual budget for funds outside of the General Fund. Assigned fund balances are not reported in the General Fund, as the County has not established a formal policy regarding the assignment of funds.

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

On the *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.

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.

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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.

E. Adoption of new accounting pronouncements and standards

During the fiscal year ended June 30, 2017, the County implemented the following Governmental Accounting Standards Board (GASB) pronouncements:

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement establishes financial reporting standards for state and local governmental other postemployment benefit (OPEB) plans and is set to improve the usefulness of information about postemployment benefits other than pensions. This Statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The County has a single employer OPEB plan that is not administered through a separate legal trust; therefore, the provisions of this statement do not apply to the County.

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GASB Statement No. 77, *Tax Abatement Disclosures*. This statement defines tax abatements and contains required disclosures about a reporting government's own tax abatement agreements and those that are entered into by other governments that reduce the reporting government's tax revenues. The County implemented GASB Statement No. 77 for the fiscal year ended June 30, 2017; detailed information on the impact of this pronouncement can be found in Note IV.E. *Tax abatements*.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement addresses a practice issue regarding the scope and applicability of Statement No. 68 *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, caused by certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided such pensions. The County does not participate in pension plans that fall within the scope of this statement; therefore, the provisions of this statement do not apply to the County.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. This statement clarifies the financial statement presentation requirements for certain component units, specifically with the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*. The County implemented GASB Statement No. 80 for the fiscal year ended June 30, 2017.

GASB Statement No. 82, *Pension Issues: an amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an actuarial standard of practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The County implemented GASB Statement No. 82 for fiscal year ended June 30, 2017; the only effect on the County's financial statements is the presentation of payroll measures in the *Required Supplementary Information*.

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, 2017:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. It further establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. GASB Statement No. 75 will be effective for the County fiscal year ending June 30, 2018.

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GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement provides recognition and measurement guidance for situations in which a government is a beneficiary of an irrevocable split interest agreement and requires recognition of assets, liabilities and deferred inflows of resources at the inception of the agreement. GASB Statement No. 81 will be effective for the County fiscal year ending June 30, 2018.

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. GASB Statement No. 83 will be effective for the County fiscal year ending 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. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during the implementation and application of certain GASB statements. The topics addressed include issues related to blending component units, goodwill, fair value measurement and application and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB Statement No. 85 will be effective for the County fiscal year ending June 30, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement provides guidance for transactions in which cash and other monetary assets acquired with only resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB Statement No. 86 will be effective for the County fiscal year ending June 30, 2018.

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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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.

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.

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 supplement 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.

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C. Deficit net position:

Oregon state law requires fund disclosure of deficit fund balances/net position. At June 30, 2017, the Facilities Management Fund (an internal service fund) reported a deficit net position of \$3,264 in the *Combining Statement of Net Position - Internal Service Funds*, and the *Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds*.

The Facilities Management Fund is managed on a modified accrual basis of accounting, presented on the accrual basis of accounting. Management, with Board approval, budgets for a targeted ending fund balance that is positive as reported in the *Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Facilities Management Fund*. Long-term activity is not budgeted on an annual basis.

The County has not reported a deficit fund balance in the Facilities Management fund, prior to the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. The deficit net position of the Facilities Management Fund was primarily attributed to pension-related items for the Oregon Public Employees Retirement System (OPERS), due to the reporting requirements of GASB Statement No. 68 (see Note IV. D. *Employee retirement systems, pension plans and deferred compensation* for additional information):

Facilities Management Internal Service Fund Pension-related Balances	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Change
Deferred Outflows of Resources	\$ 6,545	\$ 2,689	\$ 3,856
Net Pension Liability	(11,439)	(4,385)	(7,054)
Deferred Inflows of Resources	(264)	(2,938)	2,674
Net effect of pension-related balances	<u>\$ (5,158)</u>	<u>\$ (4,634)</u>	<u>\$ (524)</u>

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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."

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

	Unrestricted	Restricted	Total
Governmental activities	\$ 281,860	\$ 96,044	\$ 377,904
Business-type activities	4,999	-	4,999
Fiduciary activities	-	33,441	33,441
Total cash and investments	<u>\$ 286,859</u>	<u>\$ 129,485</u>	<u>\$ 416,344</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: <http://www.oregon.gov/treasury/Divisions/Finance/LocalGov/Pages/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.

Custodial risk

At June 30, 2017, the carrying amount of the County's deposits was \$34,008 and the bank balance was \$33,985. Of this bank balance, \$3,890 was covered by depository insurance, Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA), and \$30,096 was collateralized by the PFCP. The remaining carrying amount of \$22 represents petty cash accounts that were uninsured and uncollateralized. The County does not have a policy related to custodial risk over cash.

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<u>Insured Deposits by Depository</u>	Cash Balance	<u>Credit Risk</u>
Certificates of deposit (various)	\$ 3,185	Depository insurance FDIC/NCUA
Bank of America	250	Depository insurance FDIC/NCUA
Umpqua Bank - money market (MM)	250	Depository insurance FDIC/NCUA
U.S. Bank	204	Depository insurance FDIC/NCUA
PayPal	1	Depository insurance FDIC/NCUA
Total	\$ 3,890	

<u>Uninsured Deposits by Depository</u>	Cash Balance	<u>Credit Risk</u>
Bank of America	\$ 11,167	Collateralized by PFCP, held by FHLB, Seattle
Umpqua Bank - MM	10,346	Collateralized by PFCP, held by FHLB, Seattle
Umpqua Bank - retainage	5,374	Collateralized by PFCP, held by FHLB, Seattle
Willamette Community Bank - MM	3,059	Collateralized by PFCP, held by FHLB, Seattle
U.S. Bank - cash with fiscal agent	150	Collateralized by PFCP, held by FHLB, Seattle
Petty cash / imprest accounts	22	Uncollateralized
Total	\$ 30,118	

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.

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Custodial risk

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

Concentration of credit risk

Policies

In addition to 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 or better 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.

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.

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Investment Type / Issuer	Issuer Holding Greater than Five Percent		
	Fair Value	Percent of Total Portfolio	Policy Limit
Federal National Mortgage Association	\$ 73,773	18.1%	25%
Federal Home Loan Bank	70,968	17.4%	25%
Federal Home Loan Mortgage Corporation	44,728	11.0%	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, 2017, the County had the following investments and maturities with a portfolio weighted average maturity of 8.76 months, and a net portfolio yield of 0.82 percent (this table include fiduciary activities):

Investment Type	Book Value	Fair Value	Risk Concentration	Weighted Average Maturity (in months)
U.S. Agencies	\$ 200,211	\$ 199,396	47.89%	6.04
U.S. Treasuries	79,946	79,813	19.17%	1.28
LGIP	59,532	59,532	14.30%	-
Corporate debt	43,126	42,982	10.32%	1.41
Cash and cash equivalents	30,678	30,678	7.37%	-
Certificates of deposit	3,185	3,185	0.76%	0.03
Deposit securities in lieu of retainage	608	608	0.15%	-
Cash with fiscal agent	150	150	0.04%	-
Total cash and investments	\$ 417,436	\$ 416,344	100.00%	8.76

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 3 years	100%

The County's investment policy limits the weighted average maturity of the total portfolio to 1.5 years.

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.

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At June 30, 2017, 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. Agencies	\$ 163,486	Aaa/AA+	\$ 58,978	\$ 14,939	\$ 89,569
	35,910	P-1/A-1+	17,963	17,947	-
Corporate debt	14,894	Aaa/AAA	-	-	14,894
	10,094	Aa1/AA+	-	-	10,094
	17,994	P-1/A-1+	17,994	-	-
U.S. Treasuries	79,813	Aaa/AA+	19,996	44,905	14,912
LGIP	59,532	AA*	59,532	-	-
Total	<u>\$ 381,723</u>		<u>\$ 174,463</u>	<u>\$ 77,791</u>	<u>\$ 129,469</u>
Percentage			45.70%	20.38%	33.92%

*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.

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.

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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, 2017	Fair Value Measurements Using			Not Measured at Fair Value
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Amortized Cost Measurement
		Level 1	Level 2	Level 3	
U.S. Treasuries	\$ 79,813	\$ 79,813	\$ -	\$ -	\$ -
U.S. Agencies	199,396	199,396	-	-	-
LGIP	59,532	-	-	-	59,532
Money market accounts	13,655	-	-	-	13,655
Corporate debt	42,982	-	42,982	-	-
Certificate of deposit	3,185	-	-	-	3,185
Total	<u>\$ 398,563</u>	<u>\$ 279,209</u>	<u>\$ 42,982</u>	<u>\$ -</u>	<u>\$ 76,372</u>

U.S. Treasuries and U.S. Agencies are valued using quoted prices for identical assets in the active market. Corporate debt securities are valued using matrix pricing in the active market. Balances held in the LGIP, certificates of deposit, and money market accounts are valued at unamortized 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, 2017.

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B. Receivables

Receivables as of June 30, 2017, are as follows:

	Governmental Activities							
	General Fund	Federal/ State Program Fund	Sellwood Bridge Fund	Internal Service Funds	Non- Major Funds	Total Governmental Activities	Business- type Activities	Total
Receivables:								
Taxes:								
Property	\$ 18,376	\$ -	\$ -	\$ -	\$ 4,902	\$ 23,278	\$ -	\$ 23,278
Other	5,869	-	-	-	4,523	10,392	-	10,392
Accounts	44,690	44,315	11,669	355	11,877	112,906	2,727	115,633
Loans	3,663	558	-	-	375	4,596	-	4,596
Interest	718	-	-	-	-	718	-	718
Special assessments	11	-	-	-	-	11	85	96
Contracts	186	-	-	-	-	186	-	186
Total receivables	73,513	44,873	11,669	355	21,677	152,087	2,812	154,899
Allowance for doubtful accounts	(2,362)	(1,296)	-	-	-	(3,658)	(2)	(3,660)
Receivables, net	<u>\$ 71,151</u>	<u>\$ 43,577</u>	<u>\$ 11,669</u>	<u>\$ 355</u>	<u>\$ 21,677</u>	<u>\$ 148,429</u>	<u>\$ 2,810</u>	<u>\$ 151,239</u>

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

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 funds at June 30, 2017 are as follows:

	Governmental Activities				Total
	General	Federal/State Program	Internal Service	Capital Project	
Grant draws prior to meeting all eligibility requirements	\$ -	\$ 5,735	\$ -	\$ -	\$ 5,735
Loans receivable	-	4,596	-	375	4,971
Special assessments receivable	11	-	-	-	11
Contracts receivable	186	-	-	-	186
Tax title land sales inventory	142	-	-	-	142
State vaccine inventory	-	673	-	-	673
Miscellaneous	-	-	45	-	45
Total unearned revenue	<u>\$ 339</u>	<u>\$ 11,004</u>	<u>\$ 45</u>	<u>375</u>	<u>\$ 11,763</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.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, 2017 are as follows:

Fiscal Year Ending June 30,	Amount
2018	\$ 6,421
2019	4,465
2020	2,247
2021	1,273
2022	1,092
2023 - 2027	1,416
2028 - 2032	476
Total minimum payments	<u>\$ 17,390</u>

The County recorded \$6,117 in base rent expense for the year ended June 30, 2017. Total rent expense was \$6,353, 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

Due from / to other funds

The County records “due from” and “due to” transactions in order that individual funds will be able to meet cash flow needs at year end and prevent a fund from reporting a negative cash balance. The activity for other nonmajor governmental funds consisted of: the Library Fund provided \$179 interim working capital financing for the Library District Fund, and the General Fund provided interim financing of \$278 for the Video Lottery Fund. The composition of due to and due from other funds as of June 30, 2017 was:

	Federal /State Program Special Revenue	Other Nonmajor Governmental	Total Due To Other Funds
Governmental activities:			
General fund	\$ 4,000	\$ 278	\$ 4,278
Other nonmajor funds	-	179	179
Total due from other funds	<u>\$ 4,000</u>	<u>\$ 457</u>	<u>\$ 4,457</u>

Interfund transfers

The primary purposes of significant transfers include the following:

- The Library District Fund reports a transfer of \$66,074 to the Library Fund to support 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 General Fund transferred \$19,900 to the Downtown Courthouse Capital Construction Fund for funding the replacement of the functionally obsolete 100 year old existing courthouse.
- The General Fund transferred \$6,750 to the Capital Improvement Fund in order to consolidate and relocate the Department of Community Justice in a mid-county campus for improved services.
- The General Fund transferred \$3,000 and the Capital Improvement Fund transferred \$2,391, for a total of \$5,391 to the newly established Hansen Building Replacement Fund that will be used for public safety services.
- The Information Technology Internal Service Fund transferred \$5,296 to the newly established Information Technology Capital Fund to better capture all information technology capital projects; the most significant project being the Enterprise Resource Planning project. The General Fund also transferred \$1,480 to this new Information Technology Capital Fund, specifically for the assessment and implementation for the replacement of the legislatively mandated CRIMES case management system.

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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, 2017 consist of the following:

	General Fund	Other Nonmajor Funds	Internal Service Funds	Total Transfers Out
Governmental activities:				
General fund	\$ -	\$ 31,230	\$ 697	\$ 31,927
Other nonmajor funds	1,657	68,500	-	70,157
Internal service funds	-	6,106	-	6,106
Total transfers in:	<u>\$ 1,657</u>	<u>\$ 105,836</u>	<u>\$ 697</u>	<u>\$ 108,190</u>

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
2018	\$ -	\$ 16
2019	-	16
2020	-	16
2021	-	16
2022	-	16
2023-2026	3,000	33
Total	<u>\$ 3,000</u>	<u>\$ 113</u>

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F. Capital assets

Capital asset activity of the primary government, for the year ended June 30, 2017 is as follows:

Primary government

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 15,458	\$ 11,386	\$ 2,236	\$ -	\$ 29,080
Right-of-ways	197,079	742	-	-	197,821
Construction in progress	352,912	90,650	(10,380)	(108)	433,074
Works of art	4,430	17	-	-	4,447
Buildings not-in-service	45,864	-	-	(300)	45,564
Total capital assets, not being depreciated	615,743	102,795	(8,144)	(408)	709,986
Capital assets, being depreciated:					
Buildings	407,648	10,433	7,845	(2,663)	423,263
Improvements other than buildings	1,010	-	-	-	1,010
Machinery and equipment	127,395	10,202	299	(8,803)	129,093
Bridges	172,657	-	-	-	172,657
Infrastructure	375,772	717	-	-	376,489
Total capital assets being depreciated	1,084,482	21,352	8,144	(11,466)	1,102,512
Less accumulated depreciation for:					
Buildings	(193,388)	(10,693)	-	1,712	(202,369)
Improvements other than buildings	(375)	(40)	-	-	(415)
Machinery and equipment	(84,005)	(11,563)	-	8,781	(86,787)
Bridges	(84,130)	(2,837)	-	-	(86,967)
Infrastructure	(302,669)	(9,421)	-	-	(312,090)
Total accumulated depreciation	(664,567)	(34,554)	-	10,493	(688,628)
Total capital assets being depreciated, net	419,915	(13,202)	8,144	(973)	413,884
Governmental activities capital assets, net	\$ 1,035,658	\$ 89,593	\$ -	\$ (1,381)	\$ 1,123,870
Business-type activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 2,142	\$ 120	\$ (1,504)	\$ (637)	\$ 121
Total capital assets, not being depreciated	2,142	120	(1,504)	(637)	121
Capital assets, being depreciated:					
Improvements other than buildings	6,605	969	1,504	-	9,078
Total capital assets being depreciated	6,605	969	1,504	-	9,078
Less accumulated depreciation for:					
Improvements other than buildings	(3,432)	(178)	-	-	(3,610)
Total accumulated depreciation	(3,432)	(178)	-	-	(3,610)
Total capital assets being depreciated, net	3,173	791	1,504	-	5,468
Business-type activities capital assets, net	\$ 5,315	\$ 911	\$ -	\$ (637)	\$ 5,589

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During fiscal year 2005, the County finalized the construction of the Wapato Jail. Since the completion of the jail, the County has not funded an operating budget for the jail; therefore it has not been placed into service and is not currently being depreciated. The capitalized cost of the jail in fiscal year 2005 was \$51,164. Since the Wapato jail has not been put into operation, management has estimated a total asset impairment of \$5,600. The adjusted balance of the Wapato Jail is \$45,564. This amount is included in the above capital asset schedule. Subsequent to June 30, 2017, the County entered a Purchase and Sale Agreement to sell the jail (see Note IV.F. *Subsequent Events - Sale of Wapato Jail Facility* for additional information).

Fully depreciated capital assets at June 30, 2017 totaled \$128,937, all of which were available to be used in governmental type activities. Capital assets are evaluated annually for impairment. Fully depreciated capital assets are comprised of:

	Acquisition Value
Bridges	\$ 59,175
Machinery and equipment	52,549
Building	17,213
Total	<u>\$ 128,937</u>

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

	Expense
Governmental activities:	
General government	\$ 9,631
Health services	1,179
Public safety and justice	1,823
Community services	2,481
Library	8,324
Roads and bridges	11,118
Total depreciation expense – governmental activities	<u>\$ 34,556</u>
Business-type activities:	
Sewer	\$ 84
Lighting	94
Total depreciation expense – business-type activities	<u>\$ 178</u>

MULTNOMAH COUNTY, OREGON
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G. Long-term debt

General obligation bonds

In March 2010, the County issued \$45,175 in General Obligation Refunding bonds, Series 2010 at a premium of \$4,870, with interest rates from 3 to 5 percent. Bonds were rated Aaa by Moody's. These bonds were issued to refund previously issued General Obligation debt. Final payment on the Series 2010 General Obligation Refunding Bonds was made during the current fiscal year.

General obligation bonds are direct obligations, pledge the full faith and credit of the County and are backed by the County's authority to levy property taxes. These bonds are generally issued as 20-year serial bonds with equal amounts of principal and interest maturing each year. No General Obligation bonds are outstanding at June 30, 2017.

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 about \$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, will be guaranteed by National Public Finance Guarantee. At June 30, 2017, \$94,263 of these bonds were outstanding.

On March 31, 2010, the County issued \$9,800 in Full Faith and Credit Obligations, Series 2010 at a premium of \$573, with interest rates from 2 to 3 percent. Bonds were rated AA by Standard & Poor's. The obligations were issued to finance the replacement cost of the County's data center, provide for telephone enhancements, deferred facilities maintenance and assist with a project to automate the movement of library materials. Final payment on the Series 2010A bonds were made during the current fiscal year.

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, 2017 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, 2017, the outstanding balance on the Series 2012 bonds was \$110,910 and the balance on the unamortized premium was \$16,891.

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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, 2017, the outstanding balance on the Series 2014 bonds was \$14,175 and the balance on the unamortized premium was \$1,281.

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

Purpose	Interest Rates	Amount
Governmental activities	2.00-7.74%	\$ 234,348

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

Fiscal Year Ending June 30,	Principal	Interest
2018	\$ 29,065	\$ 10,770
2019	31,790	9,001
2020	15,364	7,126
2021	12,088	24,914
2022	12,283	26,062
2023-2027	64,938	150,589
2028-2032	68,820	150,080
Subtotal	234,348	\$ 378,542
Premiums on long-term debt	18,172	
Total	\$ 252,520	

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

Full faith and credit bonds	Long-term	Current	Total
Maturities	\$ 205,283	\$ 29,065	\$ 234,348
Premiums on long-term debt	16,689	1,483	18,172
Total	\$ 221,972	\$ 30,548	\$ 252,520

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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. One new capital lease was executed during fiscal year 2017 for the Lincoln Building, Suite 103. Total assets acquired through capital leases are as follows:

Asset	Governmental Activities
Buildings	\$ 3,474
Equipment	33
Less: Accumulated depreciation	(1,638)
Total	<u>\$ 1,869</u>

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

Purpose	Interest Rates	Amount
Governmental activities	1.50-10.31%	<u>\$ 2,016</u>

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 234	\$ 110
2019	241	102
2020	210	95
2021	213	88
2022	221	81
2023 - 2027	472	302
2028 - 2032	425	107
Total	<u>\$ 2,016</u>	<u>\$ 885</u>

MULTNOMAH COUNTY, OREGON
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Loans payable

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, 2018, whichever is earlier. The maturity date is the sixth anniversary of the repayment commencement date. The IFA loan draws are not yet in repayment status; therefore, are excluded from the annual maturity schedule on the following page.

As of June 30, 2017, proceeds and obligations from the IFA are:

Oregon Infrastructure Finance Authority	Interest Rates	Maximum Available	Reimbursement Draws Receivable / Obligation	Amount Available to Draw
SIDIC Loan Draws (C-1)	0.00%	\$ 191	\$ -	\$ 191
SIDIC Loan Draws (C-2)	1.84%	142	-	142
IFA Contract No. J16002 Subtotals		<u>333</u>	<u>-</u>	<u>333</u>
MCDD & SDIC Loan Draws (A)	0.00%	1,500	1,117	383
MCDD & SDIC Loan Draws (B)	1.84%	1,968	-	1,968
IFA Contract No. X16001 Subtotals		<u>3,468</u>	<u>1,117</u>	<u>2,351</u>
Totals		<u>\$ 3,801</u>	<u>\$ 1,117</u>	<u>\$ 2,684</u>

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In fiscal year 2009, the County entered into a loan agreement with the Oregon Department of Transportation's Financial Services for the purpose of making capital improvements to the County's road system. The loan was re-amortized in fiscal year 2017, reducing the principal balance owed by \$93. The total outstanding under this agreement was \$2,172 at June 30, 2017.

In June 2016, the County entered into an interim financing agreement and issued Tax-Exempt Non-Revolving Credit Facility and Bond of no more than \$25,000. This agreement provided interim financing for capital costs for the County's new Courthouse and Health Department Headquarters building construction projects. At June 30, 2017, this loan was paid off in full and the Credit Facility closed.

The Oregon Department of Transportation loan obligations outstanding at year-end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.98%	\$ <u>2,172</u>

Annual debt service requirements to maturity (excluding the IFA loans not yet in repayment status) for long-term loans outstanding at year-end are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 205	\$ 86
2019	213	78
2020	222	70
2021	231	61
2022	240	52
2023 - 2026	1,061	107
Total	<u>\$ 2,172</u>	<u>\$ 454</u>

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.

Included in the current year's additions and reductions are pollution remediation activities related to various properties where the County is responsible for clean up costs. The year-end liability for pollution remediation includes estimates of environmental monitoring activities at a former landfill, where low amounts of methane gas had been detected in prior years. Fiscal year ending June 30, 2016 reported liabilities of \$27 for monitoring and cleanup from a former landfill site. It has been established that no clean up action is required at this time. Therefore, the liability has been removed. Monitoring of the site will remain in effect for the foreseeable future.

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The County is also addressing pollution remediation concerns in connection with the construction of the Sellwood Bridge project. Any pollution remediation costs incurred with the construction of the Sellwood Bridge project will be capitalized with the bridge. Management estimates any pollution remediation costs for the Sellwood Bridge project to be immaterial to the total construction cost for the bridge.

The calculation for the June 30, 2017 pollution remediation obligation is an estimate determined by management using the expected cash flow technique and applying probabilities to the pollution remediation activities. The County's pollution remediation obligation is an estimate that is subject to changes resulting from price increases and decreases, changes in technology as well as changes in applicable laws and regulations. The current pollution remediation obligation does not provide for any recoveries that could reduce the liability. Changes in the County's pollution remediation obligation are noted in the schedule below and the liability is recorded on the *Statement of Net Position*.

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Adjustments & Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 5,905	\$ -	\$ 5,905	\$ -	\$ -
Full faith and credit bonds	261,938	-	27,590	234,348	29,065
Unamortized premiums-bonds	20,432	-	2,260	18,172	1,483
Total bonds	288,275	-	35,755	252,520	30,548
Capital leases	2,477	123	584	2,016	234
Loans payable	3,520	1,117	1,348	3,289	205
Long-term debt before other long-term liabilities	294,272	1,240	37,687	257,825	30,987
Pollution remediation obligations	27	-	27	-	-
Compensated absences	30,737	32,202	32,571	30,368	30,220
Governmental activities - long-term liabilities	<u>\$ 325,036</u>	<u>\$ 33,442</u>	<u>\$ 70,285</u>	<u>\$ 288,193</u>	<u>\$ 61,207</u>

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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, 2017, \$5,935 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:

<u>Obligor (Health Care Facility), debt issue, terms</u>	<u>Original Amount</u>	<u>Balance at June 30, 2017</u>
Adventist Health System/West, Revenue Bonds, Series 2009A, due September 1, 2021 and September 1, 2040	\$ 66,535	\$ 66,535
Holladay Park Plaza, Revenue and Refunding Bonds, Variable Rate Demand Revenue Refunding Bonds, Series 2010A, due serially through December 1, 2040	14,460	12,540
Terwilliger Plaza, Revenue and Refunding Bonds, Series 2012, due serially through December 1, 2029	18,245	15,070
Odd Fellows Home-Friendship Health Center, Variable Rate Demand Revenue Refunding Bonds, Series 2013, due serially through September 15, 2020	7,280	6,590
Holladay Park Plaza, Revenue Bonds, Series 2013, due serially through December 1, 2043	14,138	10,238
Parkview Christian Retirement Community Project, Variable Rate Revenue Refunding Bonds, Series 2013, due serially through November 1, 2034	7,315	6,589
Pacific Mirabella (at South Waterfront Project), Variable Rate Demand Revenue Refunding Bonds, Series 2014A, due serially through October 1, 2049	93,380	91,510
Terwilliger Plaza Inc., Revenue Refunding Bonds, Series 2016, due serially through December 1, 2036	13,625	13,420
	<u>\$ 234,978</u>	<u>\$ 222,492</u>

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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, 2017 were as follows:

Fund balances	General Fund	Federal and State Program Fund	PERS Bond Fund	Sellwood Bridge Replace- ment Fund	Other Govern- mental Funds	Total Govern- mental Funds
Nonspendable:						
Inventories	\$ 373	\$ -	\$ -	\$ -	\$ 204	\$ 577
Prepaid items	309	85	-	-	566	960
Restricted:						
Capital projects, buildings	-	-	-	-	38,738	38,738
Community support programs	4,926	4,972	-	-	4,933	14,831
Debt service	-	-	-	-	586	586
Document storage and retrieval	226	-	-	-	-	226
Library operations	-	-	-	-	18,270	18,270
Road, bridge and bike path improvements	-	-	-	11,506	3,986	15,492
Committed:						
Capital projects, buildings	3,802	-	-	-	21,072	24,874
Capital projects, information technology	-	-	-	-	7,424	7,424
Community support programs	-	-	-	-	150	150
Debt service	-	-	69,706	-	254	69,960
Road, bridge and bike path improvements	-	-	-	2,419	-	2,419
Assigned:						
Capital equipment acquisition	-	-	-	-	3,075	3,075
Community support programs	-	-	-	-	518	518
Library operations	-	-	-	-	5,930	5,930
Road, bridge and bike path improvements	-	-	-	477	5,475	5,952
Unassigned	65,647	(27)	-	-	-	65,620
Total fund balances	<u>\$ 75,283</u>	<u>\$ 5,030</u>	<u>\$ 69,706</u>	<u>\$ 14,402</u>	<u>\$ 111,181</u>	<u>\$ 275,602</u>

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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 liability, 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 this 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, 2017, interfund premiums exceeded reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. A discount factor of 0.931 and 0.958 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:

Changes in Claims Liabilities	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
Unpaid claims, beginning of fiscal year	\$ 10,295	\$ 10,911
Incurred claims (including IBNRs)	30,226	25,291
Actuarial adjustment	(2,788)	(2,815)
Claim payments	(26,644)	(23,092)
Unpaid claims, end of fiscal year	<u>\$ 11,089</u>	<u>\$ 10,295</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, 2017.

Construction Commitments	Fiscal Year Ended June 30, 2017	Financing Sources
Buildings	\$ 305,362	State of Oregon reimbursements, tax increment financing, grant funding, General Fund
Bridges	14,036	Vehicle registration fees, grant funding, General Fund
Sewer	10,393	City of Portland reimbursements, Service District property taxes
Roads	895	Oregon Department of Transportation loan agreement
Total	<u>\$ 330,686</u>	

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Labor agreements

There are eleven labor agreements between the County and its employees, four of which expired on June 30, 2017. Tentative agreements have been reached with the Multnomah County Employees Union - Local 88, and the Multnomah County Corrections Deputy Association; the tentative agreements are scheduled to go before the Board of County Commissioners in February 2018 for ratification. A successor agreement for the Multnomah County Prosecuting Attorneys Association is still in table negotiations. The final expired contract with the Federation of Oregon Parole and Probation Officers is scheduled to go to interest arbitration in February 2018. Contracts may be viewed online at <https://multco.us/employee-labor-relations/labor-contracts>.

	<u>Effective Dates</u>
Oregon Nurses Association (ONA)	July 1, 2015 - June 30, 2018
Multnomah County Deputy Sheriff's Association (MCDSA)	July 1, 2014 - June 30, 2018
Multnomah County Employees Union - Local 88, AFSCME AFL-CIO	July 1, 2014 - June 30, 2017
Federation of Oregon Parole and Probation Officers (FOPPO)	July 1, 2014 - June 30, 2017
Multnomah County Prosecuting Attorneys Association	July 1, 2013 - June 30, 2017
International Union of Operating Engineers - Local 701, AFL-CIO	July 1, 2017 - June 30, 2022
Multnomah County Corrections Deputy Association (MCCDA)	July 1, 2010 - June 30, 2017
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, 2015 - June 30, 2018

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.

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-employee defined 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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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 0.53 percent of annual covered payroll for Tier One and Two employees, and 0.45 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. 45. 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.

The County's contributions to RHIA equaled the required contributions each year and were:

Fiscal Year Ended June 30,	RHIA Contributions
2015	\$ 1,649
2016	1,606
2017	1,678

Multnomah County Postretirement Retiree Medical 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.

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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, 2017, there were 664 retirees enrolled in the OPEB medical benefit and 782 enrolled in dental. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2017, the County contributed \$6,288 to the Plan, of which \$2,759 was explicitly contributed as part of the contractual obligation described above; the remaining \$3,529 represents the implicit subsidy derived from active employee contributions.

Annual OPEB cost and net OPEB obligation. The County's annual OPEB benefit cost is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the guidance of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any UAL (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the County's annual costs for the Plan for the fiscal year ending June 30, 2017, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	Fiscal Year Ended June 30, 2017
<u>Postretirement Retiree Medical Insurance Plan</u>	
Annual required contribution	\$ 10,728
Interest on net OPEB obligation	4,481
Adjustment to annual required contribution	(4,268)
Annual OPEB cost	10,941
Contributions made	(6,213)
Increase in net OPEB obligation	4,728
Net OPEB obligation - beginning of year	128,056
Net OPEB obligation - end of year	<u>\$ 132,784</u>

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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and three preceding years were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributions	Net OPEB Obligation
2014	\$ 12,464	58%	\$ 115,946
2015	14,046	58%	121,794
2016	14,616	57%	128,056
2017	10,941	57%	132,784

Funded status and funding progress. The actuarial accrued liability (AAL) for benefits for the plan as of January 1, 2017 (the date of the most recent actuarial valuation) was \$116,510 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$116,510. The covered payroll (annual payroll of active employees covered by the plan) was \$352,178 for the fiscal year ending June 30, 2017 and the ratio of the UAAL to the covered payroll was 33 percent.

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. The schedule of funding progress, presented as *Required Supplementary Information* following the *Notes to the Financial Statements*, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

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

In the January 1, 2017 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. The discount rate is selected based on historical and expected returns on the County's short-term investment portfolio. A discount rate of 3.78 percent was used in the most recent actuarial valuation for the closed period.

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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. The Plan may be subject to a 40 percent excise tax on the value of benefits provided above a certain dollar level. This valuation includes an explicit estimate of the value of the excise tax for this Plan. The actuarial valuation report also states health care costs rates are grading down from 7.2 percent in 2017 to 6.8 percent in 2019. The actuarial valuation report includes assumptions for medical inflation at 4 percent and an annual payroll growth rate of 3.5 percent. The UAAL is re-determined each valuation and amortized over a 30 year open period as a level percentage of payroll.

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.

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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.

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.

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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.

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 \$20,610 of the employees' contribution for the year ended June 30, 2017.

The County's employer contribution rates for the year ended June 30, 2017 were 16.49 percent for Tier One/Tier Two members, 8.1 percent for OPSRP General Service members, and 12.9 percent for OPSRP Police and Fire members. The County's total contributions were \$37,159, excluding the IAP 6 percent "pick-up".

OPSRP Pension Program (OPSRP DB)

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.

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.

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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

At June 30, 2017, the County reported a liability of \$526,778 for its proportionate share of the OPERS net pension asset/liability. The net pension asset/liability was measured as of June 30, 2016, using the actuarial valuation of December 31, 2014, rolled forward to June 30, 2016. The County's proportion of the net pension asset/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. As of the June 30, 2016 measurement date, the County's proportion was 3.509 percent.

For the year ended June 30, 2017 and 2016, the County recognized a total pension expense of \$92,172 and \$200,636 respectively. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,428	\$ -
Changes of assumptions	112,350	-
Net difference between projected and actual earnings on investments	104,070	-
Changes in proportion	2,284	4,369
Differences between employer contributions and proportionate share of contributions	2,324	7,769
Total (prior to post-measurement date (MD) contributions)	238,456	12,138
Contributions subsequent to the MD	62,962	-
Total	\$ 301,418	\$ 12,138

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Deferred outflows of resources of \$62,962 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, 2017. 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 in subsequent years as follows:

Deferred Outflows		Deferred Inflows	
Fiscal Year Ending June 30,	Amortization Amount	Fiscal Year Ending June 30,	Amortization Amount
2018	\$ 43,298	2018	\$ (3,433)
2019	43,298	2019	(3,433)
2020	81,666	2020	(3,209)
2021	61,563	2021	(1,760)
2022	8,631	2022	(303)
Total	<u>\$ 238,456</u>	Total	<u>\$ (12,138)</u>

Actuarial methods and assumptions used in developing total pension liability

The total pension liability based on the December 31, 2014 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2014
Measurement date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial assumptions:	
Inflation rate	2.50 percent (reduced from 2.75 percent)
Long-Term Expected Rate of Return	7.50 percent (reduced from 7.75 percent)
Discount rate	7.50 percent (reduced from 7.75 percent)
Projected salary increases	3.50 percent (reduced from 3.75 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	<p><i>Healthy retirees and beneficiaries:</i> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and setbacks as described in the valuation.</p> <p><i>Active members:</i> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><i>Disabled retirees:</i> Mortality rates are a percentage (70 percent for males, 95 percent for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

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 2014 Experience Study, which reviewed experience for the four-year period ended on December 31, 2014.

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Discount rate

The discount rate used to measure the total pension liability of the Plan was 7.5 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.

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability (asset)	\$ 850,575	\$ 526,781	\$ 256,145

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 2013 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 following table 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.

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Asset Class	Target Allocation	Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.13%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds – Diversified	2.50%	4.64%
Hedge Fund – Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
Assumed Inflation - Mean		2.50%

OPSRP Individual Account Program (OPSRP IAP)

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, 2017 was \$2,619 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.

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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 benefit eligible (medical & dental) 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.

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, 2017, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$373,633. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

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E. Tax abatements

Multnomah County tax abatements

As of June 30, 2017, the County provides tax abatements through one program, a Strategic Key Investment Program.

Strategic Key Investment Program (ORS 307.123)

The Strategic Key Investment Program (SIP) provides property tax abatements to encourage additional investment and employment within the State by capital-intensive firms, particularly those in the semiconductor industry. Though the program was established by Oregon State Statute (ORS) 307.123, its implementation occurs at the County level. A partial property tax abatement is allowed for up to 15 years on eligible projects if the real market value of the new investment is equal to or exceeds \$100 million (\$25 million in rural areas). The assessed value of the property below this threshold in the first year is subject to taxes; the remainder, in excess of the threshold, is abated. The abatement threshold then increases three percent a year during the abatement period. The new investment must benefit a traded-sector industry, which is one that sells goods or services in markets with national or international competition, including but not limited to manufacturing.

Once an SIP contract is in place, the applicant will report annually on how it is meeting each of the terms and conditions of the contract. Consistent with State law, a Community Service Fee (CSF) equal to the lesser of \$2 million or 25 percent of the abated taxes will be paid to the County by the firm receiving an SIP tax abatement or its successors each year an abatement is in effect.

The County's SIP policy contains a repayment clause which states that in the event of noncompliance, repayment of abated taxes (i.e. penalties) must be equal to or greater than the savings the company would realize by not meeting the requirement. In the event of noncompliance, specific terms for repayment would be negotiated for each standard and condition and included in the SIP contract. In any case, total repayment for noncompliance would not exceed 75 percent of the total abatement for the year the penalty is cited.

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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.

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.

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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.

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
- Be 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 in 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.

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(dollar amounts expressed in thousands)

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.

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 Historical 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.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

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 rangeland) in compliance with statewide planning goals.
- Lands that were outside a UGB and zoned as forest or agricultural (including rangeland) 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.

For the fiscal year ended June 30, 2017, Multnomah County abated property taxes totaling \$6,027 under these programs:

	Taxes Abated Fiscal Year Ended June 30, 2017
<u>Tax Abatement Programs</u>	
Multnomah County tax abatements:	
Strategic Key Investment Program	\$ 308
Tax abatements granted by other governments:	
Low Income Rental Housing Program	2,010
Enterprise Loan Programs	1,193
New Housing Homebuyer Opportunity Limited Tax Exemptions	495
Core Area Multi-Unit and Transit Oriented Development	301
Historic Property (2 Term, 10 Year, and 15 Year)	1,718
Residential Rehabilitation Property	1
Riparian Habitat Land	1
Total property taxes abated	<u>\$ 6,027</u>

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

F. Subsequent events

Changes in OPERS Pension Plan Provisions Subsequent to Measurement Date

At its July 28, 2017 meeting, the PERS Board lowered its effective "assumed rate" from 7.5 to 7.2 percent, effective January 1, 2018. The assumed rate is the rate of investment return (including inflation) that the PERS Fund's regular account is expected to earn over the long term. Oregon Administrative Rule 459-007-0001(2) states that the assumed rate "means the actuarial assumed rate of return on investments as adopted by the Board for the most recent actuarial valuation."

The lowered rate is expected to increase the PERS net pension liability by an estimated \$2 to \$2.4 billion. Of this increase, the County's portion is estimated at \$70,180 to \$84,216.

Sale of Wapato Jail facility

On November 9, 2017, the Board of County Commissioners approved Resolution 2017-093, declaring surplus and approving the sale of the Wapato Jail facility for \$10,800 and the County has entered into an Agreement of Purchase and Sale for the facility. Closing shall take place no later than March 9, 2018, sixty (60) days after the expiration of the Due Diligence Period. As of June 30, 2017, the County recorded the book value of Wapato Jail at \$45,564.

Debt activity

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 3.125 to 5 percent. Bonds were rated Aaa by Moody's and AAA by Standards & Poor's. The obligations were issued to finance construction of the Downtown Courthouse, construction of the Health Department Headquarters, replacement of the Enterprise Resource Planning system, and improvements to facilities that house parole and probation services.

Bonds: Full Faith and Credit Obligations, Series 2017

Issue Date: 12/14/2017

Principal: \$164,110

Length in years: 29 years commencing 6/1/2018

Interest Rates: 3.125% - 5.000%

REQUIRED SUPPLEMENTARY INFORMATION

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MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

I. Postemployment benefits other than pensions:

Multnomah County Postretirement Medical Insurance Plan:

Other Postemployment Healthcare Benefits
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll [(b-a)/c]
1/1/2013	\$ -	\$ 134,712	\$ 134,712	0%	\$ 289,938	46%
1/1/2015	-	152,624	152,624	0%	309,377	49%
1/1/2017	-	116,510	116,510	0%	352,178	33%

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

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017
(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 Four Fiscal Years*

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) County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	3.51%	\$ 526,781	\$ 312,572	168.53%	80.53%
2016	3.59%	206,128	304,993	67.58%	91.88%
2015	3.42%	(77,474)	303,774	-25.50%	103.59%
2014	3.42%	174,421	284,960	61.21%	91.97%

**The schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.*

Schedule of Pension Contributions
Oregon Public Employees Retirement System
Last Four Fiscal Years

Year Ended June 30,	(a) Statutorily Required Contributions	(b) Contributions in Relation to the Statutorily Required	(a-b) Contribution Deficiency (Excess)	(c) County's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
2017	\$ 62,962	\$ 62,962	\$ -	\$ 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 schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.*

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

III. Notes to required supplementary information - Employee retirement systems, pension plan:

State of Oregon Public Employees Retirement System (OPERS):

Changes in assumptions

A summary of key changes implemented since the December 31, 2013 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study Oregon Public Employees Retirement System for the System, which was published on September 23, 2015, and can be found at:

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

Allocation of liability for service segments:

For purposes of allocating Tier One/Tier Two member's actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by OPERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier One/Tier Two population. For the December 31, 2012 and December 31, 2013 valuations, the Money Match was weighted 30 percent for General Service members and five percent for Police & Fire members. For the December 31, 2014 and December 31, 2015 valuations, this weighting has been adjusted to 25 percent for General Service members and zero percent for Police & Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

Changes in economic assumptions

Inflation - The inflation rate was lowered to 2.5 percent based on a combination of historical and market data and expert forecasts.

Payroll growth - The payroll growth, which is the sum of inflation and real wage growth, was reduced from 3.75 percent to 3.5 percent.

Investment Return and Interest Crediting - The assumed investment return and interest crediting to both regular and variable account balances was reduced to 7.5 percent. Previously, the assumed investment return and interest crediting to both regular and variable account balances was 7.75 percent.

Tier One/Tier Two Administrative Expenses - Recently implemented GASB statements No. 67 and 68 necessitated an explicit Tier 1/Tier 2 administrative expense assumption. The administrative expense for December 31, 2014 and December 31, 2015 is \$33 million per year.

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 2018 by the Patient Protection and Affordable Care Act.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

Changes in Demographic Assumptions

Healthy Mortality - The healthy mortality assumption is based on the RP2000 generational mortality tables with group-specific class and setback adjustments. The group-specific adjustments have been updated to more closely match recently observed system experience.

Disabled Mortality - The disabled mortality assumption base was changed from the RP2000 static tables to the RP2000 generational tables. Gender-specific adjustments were applied to align the assumption with recently observed system experience.

Disability, Retirement from Active Status, and Termination - Rates for disability, retirement from active status, and termination were adjusted.

Changes in Salary Increase Assumptions

Merit Increases, Unused Sick Leave, and Vacation Pay - Unused sick leave and vacation pay rates were adjusted.

Retiree Healthcare Participation - The Retiree Health Insurance Account (RHIA) participation rate for healthy retirees was reduced from 45 to 38 percent. The RHIPA participation rate was changed from uniform rate of 13 percent to a service-based table of rates.

COMBINING AND INDIVIDUAL 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

Debt Service Funds

- Capital Debt Retirement Fund
- General Obligation Bond Sinking Fund
- PERS Bond Sinking Fund (Major)*

Capital Project Funds

- Downtown Courthouse Capital Construction Fund
- Asset Replacement Revolving Fund
- Financed Projects Fund
- Library Capital Construction Fund
- Capital Improvement Fund
- Asset Preservation Fund
- Health Headquarters Capital Fund
- Information Technology Capital Fund
- Hansen Building Replacement Fund
- Sellwood Bridge Replacement Fund (Major)*

* Major funds are reported in Fund Financial Statements

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017
(amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Unrestricted:				
Cash and investments	\$ 15,108	\$ 254	\$ 34,205	\$ 49,567
Receivables:				
Taxes	4,024	-	-	4,024
Accounts, net	899	-	24	923
Loans	-	-	375	375
Due from other funds	179	-	-	179
Inventories	176	-	28	204
Prepays and deposits	425	-	141	566
Restricted:				
Cash and investments	28,369	567	53,318	82,254
Receivables:				
Taxes	5,025	376	-	5,401
Accounts, net	10,809	-	145	10,954
Total assets	<u>\$ 65,014</u>	<u>\$ 1,197</u>	<u>\$ 88,236</u>	<u>\$ 154,447</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 5,499	\$ -	\$ 2,658	\$ 8,157
Payroll payable	1,892	-	-	1,892
Unearned revenue	-	-	375	375
Liabilities payable from restricted assets:				
Accounts payable	9,477	-	14,725	24,202
Payroll payable	658	-	-	658
Due to other funds	457	-	-	457
Internal loans payable	3,000	-	-	3,000
Total liabilities	<u>20,983</u>	<u>-</u>	<u>17,758</u>	<u>38,741</u>
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
Resources not yet available:				
Property taxes	746	-	-	746
Restricted:				
Resources not yet available:				
Property taxes	3,366	357	-	3,723
Resources received before time requirements met	56	-	-	56
Total deferred inflows of resources	<u>4,168</u>	<u>357</u>	<u>-</u>	<u>4,525</u>
FUND BALANCES				
Nonspendable	601	-	169	770
Restricted	27,189	586	38,738	66,513
Committed	150	254	28,496	28,900
Assigned	11,923	-	3,075	14,998
Total fund balances	<u>39,863</u>	<u>840</u>	<u>70,478</u>	<u>111,181</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,014</u>	<u>\$ 1,197</u>	<u>\$ 88,236</u>	<u>\$ 154,447</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
REVENUES				
Taxes	\$ 126,009	\$ 108	\$ -	\$ 126,117
Intergovernmental	53,292	299	24,408	77,999
Licenses and permits	4,707	-	-	4,707
Charges for services	6,358	304	452	7,114
Interest	443	19	649	1,111
Non-governmental grants	3,503	-	-	3,503
Service reimbursements	306	15,814	8,985	25,105
Miscellaneous	70	-	41	111
Total revenues	<u>194,688</u>	<u>16,544</u>	<u>34,535</u>	<u>245,767</u>
EXPENDITURES				
Current:				
Health services	-	-	645	645
Public safety and justice	6,647	-	1,768	8,415
Community services	49,307	-	7,497	56,804
Library services	67,043	-	639	67,682
Roads and bridges	49,066	-	-	49,066
Capital outlay	15,355	-	59,369	74,724
Debt service:				
Principal	25	16,858	1,000	17,883
Interest	93	6,567	83	6,743
Total expenditures	<u>187,536</u>	<u>23,425</u>	<u>71,001</u>	<u>281,962</u>
Revenues over (under) expenditures	<u>7,152</u>	<u>(6,881)</u>	<u>(36,466)</u>	<u>(36,195)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	66,074	-	39,762	105,836
Transfers out	(67,766)	-	(2,391)	(70,157)
Proceeds from sale of capital assets	12	-	-	12
Proceeds from debt restructuring	93	-	-	93
Total other financing sources (uses)	<u>(1,587)</u>	<u>-</u>	<u>37,371</u>	<u>35,784</u>
Net change in fund balances	5,565	(6,881)	905	(411)
Fund balances - beginning	<u>34,298</u>	<u>7,721</u>	<u>69,573</u>	<u>111,592</u>
Fund balances - ending	<u>\$ 39,863</u>	<u>\$ 840</u>	<u>\$ 70,478</u>	<u>\$ 111,181</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.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017
(amounts expressed in thousands)

	<u>Road</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>
ASSETS				
Unrestricted:				
Cash and investments	\$ 3,894	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Accounts, net	137	-	-	-
Due from other funds	-	-	-	-
Inventories	176	-	-	-
Prepays and deposits	-	-	-	-
Restricted:				
Cash and investments	4,716	160	39	-
Receivables:				
Taxes	1,244	-	-	-
Accounts, net	4,403	-	-	-
Total assets	<u>\$ 14,570</u>	<u>\$ 160</u>	<u>\$ 39</u>	<u>\$ -</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll payable	-	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	8,104	-	39	-
Payroll payable	267	-	-	-
Due to other funds	-	-	-	-
Internal loans payable	-	-	-	-
Total liabilities	<u>8,371</u>	<u>-</u>	<u>39</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
Resources not yet available:				
Property taxes	-	-	-	-
Restricted:				
Resources not yet available:				
Property taxes	-	-	-	-
Resources received before time requirements met	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	176	-	-	-
Restricted	1,992	160	-	-
Committed	-	-	-	-
Assigned	4,031	-	-	-
Total fund balances	<u>6,199</u>	<u>160</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,570</u>	<u>\$ 160</u>	<u>\$ 39</u>	<u>\$ -</u>

Animal Control	Willamette River Bridges	Library	Special Excise Tax	Land Corner Preservation	Inmate Welfare	Justice Services Special Operations
\$ 6	\$ 1,444	\$ 2,215	\$ 1,644	\$ -	\$ 116	\$ 87
-	-	751	3,273	-	-	-
10	-	21	-	-	-	564
-	-	179	-	-	-	-
-	-	-	-	-	-	-
-	-	422	-	-	-	-
554	1,363	-	-	3,013	-	416
-	-	-	-	4	-	-
2	4,775	-	-	-	-	117
<u>\$ 572</u>	<u>\$ 7,582</u>	<u>\$ 3,588</u>	<u>\$ 4,917</u>	<u>\$ 3,017</u>	<u>\$ 116</u>	<u>\$ 1,184</u>
\$ -	\$ -	\$ 568	\$ 4,879	\$ -	\$ 42	\$ 10
-	-	1,791	-	-	7	94
16	1,075	-	-	2	-	50
1	229	-	-	44	-	98
-	-	-	-	-	-	-
-	3,000	-	-	-	-	-
<u>17</u>	<u>4,304</u>	<u>2,359</u>	<u>4,879</u>	<u>46</u>	<u>49</u>	<u>252</u>
-	-	746	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	422	-	-	-	-
539	1,834	-	-	2,971	-	385
-	-	-	38	-	67	45
16	1,444	61	-	-	-	502
<u>555</u>	<u>3,278</u>	<u>483</u>	<u>38</u>	<u>2,971</u>	<u>67</u>	<u>932</u>
<u>\$ 572</u>	<u>\$ 7,582</u>	<u>\$ 3,588</u>	<u>\$ 4,917</u>	<u>\$ 3,017</u>	<u>\$ 116</u>	<u>\$ 1,184</u>

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017
(amounts expressed in thousands)

	Oregon Historical Society Levy	Video Lottery	Library District	Total
ASSETS				
Unrestricted:				
Cash and investments	\$ -	\$ -	\$ 5,702	\$ 15,108
Receivables:				
Taxes	-	-	-	4,024
Accounts, net	-	-	167	899
Due from other funds	-	-	-	179
Inventories	-	-	-	176
Prepays and deposits	-	3	-	425
Restricted:				
Cash and investments	-	1	18,107	28,369
Receivables:				
Taxes	143	-	3,634	5,025
Accounts, net	-	1,512	-	10,809
Total assets	<u>\$ 143</u>	<u>\$ 1,516</u>	<u>\$ 27,610</u>	<u>\$ 65,014</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,499
Payroll payable	-	-	-	1,892
Liabilities payable from restricted assets:				
Accounts payable	-	191	-	9,477
Payroll payable	-	19	-	658
Due to other funds	-	278	179	457
Internal loans payable	-	-	-	3,000
Total liabilities	<u>-</u>	<u>488</u>	<u>179</u>	<u>20,983</u>
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
Resources not yet available:				
Property taxes	-	-	-	746
Restricted:				
Resources not yet available:				
Property taxes	130	-	3,236	3,366
Resources received before time requirements met	-	-	56	56
Total deferred inflows of resources	<u>130</u>	<u>-</u>	<u>3,292</u>	<u>4,168</u>
FUND BALANCES				
Nonspendable	-	3	-	601
Restricted	13	1,025	18,270	27,189
Committed	-	-	-	150
Assigned	-	-	5,869	11,923
Total fund balances	<u>13</u>	<u>1,028</u>	<u>24,139</u>	<u>39,863</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 143</u>	<u>\$ 1,516</u>	<u>\$ 27,610</u>	<u>\$ 65,014</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, 2017
(amounts expressed in thousands)

	<u>Road</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>
REVENUES				
Taxes	\$ 7,087	\$ -	\$ 39	\$ 13
Intergovernmental	37,025	-	-	16
Licenses and permits	67	-	-	-
Charges for services	163	-	-	-
Interest	137	3	-	-
Other:				
Non-governmental grants	-	-	-	-
Service reimbursements	-	-	-	-
Miscellaneous	7	-	-	-
Total revenues	<u>44,486</u>	<u>3</u>	<u>39</u>	<u>29</u>
EXPENDITURES				
Current:				
Public safety and justice	-	-	-	-
Community services	-	-	39	29
Library services	-	-	-	-
Roads and bridges	41,536	-	-	-
Capital outlay	1,088	275	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>42,624</u>	<u>275</u>	<u>39</u>	<u>29</u>
Revenues over (under) expenditures	<u>1,862</u>	<u>(272)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from debt restructuring	93	-	-	-
Total other financing sources (uses)	<u>93</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,955	(272)	-	-
Fund balances - beginning	<u>4,244</u>	<u>432</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 6,199</u></u>	<u><u>\$ 160</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Animal Control	Willamette River Bridges	Library	Special Excise Tax	Land Corner Preservation	Inmate Welfare	Justice Services Special Operations
\$ -	\$ -	\$ 36	\$ 40,176	\$ -	\$ -	\$ -
-	10,685	-	-	-	-	19
1,658	103	-	-	-	-	2,792
51	52	-	-	1,250	970	2,897
4	-	25	10	24	-	7
242	-	1,601	-	-	-	-
-	-	35	-	-	-	271
-	24	9	-	-	-	20
1,955	10,864	1,706	40,186	1,274	970	6,006
-	-	-	-	-	903	5,744
276	-	-	40,186	-	-	-
-	-	67,043	-	-	-	-
-	6,337	-	-	1,193	-	-
-	6,567	7,381	-	-	-	44
-	-	25	-	-	-	-
-	-	93	-	-	-	-
276	12,904	74,542	40,186	1,193	903	5,788
1,679	(2,040)	(72,836)	-	81	67	218
-	-	66,074	-	-	-	-
(1,657)	(35)	-	-	-	-	-
-	-	-	-	-	-	12
-	-	-	-	-	-	-
(1,657)	(35)	66,074	-	-	-	12
22	(2,075)	(6,762)	-	81	67	230
533	5,353	7,245	38	2,890	-	702
\$ 555	\$ 3,278	\$ 483	\$ 38	\$ 2,971	\$ 67	\$ 932

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Oregon Historical Society Levy	Video Lottery	Library District	Total
REVENUES				
Taxes	\$ 2,822	\$ -	\$ 75,836	\$ 126,009
Intergovernmental	-	5,393	154	53,292
Licenses and permits	-	-	87	4,707
Charges for services	-	-	975	6,358
Interest	1	1	231	443
Other:				
Non-governmental grants	-	-	1,660	3,503
Service reimbursements	-	-	-	306
Miscellaneous	-	-	10	70
Total revenues	<u>2,823</u>	<u>5,394</u>	<u>78,953</u>	<u>194,688</u>
EXPENDITURES				
Current:				
Public safety and justice	-	-	-	6,647
Community services	2,823	5,954	-	49,307
Library services	-	-	-	67,043
Roads and bridges	-	-	-	49,066
Capital outlay	-	-	-	15,355
Debt service:				
Principal	-	-	-	25
Interest	-	-	-	93
Total expenditures	<u>2,823</u>	<u>5,954</u>	<u>-</u>	<u>187,536</u>
Revenues over (under) expenditures	<u>-</u>	<u>(560)</u>	<u>78,953</u>	<u>7,152</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	66,074
Transfers out	-	-	(66,074)	(67,766)
Proceeds from sale of capital assets	-	-	-	12
Proceeds from debt restructuring	-	-	-	93
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(66,074)</u>	<u>(1,587)</u>
Net change in fund balances	-	(560)	12,879	5,565
Fund balances - beginning	<u>13</u>	<u>1,588</u>	<u>11,260</u>	<u>34,298</u>
Fund balances - ending	<u>\$ 13</u>	<u>\$ 1,028</u>	<u>\$ 24,139</u>	<u>\$ 39,863</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Road Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 7,000	\$ 7,000	\$ 7,087	\$ 87
Payments in lieu of taxes	50	50	-	(50)
Intergovernmental	43,620	43,620	37,025	(6,595)
Licenses and permits	70	70	67	(3)
Charges for services	120	120	163	43
Interest	65	65	137	72
Service reimbursements	292	292	-	(292)
Miscellaneous	46	46	7	(39)
Total revenues	51,263	51,263	44,486	(6,777)
EXPENDITURES				
Current:				
Community services	53,811	53,811	42,624	11,187
Total expenditures	53,811	53,811	42,624	11,187
Revenues over (under) expenditures	(2,548)	(2,548)	1,862	4,410
OTHER FINANCING SOURCES (USES)				
Proceeds from debt restructuring	-	-	93	93
Total other financing sources (uses)	-	-	93	93
Net change in fund balances	(2,548)	(2,548)	1,955	4,503
Fund balances - beginning	2,548	2,548	4,244	1,696
Fund balances - ending	\$ -	\$ -	\$ 6,199	\$ 6,199

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ 2	\$ 2	\$ 3	\$ 1
Total revenues	2	2	3	1
EXPENDITURES				
Current:				
Community services	438	438	275	163
Total expenditures	438	438	275	163
Net change in fund balances	(436)	(436)	(272)	164
Fund balances - beginning	436	436	432	(4)
Fund balances - ending	\$ -	\$ -	\$ 160	\$ 160

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Recreation Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 103	\$ 103	\$ 39	\$ (64)
Total revenues	103	103	39	(64)
EXPENDITURES				
Current:				
County management	103	103	39	64
Total expenditures	103	103	39	64
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
County School Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 60	\$ 60	\$ 13	\$ (47)
Intergovernmental	20	20	16	(4)
Total revenues	80	80	29	(51)
EXPENDITURES				
Current:				
Nondepartmental	80	80	29	51
Total expenditures	80	80	29	51
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Animal Control Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Licenses and permits	\$ 1,725	\$ 1,760	\$ 1,658	\$ (102)
Charges for services	55	20	51	31
Interest	-	-	4	4
Non-governmental grants	123	123	242	119
Total revenues	1,903	1,903	1,955	52
EXPENDITURES				
Current:				
Community services	584	584	276	308
Contingency	83	83	-	83
Total expenditures	667	667	276	391
Revenues over (under) expenditures	1,236	1,236	1,679	443
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,755)	(1,755)	(1,657)	98
Total other financing sources (uses)	(1,755)	(1,755)	(1,657)	98
Net change in fund balances	(519)	(519)	22	541
Fund balances - beginning	519	519	533	14
Fund balances - ending	\$ -	\$ -	\$ 555	\$ 555

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 7,145	\$ 8,145	\$ 10,685	\$ 2,540
Licenses and permits	-	-	103	103
Charges for services	-	-	52	52
Service reimbursements	1,374	1,374	-	(1,374)
Miscellaneous	-	-	24	24
Total revenues	<u>8,519</u>	<u>9,519</u>	<u>10,864</u>	<u>1,345</u>
EXPENDITURES				
Current:				
Community services	<u>11,574</u>	<u>13,815</u>	<u>12,904</u>	<u>911</u>
Total expenditures	<u>11,574</u>	<u>13,815</u>	<u>12,904</u>	<u>911</u>
Revenues over (under) expenditures	<u>(3,055)</u>	<u>(4,296)</u>	<u>(2,040)</u>	<u>2,256</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(52)</u>	<u>(52)</u>	<u>(35)</u>	<u>17</u>
Total other financing sources (uses)	<u>(52)</u>	<u>(52)</u>	<u>(35)</u>	<u>17</u>
Net change in fund balances	<u>(3,107)</u>	<u>(4,348)</u>	<u>(2,075)</u>	<u>2,273</u>
Fund balances - beginning	<u>7,112</u>	<u>8,353</u>	<u>8,353</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,005</u>	<u>\$ 4,005</u>	<u>6,278</u>	<u>\$ 2,273</u>
Reconciliation to GAAP Basis:				
Internal loans payable			<u>(3,000)</u>	
Fund balance as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Nonmajor Special Revenue Funds			<u>\$ 3,278</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Library Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ -	\$ -	\$ 36	\$ 36
Intergovernmental	76,339	76,395	66,074	(10,321)
Interest	-	-	25	25
Service reimbursements	35	35	35	-
Miscellaneous	-	-	9	9
Total revenues	<u>76,374</u>	<u>76,430</u>	<u>66,179</u>	<u>(10,251)</u>
EXPENDITURES				
Current:				
Library	76,374	76,430	72,941	3,489
Contingency	7,100	7,100	-	7,100
Total expenditures	<u>83,474</u>	<u>83,530</u>	<u>72,941</u>	<u>10,589</u>
Net change in fund balances	(7,100)	(7,100)	(6,762)	338
Fund balances - beginning	<u>7,100</u>	<u>7,100</u>	<u>7,245</u>	<u>145</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>483</u>	<u>\$ 483</u>
Reconciliation to GAAP Basis:				
In kind contributions			1,601	
Consumption of in kind contributions			(1,601)	
Reimbursements from the Library District are reported as Transfers In on the GAAP Basis, rather than as Intergovernmental Revenues				
Intergovernmental Revenues			(66,074)	
Transfers In			<u>66,074</u>	
Fund balance as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Nonmajor Special Revenue Funds			<u>\$ 483</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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 42,159	\$ 44,159	\$ 40,176	\$ (3,983)
Interest	5	5	10	5
Total revenues	42,164	44,164	40,186	(3,978)
EXPENDITURES				
Current:				
Nondepartmental	42,177	44,177	40,186	3,991
Total expenditures	42,177	44,177	40,186	3,991
Net change in fund balances	(13)	(13)	-	13
Fund balances - beginning	13	13	38	25
Fund balances - ending	\$ -	\$ -	\$ 38	\$ 38

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 1,300	\$ 1,300	\$ 1,250	\$ (50)
Interest	15	15	24	9
Service reimbursements	205	205	-	(205)
Total revenues	1,520	1,520	1,274	(246)
EXPENDITURES				
Current:				
Community services	1,626	1,626	1,193	433
Total expenditures	1,626	1,626	1,193	433
Net change in fund balances	(106)	(106)	81	187
Fund balances - beginning	2,853	2,853	2,890	37
Fund balances - ending	\$ 2,747	\$ 2,747	\$ 2,971	\$ 224

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Inmate Welfare Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 903	\$ 903	\$ 970	\$ 67
Total revenues	903	903	970	67
EXPENDITURES				
Current:				
Sheriff	903	903	903	-
Total expenditures	903	903	903	-
Net change in fund balances	-	-	67	67
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 67	\$ 67

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 103	\$ 103	\$ 19	\$ (84)
Licenses and permits	2,909	3,018	2,792	(226)
Charges for services	2,911	2,911	2,897	(14)
Interest	-	-	7	7
Service reimbursements	267	267	271	4
Miscellaneous	-	-	20	20
Total revenues	6,190	6,299	6,006	(293)
EXPENDITURES				
Current:				
Community justice	2,374	2,483	2,122	361
Sheriff	4,260	4,260	3,666	594
Total expenditures	6,634	6,743	5,788	955
Revenues over (under) expenditures	(444)	(444)	218	662
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	12	12
Total other financing sources (uses)	-	-	12	12
Net change in fund balances	(444)	(444)	230	674
Fund balances - beginning	444	444	702	258
Fund balances - ending	\$ -	\$ -	\$ 932	\$ 932

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 2,585	\$ 2,885	\$ 2,822	\$ (63)
Interest	3	3	1	(2)
Total revenues	<u>2,588</u>	<u>2,888</u>	<u>2,823</u>	<u>(65)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>2,604</u>	<u>2,904</u>	<u>2,823</u>	<u>81</u>
Total expenditures	<u>2,604</u>	<u>2,904</u>	<u>2,823</u>	<u>81</u>
Net change in fund balances	(16)	(16)	-	16
Fund balances - beginning	<u>16</u>	<u>16</u>	<u>13</u>	<u>(3)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 5,330	\$ 5,330	\$ 5,393	\$ 63
Interest	-	-	1	1
Total revenues	5,330	5,330	5,394	64
EXPENDITURES				
Current:				
Community justice	2,312	2,312	2,277	35
Community services	700	700	601	99
County management	180	180	135	45
Nondepartmental	3,011	3,011	2,941	70
Contingency	533	533	-	533
Total expenditures	6,736	6,736	5,954	782
Net change in fund balances	(1,406)	(1,406)	(560)	846
Fund balances - beginning	1,406	1,406	1,588	182
Fund balances - ending	\$ -	\$ -	\$ 1,028	\$ 1,028

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Library District Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 75,590	\$ 75,590	\$ 75,836	\$ 246
Intergovernmental	147	147	154	7
Licenses and permits	115	115	87	(28)
Charges for services	1,215	1,215	975	(240)
Interest	50	50	231	181
Non-governmental grants	1,580	1,636	1,660	24
Miscellaneous	-	-	10	10
Total revenues	<u>78,697</u>	<u>78,753</u>	<u>78,953</u>	<u>200</u>
EXPENDITURES				
Current:				
Library	76,339	76,395	66,074	10,321
Contingency	13,109	13,109	-	13,109
Total expenditures	<u>89,448</u>	<u>89,504</u>	<u>66,074</u>	<u>23,430</u>
Net change in fund balances	(10,751)	(10,751)	12,879	23,630
Fund balances - beginning	<u>10,751</u>	<u>10,751</u>	<u>11,260</u>	<u>509</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>24,139</u>	<u>\$ 24,139</u>
Reconciliation to GAAP Basis:				
Reimbursements to the Library Fund are reported as Transfers Out on the GAAP Basis, rather than as Library District Expenditures				
Library District Expenditures			(66,074)	
Transfers Out			<u>66,074</u>	
Fund balance as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Nonmajor Special Revenue Funds			<u>\$ 24,139</u>	

DEBT SERVICE FUNDS

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

Major Fund

- **PERS Bond Sinking Fund** - accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's unfunded liability with OPERS. Revenues consist of charges to departments and interest. (See Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds reported in Fund Financial Statements.)

Nonmajor Funds

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

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2017
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond Sinking	Total
ASSETS			
Unrestricted:			
Cash and investments	\$ 254	\$ -	\$ 254
Restricted:			
Cash and investments	453	114	567
Receivables:			
Taxes	-	376	376
Total assets	<u>\$ 707</u>	<u>\$ 490</u>	<u>\$ 1,197</u>
DEFERRED INFLOWS OF RESOURCES			
Restricted:			
Resources not yet available:			
Property taxes	\$ -	\$ 357	\$ 357
Total deferred inflows of resources	<u>-</u>	<u>357</u>	<u>357</u>
FUND BALANCES			
Restricted	453	133	586
Committed	<u>254</u>	<u>-</u>	<u>254</u>
Total fund balances	<u>707</u>	<u>133</u>	<u>840</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 707</u>	<u>\$ 490</u>	<u>\$ 1,197</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Capital Debt Retirement	General Obligation Bond Sinking	Total
REVENUES			
Taxes	\$ -	\$ 108	\$ 108
Intergovernmental	299	-	299
Charges for services	304	-	304
Interest	8	11	19
Service reimbursements	15,814	-	15,814
Total revenues	<u>16,425</u>	<u>119</u>	<u>16,544</u>
EXPENDITURES			
Debt service:			
Principal	10,953	5,905	16,858
Interest	<u>6,449</u>	<u>118</u>	<u>6,567</u>
Total expenditures	<u>17,402</u>	<u>6,023</u>	<u>23,425</u>
Net change in fund balances	<u>(977)</u>	<u>(5,904)</u>	<u>(6,881)</u>
Fund balances - beginning	<u>1,684</u>	<u>6,037</u>	<u>7,721</u>
Fund balances - ending	<u><u>\$ 707</u></u>	<u><u>\$ 133</u></u>	<u><u>\$ 840</u></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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 299	\$ 299	\$ 299	\$ -
Charges for services	-	-	304	304
Interest	10	10	8	(2)
Service reimbursements	16,694	16,694	15,814	(880)
Total revenues	17,003	17,003	16,425	(578)
EXPENDITURES				
Current:				
Nondepartmental	17,583	17,583	17,402	181
Total expenditures	17,583	17,583	17,402	181
Net change in fund balances	(580)	(580)	(977)	(397)
Fund balances - beginning	1,687	1,687	1,684	(3)
Fund balances - ending	<u>\$ 1,107</u>	<u>\$ 1,107</u>	<u>\$ 707</u>	<u>\$ (400)</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Obligation Bond Sinking Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ -	\$ -	\$ 108	\$ 108
Interest	-	-	11	11
Total revenues	-	-	119	119
EXPENDITURES				
Current:				
Nondepartmental	6,023	6,023	6,023	-
Total expenditures	6,023	6,023	6,023	-
Net change in fund balances	(6,023)	(6,023)	(5,904)	119
Fund balances - beginning	6,023	6,023	6,037	14
Fund balances - ending	\$ -	\$ -	\$ 133	\$ 133

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
PERS Bond Sinking Fund - Major Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ 386	\$ 386	\$ 820	\$ 434
Service reimbursements	28,128	28,128	29,478	1,350
Total revenues	28,514	28,514	30,298	1,784
EXPENDITURES				
Current:				
Nondepartmental	46,344	46,344	46,344	-
Total expenditures	46,344	46,344	46,344	-
Net change in fund balances	(17,830)	(17,830)	(16,046)	1,784
Fund balances - beginning	89,381	89,381	85,752	(3,629)
Fund balances - ending	\$ 71,551	\$ 71,551	\$ 69,706	\$ (1,845)

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

- **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. (See Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds reported in Fund Financial Statements)

Nonmajor Funds

- **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.
- **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.
- **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, Portland Development Commission, and issuance of debt.
- **Information Technology Capital Fund** - accounts for expenditures for information technology capital projects. Resources are derived from transfers from the Information Technology Internal Service and General Funds.
- **Hansen Building Replacement Fund** - accounts for planning, relocation, and construction of new County Sheriff's Office operation facility. Resources are derived from debt issuance or other financing proceeds.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017
(amounts expressed in thousands)

	Downtown Courthouse Capital	Asset Replacement Revolving	Financed Projects	Library Capital Construction
ASSETS				
Unrestricted:				
Cash and investments	\$ -	\$ 75	\$ 4,356	\$ -
Receivables:				
Accounts, net	-	-	-	-
Loans	-	375	-	-
Inventories	-	-	-	-
Prepays and deposits	-	-	-	-
Restricted:				
Cash and investments	31,574	-	-	2,631
Receivables:				
Accounts, net	145	-	-	-
Total assets	<u>\$ 31,719</u>	<u>\$ 450</u>	<u>\$ 4,356</u>	<u>\$ 2,631</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ -	\$ 329	\$ -
Unearned revenue	-	375	-	-
Liabilities payable from restricted assets:				
Accounts payable	6,863	-	-	164
Total liabilities	<u>6,863</u>	<u>375</u>	<u>329</u>	<u>164</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	24,856	-	-	2,467
Committed	-	-	4,027	-
Assigned	-	75	-	-
Total fund balances	<u>24,856</u>	<u>75</u>	<u>4,027</u>	<u>2,467</u>
Total liabilities and fund balances	<u>\$ 31,719</u>	<u>\$ 450</u>	<u>\$ 4,356</u>	<u>\$ 2,631</u>

Capital Improvement	Asset Preservation	Health Headquarters Capital	Information Technology Capital	Hansen Building Replacement	Total
\$ 6,902	\$ 9,999	\$ 4,455	\$ 4,303	\$ 4,115	\$ 34,205
24	-	-	-	-	24
-	-	-	-	-	375
28	-	-	-	-	28
-	-	88	53	-	141
-	-	19,113	-	-	53,318
-	-	-	-	-	145
<u>\$ 6,954</u>	<u>\$ 9,999</u>	<u>\$ 23,656</u>	<u>\$ 4,356</u>	<u>\$ 4,115</u>	<u>\$ 88,236</u>
\$ 931	\$ 492	\$ -	\$ 906	\$ -	\$ 2,658
-	-	-	-	-	375
-	-	7,698	-	-	14,725
<u>931</u>	<u>492</u>	<u>7,698</u>	<u>906</u>	<u>-</u>	<u>17,758</u>
28	-	88	53	-	169
-	-	11,415	-	-	38,738
5,995	9,507	4,455	3,397	1,115	28,496
-	-	-	-	3,000	3,075
<u>6,023</u>	<u>9,507</u>	<u>15,958</u>	<u>3,450</u>	<u>4,115</u>	<u>70,478</u>
<u>\$ 6,954</u>	<u>\$ 9,999</u>	<u>\$ 23,656</u>	<u>\$ 4,356</u>	<u>\$ 4,115</u>	<u>\$ 88,236</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Downtown Courthouse Capital	Asset Replacement Revolving	Financed Projects	Library Capital Construction
REVENUES				
Intergovernmental	\$ 7,460	\$ -	\$ -	\$ -
Charges for services	315	-	-	-
Interest	266	3	35	20
Other:				
Service reimbursements	-	-	-	1,238
Miscellaneous	30	-	-	-
Total revenues	<u>8,071</u>	<u>3</u>	<u>35</u>	<u>1,258</u>
EXPENDITURES				
Current:				
Health services	-	-	-	-
Public safety and justice	1,713	-	-	-
Community services	-	375	14	-
Library services	-	-	-	639
Capital outlay	33,734	-	308	414
Principal	1,000	-	-	-
Interest expense	83	-	-	-
Total expenditures	<u>36,530</u>	<u>375</u>	<u>322</u>	<u>1,053</u>
Revenues over (under) expenditures	<u>(28,459)</u>	<u>(372)</u>	<u>(287)</u>	<u>205</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	19,900	35	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>19,900</u>	<u>35</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,559)	(337)	(287)	205
Fund balances - beginning	<u>33,415</u>	<u>412</u>	<u>4,314</u>	<u>2,262</u>
Fund balances - ending	<u>\$ 24,856</u>	<u>\$ 75</u>	<u>\$ 4,027</u>	<u>\$ 2,467</u>

Capital Improvement	Asset Preservation	Health Headquarters Capital	Information Technology Capital	Hansen Building Replacement	Total
\$ -	\$ -	\$ 16,948	\$ -	\$ -	\$ 24,408
137	-	-	-	-	452
52	91	124	34	24	649
3,993	3,754	-	-	-	8,985
10	1	-	-	-	41
4,192	3,846	17,072	34	24	34,535
-	-	645	-	-	645
-	-	-	-	55	1,768
2,320	1,664	-	3,124	-	7,497
-	-	-	-	-	639
7,975	3,652	11,806	235	1,245	59,369
-	-	-	-	-	1,000
-	-	-	-	-	83
10,295	5,316	12,451	3,359	1,300	71,001
(6,103)	(1,470)	4,621	(3,325)	(1,276)	(36,466)
7,400	261	-	6,775	5,391	39,762
(2,391)	-	-	-	-	(2,391)
5,009	261	-	6,775	5,391	37,371
(1,094)	(1,209)	4,621	3,450	4,115	905
7,117	10,716	11,337	-	-	69,573
\$ 6,023	\$ 9,507	\$ 15,958	\$ 3,450	\$ 4,115	\$ 70,478

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Downtown Courthouse Capital Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 32,452	\$ 25,452	\$ 7,460	\$ (17,992)
Charges for services	-	-	315	315
Interest	-	-	266	266
Miscellaneous	-	-	30	30
Total revenues	32,452	25,452	8,071	(17,381)
EXPENDITURES				
Current:				
County assets	98,603	98,603	36,530	62,073
Total expenditures	98,603	98,603	36,530	62,073
Revenues over (under) expenditures	(66,151)	(73,151)	(28,459)	44,692
OTHER FINANCING SOURCES (USES)				
Transfers in	19,900	19,900	19,900	-
Proceeds from issuance of new debt	14,350	21,350	-	(21,350)
Total other financing sources (uses)	34,250	41,250	19,900	(21,350)
Net change in fund balance	(31,901)	(31,901)	(8,559)	23,342
Fund balances - beginning	31,901	31,901	33,415	1,514
Fund balances - ending	\$ -	\$ -	\$ 24,856	\$ 24,856

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
EXPENDITURES				
Current:				
County assets	410	410	375	35
Total expenditures	410	410	375	35
Revenues over (under) expenditures	(410)	(410)	(372)	38
OTHER FINANCING SOURCES (USES)				
Transfers in	35	35	35	-
Total other financing sources (uses)	35	35	35	-
Net change in fund balance	(375)	(375)	(337)	38
Fund balances - beginning	375	375	412	37
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 75</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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 35	\$ 35
Total revenues	-	-	35	35
EXPENDITURES				
Current:				
County management	4,094	4,094	322	3,772
Total expenditures	4,094	4,094	322	3,772
Net change in fund balance	(4,094)	(4,094)	(287)	3,807
Fund balances - beginning	4,094	4,094	4,314	220
Fund balances - ending	\$ -	\$ -	\$ 4,027	\$ 4,027

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 20	\$ 20
Service reimbursements	1,238	1,238	1,238	-
Total revenues	1,238	1,238	1,258	20
EXPENDITURES				
Current:				
County assets	3,515	3,515	1,053	2,462
Total expenditures	3,515	3,515	1,053	2,462
Net change in fund balance	(2,277)	(2,277)	205	2,482
Fund balances - beginning	2,277	2,277	2,262	(15)
Fund balances - ending	\$ -	\$ -	\$ 2,467	\$ 2,467

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvement Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 590	\$ 590	\$ 137	\$ (453)
Interest	35	35	52	17
Service reimbursements	3,956	3,956	3,993	37
Miscellaneous	-	-	10	10
Total revenues	<u>4,581</u>	<u>4,581</u>	<u>4,192</u>	<u>(389)</u>
EXPENDITURES				
Current:				
County assets	<u>19,713</u>	<u>19,713</u>	<u>10,295</u>	<u>9,418</u>
Total expenditures	<u>19,713</u>	<u>19,713</u>	<u>10,295</u>	<u>9,418</u>
Revenues over (under) expenditures	<u>(15,132)</u>	<u>(15,132)</u>	<u>(6,103)</u>	<u>9,029</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,400	7,400	7,400	-
Transfers out	<u>(2,391)</u>	<u>(2,391)</u>	<u>(2,391)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,009</u>	<u>5,009</u>	<u>5,009</u>	<u>-</u>
Net change in fund balance	(10,123)	(10,123)	(1,094)	9,029
Fund balances - beginning	<u>10,123</u>	<u>10,123</u>	<u>7,117</u>	<u>(3,006)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,023</u>	<u>\$ 6,023</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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 230	\$ 230	\$ -	\$ (230)
Interest	20	20	91	71
Service reimbursements	3,838	3,838	3,754	(84)
Miscellaneous	-	-	1	1
Total revenues	<u>4,088</u>	<u>4,088</u>	<u>3,846</u>	<u>(242)</u>
EXPENDITURES				
Current:				
County assets	<u>15,724</u>	<u>15,724</u>	<u>5,316</u>	<u>10,408</u>
Total expenditures	<u>15,724</u>	<u>15,724</u>	<u>5,316</u>	<u>10,408</u>
Revenues over (under) expenditures	<u>(11,636)</u>	<u>(11,636)</u>	<u>(1,470)</u>	<u>10,166</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>261</u>	<u>261</u>	<u>261</u>	<u>-</u>
Total other financing sources (uses)	<u>261</u>	<u>261</u>	<u>261</u>	<u>-</u>
Net change in fund balance	(11,375)	(11,375)	(1,209)	10,166
Fund balances - beginning	<u>11,375</u>	<u>11,375</u>	<u>10,716</u>	<u>(659)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,507</u>	<u>\$ 9,507</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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 16,948	\$ 16,948	\$ 16,948	\$ -
Interest	-	-	124	124
Total revenues	16,948	16,948	17,072	124
EXPENDITURES				
County assets	65,451	65,451	12,451	53,000
Total expenditures	65,451	65,451	12,451	53,000
Revenues over (under) expenditures	(48,503)	(48,503)	4,621	53,124
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of new debt	36,852	36,852	-	(36,852)
Total other financing sources (uses)	36,852	36,852	-	(36,852)
Net change in fund balance	(11,651)	(11,651)	4,621	16,272
Fund balances - beginning	11,651	11,651	11,337	(314)
Fund balances - ending	\$ -	\$ -	\$ 15,958	\$ 15,958

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 34	\$ 34
Total revenues	-	-	34	34
EXPENDITURES				
Current:				
County assets	6,861	6,861	3,359	3,502
Total expenditures	6,861	6,861	3,359	3,502
Revenues over (under) expenditures	(6,861)	(6,861)	(3,325)	3,536
OTHER FINANCING SOURCES (USES)				
Transfers in	6,861	6,861	6,775	(86)
Total other financing sources (uses)	6,861	6,861	6,775	(86)
Net change in fund balance	-	-	3,450	3,450
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,450</u>	<u>\$ 3,450</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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 24	\$ 24
Total revenues	-	-	24	24
EXPENDITURES				
Current:				
County assets	5,391	5,391	1,300	4,091
Total expenditures	5,391	5,391	1,300	4,091
Revenues over (under) expenditures	(5,391)	(5,391)	(1,276)	4,115
OTHER FINANCING SOURCES (USES)				
Transfers in	5,391	5,391	5,391	-
Total other financing sources (uses)	5,391	5,391	5,391	-
Net change in fund balance	-	-	4,115	4,115
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,115</u>	<u>\$ 4,115</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Sellwood Bridge Replacement Fund - Major Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 11,649	\$ 11,649	\$ 10,684	\$ (965)
Licenses and permits	11,482	11,482	12,083	601
Interest	-	-	113	113
Miscellaneous	-	-	22	22
Total revenues	23,131	23,131	22,902	(229)
EXPENDITURES				
Current:				
Community services	37,500	37,500	27,133	10,367
Total expenditures	37,500	37,500	27,133	10,367
Net change in fund balances	(14,369)	(14,369)	(4,231)	10,138
Fund balances - beginning	14,369	14,369	18,633	4,264
Fund balances - ending	\$ -	\$ -	\$ 14,402	\$ 14,402

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COMBINING AND INDIVIDUAL 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
- 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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Current assessments	\$ 700	\$ 700	\$ 713	\$ 13
Prior assessments	13	13	11	(2)
Charges for services	-	-	7	7
Interest	8	8	10	2
Miscellaneous	3	3	6	3
Total revenues	<u>724</u>	<u>724</u>	<u>747</u>	<u>23</u>
EXPENDITURES				
Current:				
Community services	745	745	685	60
Contingency	<u>50</u>	<u>50</u>	-	<u>50</u>
Total expenditures	<u>795</u>	<u>795</u>	<u>685</u>	<u>110</u>
Net change in fund balances	(71)	(71)	62	133
Fund balances - beginning	<u>862</u>	<u>862</u>	<u>878</u>	<u>16</u>
Fund balances - ending	<u>\$ 791</u>	<u>\$ 791</u>	<u>940</u>	<u>\$ 149</u>
Reconciliation to GAAP Basis:				
Allowance for uncollectible accounts, assessments			(1)	
Capital assets, net of accumulated depreciation and amortization			3,508	
Assessment revenues that were not available to fund current expenditures and therefore were not reported in the budgetary basis schedule			<u>52</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 4,499</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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Current assessments	\$ 445	\$ 445	\$ 448	\$ 3
Prior assessments	6	6	6	-
Interest	2	2	2	-
Total revenues	453	453	456	3
EXPENDITURES				
Current:				
Community services	469	469	298	171
Total expenditures	469	469	298	171
Net change in fund balances	(16)	(16)	158	174
Fund balances - beginning	16	16	102	86
Fund balances - ending	\$ -	\$ -	260	\$ 260
Reconciliation to GAAP Basis:				
Allowance for uncollectible accounts, assessments			(1)	
Capital assets, net of accumulated depreciation and amortization			2,081	
Assessment revenues that were not available to fund current expenditures and therefore were not reported in the budgetary basis schedule			28	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			\$ 2,368	

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, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental:				
Charges for services	\$ 64,215	\$ 64,215	\$ 34,767	\$ (29,448)
Interest	-	-	36	36
Miscellaneous	-	-	734	734
Total revenues	64,215	64,215	35,537	(28,678)
EXPENDITURES				
Current:				
Health services	64,215	64,215	33,194	31,021
Contingency	4,075	4,075	-	4,075
Total expenditures	68,290	68,290	33,194	35,096
Net change in fund balances	(4,075)	(4,075)	2,343	6,418
Fund balances - beginning	4,075	4,075	2,700	(1,375)
Fund balances - ending	\$ -	\$ -	5,043	\$ 5,043
Reconciliation to GAAP Basis:				
Deferred outflows - pension			4,182	
Net pension liability			(7,308)	
Deferred inflows - pension			(168)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			\$ 1,749	

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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
- **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, 2017
(amounts expressed in thousands)

Government Activities - Internal Service Funds						
	Risk Management	Fleet Management	Information Technology	Mail Distribution	Facilities Management	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 68,752	\$ 5,799	\$ 4,662	\$ 1,033	\$ 6,176	\$ 86,422
Accounts receivable, net	3	82	51	10	209	355
Inventories	-	435	2	40	477	954
Prepaid items	998	-	1,963	2	86	3,049
Total current assets	69,753	6,316	6,678	1,085	6,948	90,780
Noncurrent assets:						
Internal loans receivable	3,000	-	-	-	-	3,000
Construction in progress	-	21	2,957	-	-	2,978
Other capital assets (net of accumulated depreciation)	11	5,317	7,238	34	38	12,638
Total noncurrent assets	3,011	5,338	10,195	34	38	18,616
Total assets	72,764	11,654	16,873	1,119	6,986	109,396
DEFERRED OUTFLOWS OF RESOURCES						
Pension plan	3,861	584	13,017	506	6,545	24,513
Total deferred outflows of resources	3,861	584	13,017	506	6,545	24,513
LIABILITIES						
Current liabilities:						
Accounts payable	1,888	449	2,130	32	3,473	7,972
Payroll payable	129	18	438	18	218	821
Unearned revenue	29	-	16	-	-	45
Compensated absences	417	72	1,364	44	575	2,472
Other accrued payables	-	-	-	-	412	412
Total current liabilities	2,463	539	3,948	94	4,678	11,722
Noncurrent liabilities:						
Compensated absences	28	-	120	-	-	148
Claims and judgments payable	11,089	-	-	-	-	11,089
Other accrued payables	-	-	-	-	414	414
Net pension liability	6,748	1,021	22,750	884	11,439	42,842
Total noncurrent liabilities	17,865	1,021	22,870	884	11,853	54,493
Total liabilities	20,328	1,560	26,818	978	16,531	66,215
DEFERRED INFLOWS OF RESOURCES						
Pension plan	156	24	524	20	264	988
Total deferred inflows of resources	156	24	524	20	264	988
NET POSITION						
Net investment in capital assets	11	5,338	10,195	34	38	15,616
Unrestricted	56,130	5,316	(7,647)	593	(3,302)	51,090
Total net position	\$ 56,141	\$ 10,654	\$ 2,548	\$ 627	\$ (3,264)	\$ 66,706

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Government Activities - Internal Service Funds					
	Risk Management	Fleet Management	Information Technology	Mail Distribution	Facilities Management	Total Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 102,000	\$ 6,485	\$ 43,122	\$ 2,708	\$ 36,541	\$ 190,856
Insurance premiums	9,221	-	-	-	-	9,221
Experience ratings	561	-	-	-	-	561
Miscellaneous	50	21	147	-	39	257
Total revenues	111,832	6,506	43,269	2,708	36,580	200,895
OPERATING EXPENSES						
Cost of sales and services	110,213	4,179	39,575	2,404	34,069	190,440
Administration	1,357	246	2,677	173	1,345	5,798
Depreciation and amortization	9	1,672	1,704	19	10	3,414
Total operating expenses	111,579	6,097	43,956	2,596	35,424	199,652
Operating income (loss)	253	409	(687)	112	1,156	1,243
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	540	39	35	7	2	623
Gain (loss) on disposal of capital assets	-	114	(55)	-	-	59
Total nonoperating revenues	540	153	(20)	7	2	682
Income (loss) before contributions and transfers	793	562	(707)	119	1,158	1,925
Transfers in	-	-	-	-	697	697
Transfers out	-	-	(5,295)	-	(811)	(6,106)
Change in net position	793	562	(6,002)	119	1,044	(3,484)
Total net position - beginning	55,348	10,092	8,550	508	(4,308)	70,190
Total net position - ending	\$ 56,141	\$ 10,654	\$ 2,548	\$ 627	\$ (3,264)	\$ 66,706

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

Governmental Activities - Internal Service Funds						
	Risk Management	Fleet Management	Information Technology	Mail Distribution	Facilities Management	Total Internal Service Funds
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 9,916	\$ 40	\$ 350	\$ 71	\$ 2,058	\$ 12,435
Receipts for interfund services provided	101,906	6,452	42,926	2,633	34,550	188,467
Payments to suppliers	(101,132)	(2,558)	(12,116)	(773)	(18,055)	(134,634)
Payments to employees	(8,583)	(1,077)	(23,492)	(1,002)	(10,373)	(44,527)
Receipts for interfund services used	(978)	(1,046)	(4,855)	(733)	(7,488)	(15,100)
Net cash provided by (used for) operating activities	1,129	1,811	2,813	196	692	6,641
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	-	697	697
Transfers out	-	-	(5,295)	-	(811)	(6,106)
Net cash provided by (used for) noncapital and related financing activities	-	-	(5,295)	-	(114)	(5,409)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	-	(994)	(1,878)	-	(21)	(2,893)
Proceeds from sales of capital assets	-	114	39	-	-	153
Net cash provided by (used for) capital and related financing activities	-	(880)	(1,839)	-	(21)	(2,740)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest earnings	540	39	35	7	2	623
Net cash provided by (used for) investing activities	540	39	35	7	2	623
Net increase (decrease) in cash and cash equivalents	1,669	970	(4,286)	203	559	(885)
Cash and cash equivalents - beginning	67,083	4,829	8,948	830	5,617	87,307
Cash and cash equivalents - ending	\$ 68,752	\$ 5,799	\$ 4,662	\$ 1,033	\$ 6,176	\$ 86,422
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 253	\$ 409	\$ (687)	\$ 112	\$ 1,156	\$ 1,243
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization of capital assets	9	1,672	1,704	19	10	3,414
Changes in assets and liabilities:						
Receivables	(1)	(15)	6	(4)	28	14
Inventories	-	(58)	211	37	(177)	13
Prepaid items	(465)	-	368	(1)	(29)	(127)
Accounts payable	39	(179)	136	(7)	(381)	(392)
Payroll payable	14	(1)	37	3	6	59
Unearned revenue	(9)	-	-	-	-	(9)
Compensated absences	19	3	15	8	(81)	(36)
Claims and judgments payable	794	-	-	-	-	794
Other accrued payables	-	-	-	-	(364)	(364)
Net pension liability	4,115	628	13,783	506	7,054	26,086
Deferred outflows - pension	(2,262)	(342)	(7,517)	(280)	(3,856)	(14,257)
Deferred inflows - pension	(1,377)	(306)	(5,243)	(197)	(2,674)	(9,797)
Total adjustments	876	1,402	3,500	84	(464)	5,398
Net cash provided by (used for) operating activities	\$ 1,129	\$ 1,811	\$ 2,813	\$ 196	\$ 692	\$ 6,641
Noncash financing activities:						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 106,500	\$ 107,309	\$ 102,000	\$ (5,309)
Insurance premiums	8,595	8,595	9,221	626
Interest	325	325	540	215
Experience ratings	570	570	561	(9)
Miscellaneous	-	-	50	50
Total revenues	115,990	116,799	112,372	(4,427)
EXPENDITURES				
Current:				
County management	110,483	111,292	105,340	5,952
Nondepartmental	5,198	5,198	4,942	256
Contingency	15,000	15,000	-	15,000
Total expenditures	130,681	131,490	110,282	21,208
Revenues over (under) expenditures	(14,691)	(14,691)	2,090	16,781
OTHER FINANCING SOURCES (USES)				
Transfers in	16	16	-	(16)
Total other financing sources (uses)	16	16	-	(16)
Net change in fund balances	(14,675)	(14,675)	2,090	16,765
Fund balances - beginning*	57,000	57,000	65,617	8,617
Fund balances - ending	\$ 42,325	\$ 42,325	67,707	\$ 25,382
Reconciliation to GAAP Basis:				
Internal loans receivable			3,000	
Capital assets, net of accumulated depreciation and amortization			11	
Deferred outflows - pension			3,861	
Compensated absences			(445)	
Claims and judgments payable			(11,089)	
Net pension liability			(6,748)	
Deferred inflows - pension			(156)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			\$ 56,141	

* This amount has been adjusted to reflect corrections made for the presentation of compensated absences and claims and judgments payable.

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fleet Management Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 6,458	\$ 6,458	\$ 6,485	\$ 27
Interest	20	20	39	19
Miscellaneous	181	181	21	(160)
Total revenues	<u>6,659</u>	<u>6,659</u>	<u>6,545</u>	<u>(114)</u>
EXPENDITURES				
Current:				
County assets	11,094	11,094	5,435	5,659
Contingency	28	28	-	28
Total expenditures	<u>11,122</u>	<u>11,122</u>	<u>5,435</u>	<u>5,687</u>
Revenues over (under) expenditures	<u>(4,463)</u>	<u>(4,463)</u>	<u>1,110</u>	<u>5,573</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on disposal of capital assets	-	-	114	114
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>114</u>	<u>114</u>
Net change in fund balances	<u>(4,463)</u>	<u>(4,463)</u>	<u>1,224</u>	<u>5,687</u>
Fund balances - beginning*	<u>4,463</u>	<u>4,463</u>	<u>4,625</u>	<u>162</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>5,849</u>	<u>\$ 5,849</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			5,338	
Deferred outflows - pension			584	
Compensated absences			(72)	
Net pension liability			(1,021)	
Deferred inflows - pension			<u>(24)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 10,654</u>	

* This amount has been adjusted to reflect corrections made for the presentation of compensated absences.

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Information Technology Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 45,964	\$ 45,971	\$ 43,122	\$ (2,849)
Interest	-	-	35	35
Miscellaneous	278	278	147	(131)
Total revenues	<u>46,242</u>	<u>46,249</u>	<u>43,304</u>	<u>(2,945)</u>
EXPENDITURES				
Current:				
County assets	47,484	47,491	43,092	4,399
Contingency	885	885	-	885
Total expenditures	<u>48,369</u>	<u>48,376</u>	<u>43,092</u>	<u>5,284</u>
Revenues over (under) expenditures	<u>(2,127)</u>	<u>(2,127)</u>	<u>212</u>	<u>2,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,382)	(5,382)	(5,295)	87
Proceeds on disposal of capital assets	-	-	39	39
Total other financing sources (uses)	<u>(5,382)</u>	<u>(5,382)</u>	<u>(5,256)</u>	<u>126</u>
Net change in fund balances	<u>(7,509)</u>	<u>(7,509)</u>	<u>(5,044)</u>	<u>2,465</u>
Fund balances - beginning*	<u>7,509</u>	<u>7,509</u>	<u>9,138</u>	<u>1,629</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,094</u>	<u>\$ 4,094</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			10,195	
Deferred outflows - pension			13,017	
Compensated absences			(1,484)	
Net pension liability			(22,750)	
Deferred inflows - pension			<u>(524)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 2,548</u>	

* This amount has been adjusted to reflect corrections made for the presentation of compensated absences.

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Mail Distribution Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 2,677	\$ 2,677	\$ 2,708	\$ 31
Interest	-	-	7	7
Total revenues	<u>2,677</u>	<u>2,677</u>	<u>2,715</u>	<u>38</u>
EXPENDITURES				
Current:				
County assets	2,979	2,979	2,540	439
Contingency	167	167	-	167
Total expenditures	<u>3,146</u>	<u>3,146</u>	<u>2,540</u>	<u>606</u>
Net change in fund balances	(469)	(469)	175	644
Fund balances - beginning*	<u>469</u>	<u>469</u>	<u>860</u>	<u>391</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,035</u>	<u>\$ 1,035</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			34	
Deferred outflows - pension			506	
Compensated absences			(44)	
Net pension liability			(884)	
Deferred inflows - pension			<u>(20)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 627</u>	

* This amount has been adjusted to reflect corrections made for the presentation of compensated absences.

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Facilities Management Fund
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 39,516	\$ 39,516	\$ 36,541	\$ (2,975)
Interest	-	-	2	2
Miscellaneous	7,659	7,659	39	(7,620)
Total revenues	<u>47,175</u>	<u>47,175</u>	<u>36,582</u>	<u>(10,593)</u>
EXPENDITURES				
Current:				
County assets	46,364	47,061	34,992	12,069
Contingency	500	500	-	500
Total expenditures	<u>46,864</u>	<u>47,561</u>	<u>34,992</u>	<u>12,569</u>
Revenues over (under) expenditures	<u>311</u>	<u>(386)</u>	<u>1,590</u>	<u>1,976</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	697	697	-
Transfers out	(811)	(811)	(811)	-
Total other financing sources (uses)	<u>(811)</u>	<u>(114)</u>	<u>(114)</u>	<u>-</u>
Net change in fund balances	<u>(500)</u>	<u>(500)</u>	<u>1,476</u>	<u>1,976</u>
Fund balances - beginning*	<u>500</u>	<u>500</u>	<u>1,781</u>	<u>1,281</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>3,257</u>	<u>\$ 3,257</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			38	
Deferred outflows - pension			6,545	
Compensated absences			(575)	
Other accrued payables			(826)	
Net pension liability			(11,439)	
Deferred inflows - pension			<u>(264)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (3,264)</u>	

* This amount has been adjusted to reflect corrections made for the presentation of compensated absences and other accrued liabilities.

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COMBINING AND INDIVIDUAL 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, 2017
(amounts expressed in thousands)

	Property Tax	Department and Offices Agency	Public Guardian	Visitors Facilities Trust	Total
ASSETS					
Restricted assets:					
Cash and investments	\$ 7,068	\$ 8,637	\$ 781	\$ 16,955	\$ 33,441
Taxes receivable	76,339	142	-	3,681	80,162
Total assets	<u>83,407</u>	<u>8,779</u>	<u>781</u>	<u>20,636</u>	<u>113,603</u>
LIABILITIES					
Liabilities payable from restricted assets:					
Accounts payable	7,068	4,250	77	205	11,600
Due to other governmental units	76,339	-	-	-	76,339
Amounts held in trust	-	4,529	704	20,431	25,664
Total liabilities	<u>83,407</u>	<u>8,779</u>	<u>781</u>	<u>20,636</u>	<u>113,603</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, 2017
(dollar amounts expressed in thousands)

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
PROPERTY TAX:				
Restricted assets:				
Cash and investments	\$ 6,041	\$ 1,193,136	\$ 1,192,109	\$ 7,068
Taxes receivable	71,921	1,269,115	1,264,697	76,339
Total assets	<u>\$ 77,962</u>	<u>\$ 2,462,251</u>	<u>\$ 2,456,806</u>	<u>\$ 83,407</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 6,041	\$ 1,216,383	\$ 1,215,356	\$ 7,068
Due to other governmental units	71,921	1,269,115	1,264,697	76,339
Amounts held in trust	-	1,215,849	1,215,849	-
Total liabilities	<u>\$ 77,962</u>	<u>\$ 3,701,347</u>	<u>\$ 3,695,902</u>	<u>\$ 83,407</u>
DEPARTMENT AND OFFICES AGENCY:				
Restricted assets:				
Cash and investments	\$ 9,631	\$ 1,654,149	\$ 1,655,143	\$ 8,637
Taxes receivable	198	1,578,231	1,578,287	142
Accounts receivable	-	64	64	-
Total assets	<u>\$ 9,829</u>	<u>\$ 3,232,444</u>	<u>\$ 3,233,494</u>	<u>\$ 8,779</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 4,266	\$ 82,958	\$ 82,974	\$ 4,250
Amounts held in trust	5,563	1,632,766	1,633,800	4,529
Total liabilities	<u>\$ 9,829</u>	<u>\$ 1,715,724</u>	<u>\$ 1,716,774</u>	<u>\$ 8,779</u>
PUBLIC GUARDIAN:				
Restricted assets:				
Cash and investments	\$ 607	\$ 3,825	\$ 3,651	\$ 781
Accounts receivable	-	1,768	1,768	-
Total assets	<u>\$ 607</u>	<u>\$ 5,593</u>	<u>\$ 5,419</u>	<u>\$ 781</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 55	\$ 2,877	\$ 2,855	\$ 77
Amounts held in trust	552	1,671	1,519	704
Total liabilities	<u>\$ 607</u>	<u>\$ 4,548</u>	<u>\$ 4,374</u>	<u>\$ 781</u>
VISITORS FACILITIES TRUST:				
Restricted assets:				
Cash and investments	\$ 19,612	\$ 32,960	\$ 35,617	\$ 16,955
Taxes receivable	4,088	20,897	21,304	3,681
Total assets	<u>\$ 23,700</u>	<u>\$ 53,857</u>	<u>\$ 56,921</u>	<u>\$ 20,636</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 5,186	\$ 18,571	\$ 23,552	\$ 205
Amounts held in trust	18,514	21,166	19,249	20,431
Total liabilities	<u>\$ 23,700</u>	<u>\$ 39,737</u>	<u>\$ 42,801</u>	<u>\$ 20,636</u>
TOTAL - ALL AGENCY FUNDS:				
Restricted assets:				
Cash and investments	\$ 35,891	\$ 2,884,070	\$ 2,886,520	\$ 33,441
Taxes receivable	76,207	2,868,243	2,864,288	80,162
Accounts receivable	-	1,832	1,832	-
Total assets	<u>\$ 112,098</u>	<u>\$ 5,754,145</u>	<u>\$ 5,752,640</u>	<u>\$ 113,603</u>
Liabilities payable from restricted assets:				
Accounts payable	\$ 15,548	\$ 1,320,789	\$ 1,324,737	\$ 11,600
Due to other governmental units	71,921	1,269,115	1,264,697	76,339
Amounts held in trust	24,629	2,871,452	2,870,417	25,664
Total liabilities	<u>\$ 112,098</u>	<u>\$ 5,461,356</u>	<u>\$ 5,459,851</u>	<u>\$ 113,603</u>

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OTHER FINANCIAL SCHEDULES

- Property Tax Collections and Outstanding Balances
- General Obligation Bonds and Bond Interest Coupon Transactions
- General Obligation Bonds Outstanding
- Capitalized Lease Obligations
- Loans 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, 2017
(dollar amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2016	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, 2017
2016-17	\$ -	\$ 1,602,128	\$ (5,244)	\$ 498	\$ (41,759)	\$ (1,524,766)	\$ 30,857
2015-16	33,201	-	(1,387)	885	33	(13,791)	18,941
2014-15	18,812	-	(217)	824	5	(5,336)	14,088
2013-14	14,400	-	(98)	1,087	2	(4,892)	10,499
2012-13	9,105	-	(21)	611	-	(2,383)	7,312
2011-12							
and prior	18,562	-	(134)	297	-	(715)	18,010
Total	\$ 94,080	\$ 1,602,128	\$ (7,101)	\$ 4,202	\$ (41,719)	\$ (1,551,883)	\$ 99,707

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2017

	Current Years' Levy	Prior Years' Levies	Total Property Taxes	Other Taxes*	Total
General Fund	\$ 5,573	\$ 12,803	\$ 18,376	\$ 5,869	\$ 24,245
Special revenue funds:					
Road Fund	-	-	-	1,244	1,244
Library Fund	-	751	751	1	752
OHS Levy Fund	56	87	143	-	143
Land Corner Preservation Fund	-	-	-	4	4
Special Excise Tax Fund	-	-	-	3,272	3,272
Library District	1,509	2,125	3,634	-	3,634
Total special revenue funds	1,565	2,963	4,528	4,521	9,049
General Obligation Bond Sinking Fund	-	376	376	-	376
Agency funds	23,696	52,643	76,339	3,835	80,174
Sub-total taxes receivable	30,834	68,785	99,619	14,225	113,844
Special assessments collected through taxes	23	65	88	-	88
Total receivables	<u>\$ 30,857</u>	<u>\$ 68,850</u>	<u>\$ 99,707</u>	<u>\$ 14,225</u>	<u>\$ 113,932</u>

*Note: Other taxes include business income, transient lodging, motor vehicle, County gasoline, personal income, and other tax-related transactions.

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Obligations
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	Sellwood Lofts Dated 1/1/2002 10.31%		Lincoln Building Dated 7/15/2016 4.00%		West Gresham Plaza Dated 6/15/2016 1.75%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 28	\$ 90	\$ 40	\$ 3	\$ 166	\$ 17	\$ 234	\$ 110
2019	31	87	41	1	169	14	241	102
2020	34	84	4	-	172	11	210	95
2021	38	80	-	-	175	8	213	88
2022	42	76	-	-	179	5	221	81
2023	47	71	-	-	182	1	229	72
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	58	2	-	-	-	-	58	2
Total	\$ 888	\$ 825	\$ 85	\$ 4	\$ 1,043	\$ 56	\$ 2,016	\$ 885

MULTNOMAH COUNTY, OREGON
Schedule of Loans Payable Outstanding
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	OTIB* Dated 9/4/2008 3.98%		Total	
	Principal	Interest	Principal	Interest
2018	\$ 205	\$ 86	\$ 205	\$ 86
2019	213	78	213	78
2020	222	70	222	70
2021	231	61	231	61
2022	240	52	240	52
2023	250	42	250	42
2024	260	32	260	32
2025	270	22	270	22
2026	281	11	281	11
Total	<u>\$ 2,172</u>	<u>\$ 454</u>	<u>\$ 2,172</u>	<u>\$ 454</u>

*Amendment to loan agreement with Oregon Transportation Infrastructure Bank (OTIB) made September 1, 2016

Additional obligation: the County received \$1,117 in loans through the Oregon Infrastructure Finance Authority for the Levee Ready Columbia Project in FY17. These loans are not in repayment status as of June 30, 2017. 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, 2017
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	Series 1999		Series 2010B	
	Date of Issue: 12/1/1999		Date of Issue 12/14/2010	
	6.49 to 7.74%		4.00 to 5.05%	
	Principal	Interest	Principal	Interest
2018	\$ 19,470	\$ 3,096	\$ -	\$ 713
2019	22,200	1,649	-	713
2020	5,319	19,876	-	713
2021	5,208	21,407	1,350	713
2022	5,098	23,012	1,380	659
2023	4,989	24,687	1,410	600
2024	4,881	26,444	1,440	537
2025	4,772	28,285	1,475	471
2026	4,670	30,215	1,510	401
2027	4,566	32,234	1,545	325
2028	4,463	34,347	1,585	247
2029	4,362	36,563	1,630	167
2030	4,265	38,888	1,675	84
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
Total	<u>\$ 94,263</u>	<u>\$ 320,703</u>	<u>\$ 15,000</u>	<u>\$ 6,343</u>

Series 2012		Series 2014			
Date of Issue 12/13/2012		Date of Issue 6/18/2014			
3.00 to 5.00%		3.00 to 5.00%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 4,775	\$ 4,695	\$ 4,820	\$ 497	\$ 29,065	\$ 9,001
5,015	4,456	4,575	308	31,790	7,126
5,265	4,206	4,780	119	15,364	24,914
5,530	3,942	-	-	12,088	26,062
5,805	3,666	-	-	12,283	27,337
6,095	3,376	-	-	12,494	28,663
6,400	3,071	-	-	12,721	30,052
6,720	2,751	-	-	12,967	31,507
7,055	2,415	-	-	13,235	33,031
7,410	2,062	-	-	13,521	34,621
7,705	1,766	-	-	13,753	36,360
8,015	1,458	-	-	14,007	38,188
8,335	1,137	-	-	14,275	40,109
8,665	804	-	-	8,665	804
8,925	544	-	-	8,925	544
9,195	274	-	-	9,195	274
<u>\$ 110,910</u>	<u>\$ 40,623</u>	<u>\$ 14,175</u>	<u>\$ 924</u>	<u>\$ 234,348</u>	<u>\$ 368,593</u>

MULTNOMAH COUNTY, OREGON
Schedule of General Obligation Bonds and Bond Interest Coupon Transactions
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)

	Outstanding June 30, 2016		2016-17 Transactions			Outstanding June 30, 2017	
	Matured	Unmatured	Issued	Matured	Refunded or Paid	Matured	Unmatured
Dated March 31, 2010	\$ -	\$ 5,905	\$ -	\$ -	\$ 5,905	\$ -	\$ -
Total	\$ -	\$ 5,905	\$ -	\$ -	\$ 5,905	\$ -	\$ -

GENERAL OBLIGATION BOND INTEREST COUPONS

Dated March 31, 2010	\$ 118
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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)

	2017	2016	2015	Restated 2014
Governmental Activities:				
Net investment in capital assets	\$ 959,484	\$ 850,159	\$ 768,977	\$ 705,519
Restricted	88,143	81,351	100,186	99,882
Unrestricted	(183,146)	(130,430)	1,360	(132,245)
Total governmental activities net position	<u>\$ 864,481</u>	<u>\$ 801,080</u>	<u>\$ 870,523</u>	<u>\$ 673,156</u>
Business-Type Activities:				
Net investment in capital assets	\$ 5,589	\$ 5,315	\$ 3,775	\$ 3,631
Unrestricted	3,027	1,529	19,550	17,247
Total business-type activities net position	<u>\$ 8,616</u>	<u>\$ 6,844</u>	<u>\$ 23,325</u>	<u>\$ 20,878</u>
Primary Government:				
Net investment in capital assets	\$ 965,073	\$ 855,474	\$ 772,752	\$ 709,150
Restricted	88,143	81,351	100,186	99,882
Unrestricted	(180,119)	(128,901)	20,910	(114,998)
Total primary government net position	<u>\$ 873,097</u>	<u>\$ 807,924</u>	<u>\$ 893,848</u>	<u>\$ 694,034</u>

Source: Current and prior years' financial statements

2013	Restated 2012	2011	2010	Restated 2009	2008
\$ 670,483	\$ 686,874	\$ 637,922	\$ 620,544	\$ 470,426	\$ 465,079
106,237	29,565	49,806	103,600	98,542	77,979
24,375	74,009	81,502	(8,728)	(10,907)	27,954
<u>\$ 801,095</u>	<u>\$ 790,448</u>	<u>\$ 769,230</u>	<u>\$ 715,416</u>	<u>\$ 558,061</u>	<u>\$ 571,012</u>
\$ 3,672	\$ 3,752	\$ 3,612	\$ 3,696	\$ 3,442	\$ 3,424
18,241	13,402	17,442	13,600	9,631	2,928
<u>\$ 21,913</u>	<u>\$ 17,154</u>	<u>\$ 21,054</u>	<u>\$ 17,296</u>	<u>\$ 13,073</u>	<u>\$ 6,352</u>
\$ 674,155	\$ 690,626	\$ 641,534	\$ 624,240	\$ 473,868	\$ 468,503
106,237	29,565	49,806	103,600	98,542	77,979
42,616	87,411	98,944	4,872	(1,276)	30,882
<u>\$ 823,008</u>	<u>\$ 807,602</u>	<u>\$ 790,284</u>	<u>\$ 732,712</u>	<u>\$ 571,134</u>	<u>\$ 577,364</u>

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

	2017	2016	2015	2014
Program Revenues				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$ 74,584	\$ 62,857	\$ 83,516	\$ 71,664
Health services	102,403	100,720	89,951	72,286
Social services	262	624	3,604	2,038
Public safety and justice	20,014	30,080	19,472	15,473
Community services	9,590	7,406	5,120	3,779
Library	1,842	2,189	3,126	1,652
Roads and bridges	12,893	13,314	13,401	13,011
Operating grants and contributions	445,317	383,728	350,767	340,367
Capital grants and contributions	43,958	10,364	20,455	60,776
Total governmental activities program revenues	710,863	611,282	589,412	581,046
Business-type activities:				
Charges for services:				
Dunthorpe-Riverdale Service Dist. No. 1	730	896	893	877
Mid County Service Dist. No. 14	456	453	454	452
Behavioral Health	34,767	61,700	71,149	53,112
Capital grants and contributions	267	-	-	-
Total business-type activities program revenues	36,220	63,049	72,496	54,441
Total primary government program revenues	747,083	674,331	661,908	635,487
Expenses				
Governmental activities:				
General government	306,755	271,016	101,137	97,325
Health services	222,213	242,366	147,909	152,854
Social services	219,884	227,737	244,858	245,233
Public safety and justice	215,267	255,904	200,669	228,463
Community services	91,297	54,495	53,731	39,182
Library	56,932	63,640	60,150	64,708
Roads and bridges	64,730	64,539	50,327	66,622
Interest on long-term debt	8,572	18,362	19,785	20,822
Total governmental activities expenses	1,185,650	1,198,059	878,566	915,209
Business-type activities:				
Dunthorpe-Riverdale Service Dist. No. 1	649	607	622	573
Mid County Service Dist. No. 14	321	329	404	420
Behavioral Health	34,260	79,420	69,242	53,156
Total business-type activities expenses	35,230	80,356	70,268	54,149
Total primary government expenses	1,220,880	1,278,415	948,834	969,358

(continued)

2013	2012	2011	2010	2009	2008
\$ 26,466	\$ 27,239	\$ 27,789	\$ 22,843	\$ 21,936	\$ 21,721
68,943	72,910	77,276	70,455	60,340	52,241
1,064	1,568	1,321	1,902	1,125	1,615
17,167	16,809	16,056	17,490	17,597	17,765
3,514	2,914	2,325	-	10	10
1,639	1,747	1,759	1,757	1,754	1,855
12,853	11,866	9,131	1,107	1,227	2,141
318,956	308,392	316,218	299,735	291,018	265,271
68	839	16,415	2,885	3,831	10,505
450,670	444,284	468,290	418,174	398,838	373,124
852	837	816	809	713	627
377	380	363	341	264	268
42,857	44,712	46,110	42,931	39,027	36,072
10	6	36	133	80	10
44,096	45,935	47,325	44,214	40,084	36,977
494,766	490,219	515,615	462,388	438,922	410,101
72,049	65,813	58,642	59,572	64,660	75,547
148,528	150,421	151,327	137,615	133,751	125,355
233,990	224,975	222,515	224,928	210,590	196,537
221,744	217,842	216,403	210,079	217,215	208,253
36,895	34,511	26,683	22,796	24,320	26,069
58,488	61,641	60,343	56,548	55,181	52,087
55,383	54,287	51,772	49,571	53,462	56,716
18,932	10,695	11,774	12,800	14,041	16,443
846,009	820,185	799,459	773,909	773,220	757,007
554	507	486	516	458	476
389	411	427	403	420	377
38,586	49,014	43,640	39,207	32,720	37,803
39,529	49,932	44,553	40,126	33,598	38,656
885,538	870,117	844,012	814,035	806,818	795,663

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

(continued)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Revenue (Expense)				
Governmental activities	\$ (474,787)	\$ (586,777)	\$ (289,154)	\$ (334,163)
Business-type activities	990	(17,307)	2,228	292
Total primary government net expense	<u>(473,797)</u>	<u>(604,084)</u>	<u>(286,926)</u>	<u>(333,871)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:

Property and other local taxes levied for:

General purposes	360,178	342,128	323,898	303,871
Debt service	108	6,075	6,116	6,999
Personal income taxes	9	15	32	16
Business income taxes	84,450	80,710	73,825	61,800
Selective excise and use taxes	76,163	74,594	67,192	58,456
Payments in lieu of taxes	568	486	659	821
State government shared revenues	10,475	9,998	9,534	9,198
Grants and contributions not restricted to specific programs	24	13	-	24
Interest and investment earnings	2,045	3,016	2,363	2,119
Miscellaneous	1,559	2,304	2,713	2,302
Gain (loss) on sale of capital assets	2,609	(2,005)	189	279
Total governmental activities	<u>538,188</u>	<u>517,334</u>	<u>486,521</u>	<u>445,885</u>

Business-type activities:

Interest and investment earnings	48	100	119	102
Miscellaneous	734	726	100	10
Total business-type activities	<u>782</u>	<u>826</u>	<u>219</u>	<u>112</u>
Total primary government	<u>538,970</u>	<u>518,160</u>	<u>486,740</u>	<u>445,997</u>

Change in Net Position

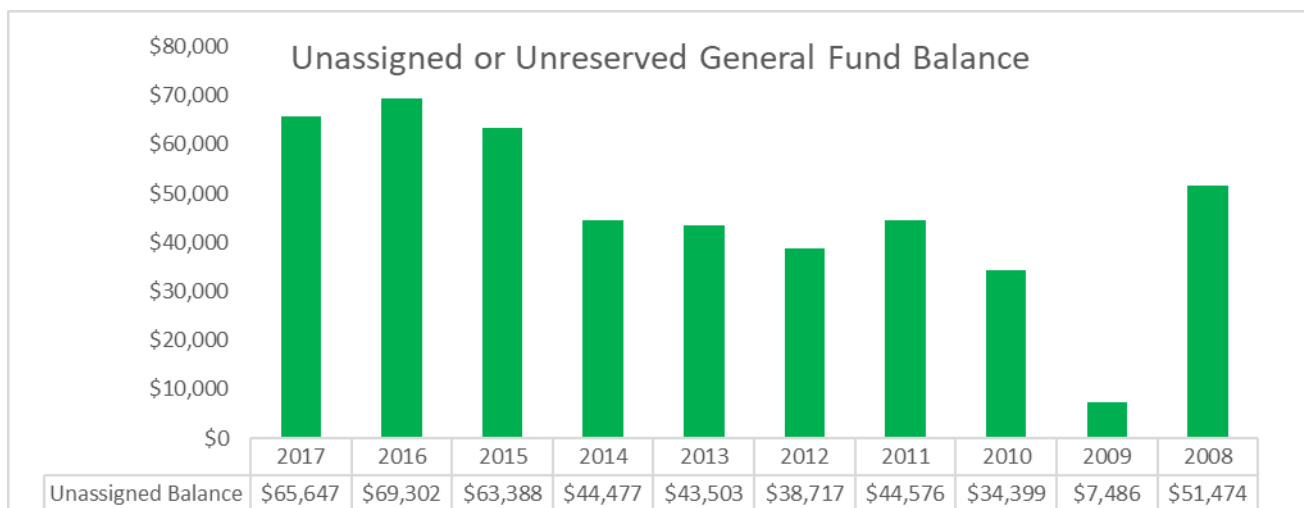
Governmental activities	63,401	(69,443)	197,367	111,722
Cumulative effect of correction of error	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-
Total governmental activities	<u>63,401</u>	<u>(69,443)</u>	<u>197,367</u>	<u>111,722</u>
Business-type activities	1,772	(16,481)	2,447	404
Total primary government change in net position	<u>\$ 65,173</u>	<u>\$ (85,924)</u>	<u>\$ 199,814</u>	<u>\$ 112,126</u>

Source: Current and prior years' financial statements

2013	2012	2011	2010	2009	2008
\$ (395,339)	\$ (375,901)	\$ (331,169)	\$ (355,735)	\$ (374,382)	\$ (383,883)
4,567	(3,997)	2,772	4,088	6,486	(1,679)
(390,772)	(379,898)	(328,397)	(351,647)	(367,896)	(385,562)
271,664	272,299	268,605	266,294	258,200	249,446
8,067	8,842	8,246	9,001	8,227	9,077
77	235	683	-	(5,341)	2,748
58,750	52,250	48,570	44,150	42,900	65,650
52,934	48,777	46,167	42,692	39,161	42,812
1,019	697	1,500	1,305	1,516	1,537
9,090	10,108	7,423	7,768	8,562	9,613
15	10	1	27	14	10
1,638	2,604	2,946	2,589	5,767	11,887
2,613	1,194	667	1,665	1,797	1,410
119	607	175	228	628	10,206
405,986	397,623	384,983	375,719	361,431	404,396
95	97	115	128	235	398
97	-	871	7	-	1
192	97	986	135	235	399
406,178	397,720	385,969	375,854	361,666	404,795
10,647	21,722	53,814	19,984	(12,951)	20,513
-	-	-	-	137,371	-
-	(504)	-	-	-	-
10,647	21,218	53,814	19,984	124,420	20,513
4,759	(3,900)	3,758	4,223	6,721	(1,280)
\$ 15,406	\$ 17,318	\$ 57,572	\$ 24,207	\$ 131,141	\$ 19,233

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

	2017	2016	2015	2014
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	682	619	781	622
Restricted	5,152	3,427	176	254
Committed	3,802	-	-	-
Unassigned	65,647	69,302	63,388	44,477
Total General Fund	75,283	73,348	64,345	45,353
All other governmental funds				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	855	1,378	1,358	1,115
Restricted	82,991	84,111	106,261	104,838
Committed	101,025	117,925	104,004	99,651
Assigned	15,475	18,335	15,594	14,494
Unassigned	(27)	(425)	-	(207)
Total all other governmental funds	200,319	221,324	227,217	219,891
Total governmental funds	\$ 275,602	\$ 294,672	\$ 291,562	\$ 265,244



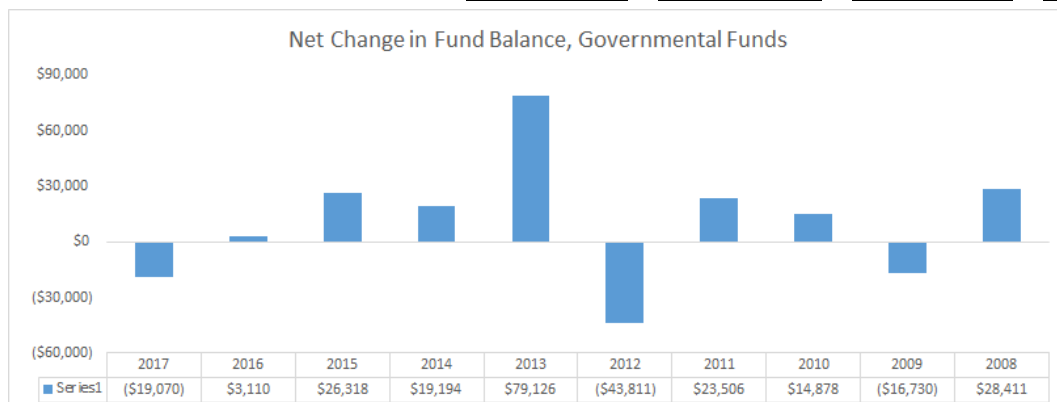
(1) This schedule was modified with the implementation of GASB Statement No. 54, effective fiscal year 2011, which affected the categories used to report fund balances.

Source: Current and prior years' financial statements

2013	2012	2011	2010	2009	2008
\$ -	\$ -	\$ -	\$ 25,016	\$ 23,891	\$ 20,139
-	-	-	34,399	7,486	51,474
576	364	654	-	-	-
429	534	487	-	-	-
-	42	487	-	-	-
43,503	38,717	44,576	-	-	-
44,508	39,657	46,204	59,415	31,377	71,613
-	-	-	97,220	91,256	70,605
-	-	-	30,594	49,718	46,863
1,269	1,418	1,237	-	-	-
105,341	28,506	48,942	-	-	-
86,123	86,457	94,237	-	-	-
9,255	11,282	20,914	-	-	-
(446)	(396)	(312)	-	-	-
201,542	127,267	165,018	127,814	140,974	117,468
\$ 246,050	\$ 166,924	\$ 211,222	\$ 187,229	\$ 172,351	\$ 189,081

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

	2017	2016	2015	2014
Revenues				
Taxes	\$ 519,718	\$ 503,745	\$ 470,486	\$ 429,539
Payments in lieu of taxes	568	517	659	858
Intergovernmental	456,252	376,935	369,654	401,312
Licenses and permits	31,999	30,059	29,113	27,244
Charges for services	125,090	129,206	86,212	85,153
Interest	3,172	1,898	2,024	1,796
Miscellaneous	101,207	99,840	98,031	86,706
Total revenues	1,238,006	1,142,200	1,056,179	1,032,608
Expenditures				
Current:				
General government	128,043	77,333	79,363	73,641
Health services	273,545	257,759	171,896	159,095
Social services	246,614	237,085	259,391	247,007
Public safety and justice	261,961	261,326	240,126	231,694
Community services	90,065	52,927	42,226	38,833
Library	67,682	65,206	62,673	58,193
Roads and bridges	59,320	55,292	53,269	55,419
Capital Outlay	94,026	86,450	74,973	100,355
Debt service:				
Principal	35,368	22,437	22,731	48,931
Interest	11,130	20,785	22,407	23,253
Total expenditures	1,267,754	1,136,600	1,029,055	1,036,421
Revenues over (under) expenditures	(29,748)	5,600	27,124	(3,813)
Other Financing Sources (Uses)				
Proceeds from issuance of debt	1,432	1,000	-	22,530
Proceeds from issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	2,562
Issuance of capital lease	-	-	-	-
Proceeds from sale of capital assets	3,837	9	276	15
Payment to escrow agent - refunded debt	-	-	-	-
Transfers in	107,493	106,193	103,198	75,187
Transfers out	(102,084)	(109,692)	(104,280)	(77,287)
Total other financing sources (uses)	10,678	(2,490)	(806)	23,007
Net change in fund balances	\$ (19,070)	\$ 3,110	\$ 26,318	\$ 19,194
Debt service as a percentage of noncapital expenditures	4.0%	4.1%	4.7%	7.7%



Source: Current and prior years' financial statements

2013	2012	2011	2010	2009	2008
\$ 391,722	\$ 379,334	\$ 373,435	\$ 364,080	\$ 348,780	\$ 373,507
1,019	697	1,500	1,305	1,516	1,537
318,878	312,588	317,944	300,963	292,689	277,099
27,685	27,727	23,535	14,722	14,806	15,441
87,307	80,001	68,875	85,603	74,827	67,750
1,315	1,180	1,486	1,796	4,391	9,557
64,816	56,823	64,335	54,118	43,916	50,342
892,742	858,350	851,110	822,587	780,925	795,233
69,384	61,380	62,951	58,971	59,960	69,224
155,451	156,344	158,283	145,555	138,941	128,914
236,253	226,460	223,815	227,257	211,832	197,210
225,707	221,094	220,279	215,442	219,797	209,119
34,517	34,137	26,283	22,458	24,080	25,904
52,438	55,088	54,223	52,118	50,872	48,051
44,704	43,623	40,790	37,540	38,148	40,723
79,769	80,888	32,804	21,481	20,783	27,367
60,212	28,526	23,947	30,762	23,424	21,522
19,702	10,583	11,759	12,997	13,989	16,394
978,137	918,123	855,134	824,581	801,826	784,428
(85,395)	(59,773)	(4,024)	(1,994)	(20,901)	10,805
153,262	15,101	16,282	11,309	623	-
-	-	-	45,175	-	-
21,113	-	-	5,443	-	-
-	-	815	-	-	-
20	1,713	24	10	-	14,219
-	-	-	(49,710)	-	-
21,870	37,351	33,521	47,360	61,978	29,266
(31,744)	(38,203)	(23,112)	(42,715)	(58,430)	(25,879)
164,521	15,962	27,530	16,872	4,171	17,606
\$ 79,126	\$ (43,811)	\$ 23,506	\$ 14,878	\$ (16,730)	\$ 28,411
8.9%	4.7%	4.3%	5.4%	4.8%	5.0%

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

	2017	2016	2015	2014
Function/Program				
Governmental activities:				
General government	\$ 79,161	\$ 78,014	\$ 87,840	\$ 76,839
Health services	210,508	181,336	126,335	116,869
Social services	201,187	184,797	205,639	185,991
Public safety and justice	78,917	88,203	63,252	61,636
Community services	42,309	9,393	6,684	5,389
Library	5,273	5,474	7,035	4,233
Roads and bridges	93,508	64,065	92,627	130,089
Total governmental activities	710,863	611,282	589,412	581,046
Business-type activities:				
Dunthorpe-Riverdale Service District No. 1	730	896	893	877
Mid County Service District No. 14	723	453	454	452
Behavioral health managed care	34,767	61,700	71,149	53,112
Total business-type activities	36,220	63,049	72,496	54,441
Total primary government	\$ 747,083	\$ 674,331	\$ 661,908	\$ 635,487

Source: Current and prior years' financial statements

2013	2012	2011	2010	2009	2008
\$ 31,273	\$ 32,200	\$ 34,230	\$ 27,142	\$ 26,142	\$ 35,044
100,994	107,371	113,591	104,070	91,457	81,507
194,176	172,360	180,874	180,656	171,782	152,905
57,886	57,705	60,451	60,818	61,855	57,364
5,104	5,898	7,184	3,636	3,943	3,196
5,724	5,318	4,948	5,178	5,306	5,359
55,513	63,432	67,012	36,674	38,353	37,749
450,670	444,284	468,290	418,174	398,838	373,124
852	837	822	877	713	627
387	386	393	406	344	278
42,857	44,712	46,110	42,931	39,027	36,072
44,096	45,935	47,325	44,214	40,084	36,977
<u>\$ 494,766</u>	<u>\$ 490,219</u>	<u>\$ 515,615</u>	<u>\$ 462,388</u>	<u>\$ 438,922</u>	<u>\$ 410,101</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
2008	257,225	65,650	18,491	16,852	7,356	6,611	2,859	\$ 375,044
2009	263,630	42,900	16,115	16,101	6,878	2,122	2,550	350,296
2010	275,462	44,150	15,441	20,105	7,063	905	2,259	365,385
2011	277,258	48,570	18,208	20,842	7,052	657	2,348	374,935
2012	277,827	52,250	20,052	21,852	6,811	205	1,034	380,031
2013	279,697	58,750	21,464	24,764	6,707	76	1,283	392,741
2014	309,024	61,800	24,268	27,435	6,753	34	1,083	430,397
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

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>
2008	\$ 30,569,475	\$ 15,426,621	\$ 2,355,692	\$ 2,319,890	\$ 50,671,678	\$ 5.25	\$ 100,302,763
2009	32,075,253	15,987,533	2,390,005	2,362,074	52,814,865	5.21	107,381,958
2010	33,268,838	16,437,414	2,545,964	2,297,087	54,549,303	5.20	105,010,710
2011	34,269,351	16,954,346	2,569,318	2,194,393	55,987,408	5.10	101,559,353
2012	35,156,964	17,653,597	2,641,653	2,089,271	57,541,485	5.01	95,354,432
2013	35,929,873	18,050,498	2,599,627	2,097,912	58,677,910	4.89	93,735,420
2014	37,261,960	18,518,408	2,718,961	2,123,276	60,622,604	5.27	98,078,710
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

(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)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy		Collections Subsequent Years	Total Collections to Date		
				Total Adjusted Levy	Amount		Percentage of Levy	Amount	Percentage of Levy
	Adjustments								
2008	\$	265,938	\$ (8,394)	\$ 257,544	\$ 250,542	94.21 %	\$ 6,947	\$ 257,489	96.82 %
2009		275,133	(8,519)	266,614	257,497	93.59	9,019	266,516	96.87
2010		283,349	(8,894)	274,455	266,292	93.98	7,002	273,294	96.45
2011		285,605	(8,600)	277,005	269,609	94.40	6,074	275,683	96.53
2012		288,355	(8,686)	279,669	270,714	93.88	6,548	277,262	96.15
2013		287,384	(8,212)	279,172	271,302	94.40	5,808	277,110	96.42
2014		253,024	(7,092)	245,932	239,352	94.60	4,239	243,591	96.27
2015		269,118	(7,620)	261,498	255,164	94.81	3,439	258,603	96.09
2016		284,628	(8,129)	276,499	270,282	94.96	2,417	272,699	95.81
2017		292,298	(8,575)	283,723	278,093	95.14	-	278,093	95.14

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

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

Year	Multnomah County Direct Rates				Overlapping Rates						Total
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	
2008	4.29	0.78	0.18	5.25	6.70	0.72	7.25	-	0.08	\$ 1.72	\$ 21.72
2009	4.27	0.78	0.16	5.21	6.35	0.70	7.18	0.01	0.08	1.81	21.34
2010	4.27	0.76	0.17	5.20	6.62	0.75	7.25	0.01	0.07	2.00	21.90
2011	4.24	0.71	0.15	5.10	6.56	0.73	7.23	0.01	0.07	2.02	21.72
2012	4.21	0.64	0.16	5.01	6.39	0.62	7.45	0.01	0.08	1.97	21.53
2013	4.16	0.59	0.14	4.89	6.39	0.64	7.41	0.01	0.08	1.97	21.39
2014	4.03	1.12	0.12	5.27	6.30	0.67	8.24	0.01	0.08	2.05	22.62
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	0.00	5.38	6.52	0.63	8.53	0.01	0.08	2.12	23.27

(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, 2016			
	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 12,577	\$ 583,529	1	0.85 %
Comcast Corporation	7,835	456,359	2	0.66
Portland General Electric Co	6,980	424,269	3	0.62
Alaska Airlines Inc	6,020	368,405	4	0.54
Pacificorp (PP&L)	5,832	349,359	5	0.51
Weston Investment Co LLC	6,138	272,190	6	0.40
AT&T, Inc.	4,181	250,408	7	0.36
CenturyLink	3,587	214,907	8	0.31
Southwest Airlines Co	3,276	199,287	9	0.29
EVRAZ Inc. NA	3,380	197,772	10	0.29
	<u>\$ 59,806</u>	<u>\$ 3,316,485</u>		<u>4.82 %</u>
Total Assessed Valuation		<u>\$ 68,831,685</u>		

Taxpayer	December 31, 2007			
	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 7,487	\$ 355,509	1	0.70 %
Portland General Electric	5,676	351,457	2	0.69
QWEST Corporation	4,762	294,958	3	0.58
Pacificorp (PP&L)	3,521	219,067	4	0.43
Weston Investment Co LLC	4,543	217,940	5	0.43
Boeing Co	2,940	179,298	6	0.35
Oregon Steel Mills	3,443	170,274	7	0.34
Northwest Natural Gas	2,676	163,572	8	0.32
LC Portland LLC	3,240	148,571	9	0.29
Fred Meyer Stores Inc.	2,262	131,388	10	0.26
	<u>\$ 40,550</u>	<u>\$ 2,232,034</u>		<u>4.40 %</u>
Total Assessed Valuation		<u>\$ 50,671,678</u>		

(1) Assessed valuation based on the valuation of property for tax collection years 2016-17 and 2007-08 respectively.

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds (2)	Capitalized Lease Obligations	Full Faith and Credit Bonds (2)	Revenue Bonds	Loans Payable			
2008	63,125	13,604	235,609	5,320	242	317,900	1.07	442
2009	56,570	10,757	223,829	3,240	623	295,019	1.05	406
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	326

Note: 2016 - 2017 percentages calculated using 2015 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)

Fiscal Year	General Obligation Bonds (3)	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2008	\$ 63,125	\$ (8,569)	\$ 54,556	0.18 %	0.11 %	\$ 76
2009	56,570	(7,643)	48,927	0.17	0.09	68
2010	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)	-	-	-	-	-

Note: 2016 and 2017 percentages calculated using 2015 personal income data, which is the most recent available.

(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, 2017.

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					
	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 80	\$ -	\$ 80	\$ 560	\$ 268	0.10 %
2009	33	8	25	2,080	208	0.01
2010	35	-	35	395	152	0.06
2011	36	5	31	415	133	0.06
2012	39	1	38	2,430	78	0.02
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-

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

Source: Current and prior years' financial statements

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

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

	2017	2016	2015	2014
Real market value	\$ 139,355,901	\$ 119,581,740	\$ 108,173,728	\$ 98,078,710
Debt limit rate	2.00%	2.00%	2.00%	2.00%
Debt limit	2,787,118	2,391,635	2,163,475	1,961,574
Less bonded debt at June 30	-	5,905	11,570	17,725
Legal debt margin	<u>\$ 2,787,118</u>	<u>\$ 2,385,730</u>	<u>\$ 2,151,905</u>	<u>\$ 1,943,849</u>
Total net debt applicable to the limit as a percentage of debt limit.	- %	0.25 %	0.53 %	0.90 %

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	\$ 139,355,901	\$ 119,581,740	\$ 108,173,728	\$ 98,078,710
Debt limit rate	1.00%	1.00%	1.00%	1.00%
Debt limit	1,393,559	1,195,817	1,081,737	980,787
Less bonded debt at June 30	140,085	150,690	160,255	172,025
Legal debt margin	<u>\$ 1,253,474</u>	<u>\$ 1,045,127</u>	<u>\$ 921,482</u>	<u>\$ 808,762</u>
Total net debt applicable to the limit as a percentage of debt limit.	10.05 %	12.60 %	14.81 %	17.54 %

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	\$ 139,355,901	\$ 119,581,740	\$ 108,173,728	\$ 98,078,710
Debt limit rate	5.00%	5.00%	5.00%	5.00%
Debt limit	6,967,795	5,979,087	5,408,686	4,903,936
Less bonded debt at June 30	94,263	111,248	118,093	122,562
Legal debt margin	<u>\$ 6,873,532</u>	<u>\$ 5,867,839</u>	<u>\$ 5,290,593</u>	<u>\$ 4,781,374</u>
Total net debt applicable to the limit as a percentage of debt limit.	1.35 %	1.86 %	2.18 %	2.50 %

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

2013	2012	2011	2010	2009	2008
\$ 93,735,420	\$ 95,354,432	\$ 101,559,353	\$ 105,010,710	\$ 107,381,958	\$ 100,302,763
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
1,874,708	1,907,089	2,031,187	2,100,214	2,147,639	2,006,055
24,935	31,795	38,620	45,175	56,570	63,125
<u>\$ 1,849,773</u>	<u>\$ 1,875,294</u>	<u>\$ 1,992,567</u>	<u>\$ 2,055,039</u>	<u>\$ 2,091,069</u>	<u>\$ 1,942,930</u>

1.33 % 1.67 % 1.90 % 2.15 % 2.63 % 3.15 %

\$ 93,735,420	\$ 95,354,432	\$ 101,559,353	\$ 105,010,710	\$ 107,381,958	\$ 100,302,763
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
937,354	953,544	1,015,594	1,050,107	1,073,820	1,003,028
186,395	198,353	217,158	219,018	222,988	234,688
<u>\$ 750,959</u>	<u>\$ 755,191</u>	<u>\$ 798,436</u>	<u>\$ 831,089</u>	<u>\$ 850,832</u>	<u>\$ 768,340</u>

19.89 % 20.80 % 21.38 % 20.86 % 20.77 % 23.40 %

\$ 93,735,420	\$ 95,354,432	\$ 101,559,353	\$ 105,010,710	\$ 107,381,958	\$ 100,302,763
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
4,686,771	4,767,722	5,077,968	5,250,536	5,369,098	5,015,138
127,034	131,513	142,223	151,373	159,113	165,583
<u>\$ 4,559,737</u>	<u>\$ 4,636,209</u>	<u>\$ 4,935,745</u>	<u>\$ 5,099,163</u>	<u>\$ 5,209,985</u>	<u>\$ 4,849,555</u>

2.71 % 2.76 % 2.80 % 2.88 % 2.96 % 3.30 %

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
For the Year Ended June 30, 2017
(dollar amounts expressed in thousands)
(unaudited)

Overlapping District (1)	Gross (2) Property-tax Backed Debt	Net (3) Property-tax Backed Debt	Percent (4) Overlapping	Total Overlapping Debt
Burlington Water District	\$ 1,371	\$ 1,371	100.00 %	\$ 1,371
City of Fairview	526	526	100.00	526
City of Gresham	70,272	29,075	100.00	29,075
City of Lake Oswego	171,280	9,190	5.23	481
City of Milwaukie	17,498	13,943	0.70	98
City of Portland	664,537	155,468	99.69	154,984
City of Troutdale	7,813	7,813	100.00	7,813
Clackamas County ESD	22,821	22,821	0.06	13
Clackamas County RFPD #1	43,760	26,870	0.17	45
Clackamas County SD 7J (Lake Oswego)	90,618	90,618	0.31	277
Columbia County SD 1J (Scappoose)	27,780	27,780	22.78	6,328
Corbett Water District	1,008	1,008	100.00	1,008
Lusted Water District	730	730	100.00	730
Metro	202,735	183,510	51.87	95,195
Mt Hood Community College	57,757	23,235	83.48	19,396
Multnomah County Drainage Dist No 1	700	50	100.00	50
Multnomah County RFPD 10	3,561	3,561	100.00	3,561
Multnomah County SD 10J (Gresham-Barlow)	310,048	310,048	80.86	250,703
Multnomah County SD 1 (Portland)	665,077	665,077	99.44	661,331
Multnomah County SD 28J (Centennial)	22,252	22,252	93.00	20,694
Multnomah County SD 3 (Parkrose)	56,902	56,902	100.00	56,902
Multnomah County SD 39 (Corbett)	1,927	1,927	100.00	1,927
Multnomah County SD 40 (David Douglas)	85,332	85,332	100.00	85,332
Multnomah County SD 51J (Riverdale)	18,250	18,250	94.69	17,281
Multnomah County SD 7 (Reynolds)	213,096	211,096	100.00	211,096
Multnomah ESD	28,200	-	-	-
Northwest Regional ESD	4,465	-	-	-
Pleasant Home Water District	1,575	1,575	94.35	1,486
Port of Portland	62,108	-	-	-
Portland Community College	389,260	302,090	50.58	152,797
Rockwood Water PUD	5,175	-	-	-
Tualatin Valley Fire & Rescue District	48,820	48,820	1.65	806
Valley View Water District	1,622	1,622	100.00	1,622
Washington County SD 1J (Hillsboro 7 Bd)	4,007	4,007	-	-
Washington County SD 1J (Hillsboro)	238,850	238,850	-	10
Washington County SD 48J (Beaverton)	1,065,720	1,065,720	0.39	4,128
Subtotal, overlapping debt	\$ 4,607,453	\$ 3,631,137		\$ 1,787,066
Multnomah County direct debt	\$ 257,825	\$ 143,743	100.00	257,825
Total direct and overlapping debt				<u>\$ 2,044,891</u>

(1) The overlapping debt calculation was performed by Municipal Debt Advisory Commission as of June 30, 2017.

(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>
2008	717,880	29,687,197	41,638	5.6
2009	724,680	28,192,097	38,740	11.3
2010	736,785	29,424,258	39,899	10.0
2011	741,925	31,161,157	41,658	8.9
2012	748,445	32,715,802	43,089	7.9
2013	756,530	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 (4)	5.4
2016	790,670	N/A	N/A	5.1
2017	803,000	N/A	N/A	3.8

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 2015

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

2016-17			
Employer	Employees	Rank	Percentage of Total PMSA* Employment
Intel Corporation	19,300	1	1.51 %
Providence Health System	17,543	2	1.38
Oregon Health and Science University	16,200	3	1.27
Legacy Health System	12,955	4	1.02
Nike, Inc.	12,000	5	0.94
City of Portland	7,043	6	0.55
Portland Public Schools	6,780	7	0.53
Multnomah County	6,266	8	0.49
Beaverton Public Schools	5,207	9	0.41
Vancouver Public Schools	4,600	10	0.36
	<u>107,894</u>		<u>8.46 %</u>
Total PMSA* employment	<u>1,274,400</u>	(1)	

2007-08			
Taxpayer	Employees	Rank	Percentage of Total PMSA* Employment
State of Oregon	21,800	1	1.89 %
U.S. Government	18,000	2	1.56
Intel Corporation	16,740	3	1.45
Precision Castparts	15,384	4	1.33
Providence Health System	14,639	5	1.27
Safeway Inc.	13,000	6	1.12
Oregon Health and Science University	11,500	7	1.00
Fred Meyer Stores	8,500	8	0.74
Kaiser Foundation Health Plan	8,221	9	0.71
Legacy Health System	8,196	10	0.71
	<u>135,980</u>		<u>11.78 %</u>
Total PMSA* employment	<u>1,155,683</u>		

* Portland Metropolitan Statistical Area
(1) As of September 30, 2017

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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)

	2017	2016	2015	2014
Function/Program				
Governmental activities:				
General government	669	679	654	653
Health services	1,373	1,411	1,039	973
Social services	643	682	846	760
Public safety and justice	1,472	1,531	1,532	1,443
Community services	88	78	73	69
Library	515	504	514	502
Roads and bridges	110	128	130	136
Total governmental activities	4,870	5,013	4,788	4,535
Business-type activities:				
Behavioral health	3	3	3	5
Total business-type activities	3	3	3	5
Total primary government budgeted FTE	4,873	5,016	4,791	4,540
MULTNOMAH COUNTY EMPLOYEES				
Management and exempt	816	778	740	694
Bargaining units:				
Multnomah County Employees Union -				
Local 88 and Physicians Unit - Local 88-4,				
AFSCME AFL-CIO	3,081	3,217	3,013	2,893
International Brotherhood of Electrical				
Workers (IBEW) - Local 48, AFL-CIO	24	19	19	19
International Union of Operating Engineers -				
Local 701, AFL-CIO	15	14	13	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)	420	433	429	413
Multnomah County Deputy Sheriff's				
Association (MCDSA)	113	110	89	92
Oregon Nurses Association (ONA)	186	229	196	188
Multnomah County Employees Union -				
Juvenile Custody Services Specialists Unit				
(JCSS) - Local 86, AFSCME AFL-CIO	59	62	70	58
Multnomah County Prosecuting Attorneys				
Association	75	77	78	74
Federation of Oregon Parole and Probation				
Officers (FOPPO)	128	129	128	114
Total bargaining units	4,102	4,291	4,036	3,866
Temporary County employees	489	1,119	1,215	1,213
Total actual County employees	5,407	6,188	5,991	5,773

Source: Multnomah County payroll records

2013	2012	2011	2010	2009	2008
618	614	637	614	623	615
969	955	967	916	914	875
672	660	650	662	677	621
1,424	1,445	1,476	1,504	1,531	1,562
69	62	63	61	61	70
434	461	480	477	468	441
140	144	146	138	143	149
4,324	4,339	4,418	4,371	4,416	4,331
5	8	6	6	7	8
5	8	6	6	7	8
4,329	4,347	4,424	4,377	4,423	4,339
678	675	764	716	716	704
2,729	2,750	2,771	2,740	2,724	2,664
17	19	19	18	19	18
13	12	13	13	13	10
1	-	1	1	2	2
415	421	411	420	429	437
90	88	87	92	88	88
192	189	199	216	220	221
51	54	52	52	56	59
69	73	68	78	81	88
111	115	121	123	131	134
3,688	3,721	3,742	3,753	3,763	3,721
132	129	128	100	72	103
4,498	4,525	4,634	4,569	4,551	4,528

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

FUNCTION/PROGRAM	2017	2016	2015
Governmental Activities:			
General Government			
Number of property tax accounts - residential	231,873	243,358	243,036
Number of property tax accounts - personal	61,078	65,070	64,215
Number of property tax accounts - commercial	17,852	33,574	33,682
Number of marriage licenses issued	7,676	7,899	7,766
Health Services			
Total clinic visits	328,255	312,735	309,484
County residents who rate their health good or better	86 %	85 %	83 %
Environmental health inspections	14,574	13,425	12,850
Women, infants, and children (WIC) served in the WIC program	24,458	25,706	28,400
Flu vaccinations at health clinics	16,028	18,052	25,127
Social Services			
Households that have received assistance with energy bills	17,555	21,169	17,340
Clients with developmental disabilities served	5,706	5,566	5,383
Senior and physically disabled clients served	N/A	N/A	60,753
Alcohol and drug treatment clients	3,519	2,450	2,266
Early childhood mental health clients	3,644	5,564	5,485
Families served in early childhood programs	935	1,291	1,218
Students enrolled in extended day school activities	24,552	31,589	24,270
Public Safety and Justice			
<u>Sheriff</u>			
Responses to calls for services (a)	56,661	59,063	54,350
Number of arrests (parts 1, 2 and 3 crimes)	3,234	3,136	N/A
<u>Corrections</u>			
Number of inmates booked	30,896	34,421	35,952
Average daily jail population	1,077	1,193	1,145
Average length of jail stay in days	13	13	12
Number of transports to courthouse	19,335	19,035	19,200
<u>Juvenile</u>			
Youth admitted to detention center	1,304	1,504	1,508
Average length of stay in days in youth detention center	11.6	11.6	13.4
Community service hours completed	2,890	3,780	4,446
Average number of youth on supervision/probation (b)	315	343	350

(continued)

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

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

(a) Beginning in 2012, 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

2014	2013	2012	2011	2010	2009	2008
242,721	242,566	242,228	242,210	241,771	240,212	234,567
62,437	62,085	61,876	62,125	63,075	63,086	63,279
33,785	33,895	34,042	34,063	34,161	34,226	34,210
7,045	6,608	6,306	6,201	6,276	6,257	6,383
307,137	314,940	339,794	362,546	384,762	358,692	330,105
84 %	85 %	85 %	85 %	90 %	89 %	89 %
14,263	12,793	13,109	13,371	12,572	11,873	11,672
29,072	30,424	31,277	32,107	31,542	31,179	30,850
26,154	24,755	22,687	20,982	15,597	13,140	9,600
16,286	17,249	17,160	17,383	19,292	22,129	14,606
4,921	4,704	4,485	4,336	4,465	4,270	3,950
62,877	61,602	N/A	39,136	37,470	N/A	N/A
3,638	4,576	4,255	N/A	6,824	4,617	10,503
5,410	5,874	5,327	4,025	4,511	4,869	4,726
801	504	472	505	615	693	718
21,108	19,529	19,958	19,127	17,669	14,773	15,041
48,975	49,105	46,749	40,655	40,835	36,848	N/A
2,712	2,652	2,812	2,776	2,850	3,037	2,938
39,731	39,162	37,166	36,557	38,634	32,992	35,533
1,220	1,264	1,240	1,187	1,274	1,378	1,559
12	12	13	13	13	17	18
19,196	17,846	18,280	17,536	16,748	10,898	11,737
1,453	1,554	1,566	1,638	1,758	2,112	2,021
10.3	10.2	9.8	8.7	7.8	7.9	8.3
3,107	3,766	2,180	3,277	4,353	6,521	6,623
324	337	339	378	478	567	533

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

FUNCTION/PROGRAM	2017	2016	2015
Public Safety and Justice (continued)			
<u>Adult</u>			
Community service hours completed	38,273	59,580	73,787
Adults participating in educational classes	203	225	450
Clients receiving GED's	29	27	14
Average no. adults on probation & post-prison supervision/month	8,463	8,666	8,823
<u>District Attorney</u>			
Cases of adult criminal activity prosecuted	12,780	15,111	16,273
Juvenile delinquency cases prosecuted	838	808	666
Hours of Community Court community service completed	2,925	3,589	7,471
Community Services			
Number of registered voters	505,145	466,964	441,157
Number of votes cast in last general election (a)	404,059	302,584	302,584
Percent of registered voters who voted in last general election	80 %	69 %	69 %
Animal control - total intake - dogs and cats	5,810	5,728	6,433
<u>Library</u>			
New library cards issued annually	56,019	59,026	66,884
Books circulated (total circulation) (b)	18,728,761	19,221,448	20,268,163
Borrowers who used their cards in last three years	444,459	436,476	444,231
Library satisfaction (c)	96.5 %	97.0 %	96.8 %
Web site visits/hits	4,267,424	4,810,497	N/A
Catalog visits	N/A	N/A	N/A
Website visits, including catalog	N/A	N/A	5,476,348
Business-type Activities:			
Dunthorpe-Riverdale Service District No. 1			
Sewage disposal - number of accounts	595	595	563
Mid County Service District No. 14			
Lighting - number of accounts	7,894	7,934	7,952

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

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

(b) Total circulation as of 2012.

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

2014	2013	2012	2011	2010	2009	2008
N/A	89,204	98,240	101,392	141,732	123,442	82,429
689	689	801	710	705	639	588
125	93	85	78	79	60	38
9,351	8,300	8,284	8,278	7,896	8,793	9,261
25,880	26,932	26,137	24,241	25,932	27,149	27,377
491	528	550	476	651	869	1,064
11,930	10,380	14,295	13,869	17,552	17,004	16,742
434,898	437,729	451,659	408,126	407,541	426,567	380,298
367,992	370,142	284,104	284,104	367,540	367,540	262,628
85 %	83 %	70 %	70 %	86 %	86 %	69 %
6,894	6,740	7,563	8,606	8,320	8,096	8,886
60,715	57,592	69,198	73,566	71,809	74,677	71,843
19,486,176	21,984,923	24,794,942	23,939,091	22,715,292	21,513,255	20,394,496
432,685	441,505	444,618	436,949	425,749	421,199	440,311
97.0 %	96.9 %	98.4 %	91.5 %	90.1 %	90.4 %	91.3 %
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	5,709,967	5,366,879
6,230,998	6,629,449	6,888,701	7,158,805	N/A	N/A	N/A
563	595	593	592	591	590	583
7,942	7,944	7,986	7,993	7,985	7,987	7,885

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

FUNCTION/PROGRAM	2017	2016	2015	2014
Governmental Activities:				
General Government				
Buildings owned	79	76	77	79
Buildings leased	56	57	48	48
Automobiles	294	311	321	294
Vehicles (excluding automobiles)	303	303	267	276
Heavy equipment	80	80	90	96
Health Services				
Health & dental centers	8	8	7	8
School based health centers	12	13	13	12
Social Services				
Aging & disability offices	5	5	5	5
Public Safety and Justice				
<u>Sheriff</u>				
Vehicular patrol units	71	78	68	58
Number of employees (sworn and civilian)	764	781	781	759
River patrol offices	2	2	2	3
<u>Corrections</u>				
Jails:				
Facilities	2	2	2	2
Population	1,251	1,310	1,310	1,310
<u>Community Justice</u>				
Adult probation & parole offices	4	5	5	7
Adult housing program offices	-	-	-	1
Juvenile counseling offices	1	1	1	3
Library				
Regional branches	5	5	3	2
Neighborhood branches	13	13	13	11
Leased branches	6	6	6	6
Roads & Bridges				
<u>Miles of streets maintained by County</u>				
Paved	268	268	268	270
Unpaved	29	29	29	24
<u>Bridges</u>				
Major	6	6	6	6
Minor	20	20	21	19
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	4,742	4,742	4,535	4,535

2013	2012	2011	2010	2009	2008
80	79	78	74	79	79
48	55	54	51	52	53
297	308	310	316	325	328
281	294	253	263	298	300
103	105	100	93	122	141
8	7	7	7	7	7
12	14	14	14	13	13
5	5	5	5	7	7
55	63	65	66	50	45
762	766	763	785	786	786
3	3	3	3	3	3
2	2	2	2	3	3
1,310	1,310	1,310	1,367	1,539	1,633
7	7	7	6	6	6
4	4	4	4	4	4
4	4	4	4	4	4
2	2	2	2	2	2
11	11	11	11	11	11
6	6	6	6	4	4
270	270	270	270	271	271
24	24	24	24	24	24
6	6	6	6	6	6
19	19	19	19	19	18
1	1	1	1	1	1
15	15	15	15	15	15
4,526	4,507	4,507	4,499	4,525	4,484

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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 the Basic Financial Statements performed in accordance with *Oregon Minimum Auditing 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 the basic financial statements of Multnomah County ("the County") as of and for the year ended June 30, 2017 and have issued our report thereon dated January 31, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the County's 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) 162-010-000 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:

OAR	Section	Instances of Non-Compliance Identified?
162-010-0000	Preface	None Noted
162-010-0010	Definitions	None Noted
162-010-0020	General Requirements	None Noted
162-010-0030	Contracts	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Other Supplementary Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Fund Balances, / Net Assets, Budget and Actual (Each Fund)	None Noted
162-010-0150	Schedule of Property Tax Transactions or Acreage Assessments	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Independent Auditor's Review of Fiscal Affairs	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Required Disclosures and Independent Auditors Comments	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	None Noted
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	None Noted
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0320	Other Comments and Disclosures	None Noted

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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, except those noted below.

- The County had a deficit fund balance in one fund, which is described in Note II.C. of the County's financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 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 do not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is intended solely for the information of Multnomah County's management, and the State of Oregon and is not intended to be and should not be used by anyone other than those specified parties. 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 31, 2018

FEDERAL GRANT PROGRAMS

- Report of independent auditors on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*
- Report of independent auditors on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with *2 CFR Part 200 Subpart F*
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of 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 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 aggregate 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, 2017, 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 31, 2018. 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.

Moss Adams, LLP

Eugene, Oregon
January 31, 2018

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

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, 2017. 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, 2017.

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 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, material weaknesses may exist that have not been identified.

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 31, 2018

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
DEPARTMENT OF AGRICULTURE					
10.553	School Breakfast Program	Oregon State, Dept. of Education	2613007	52,318	-
10.555	National School Lunch Program	Oregon State, Dept. of Education	2613007	100,481	-
		<i>Total Child Nutrition Cluster</i>		<u>152,799</u>	<u>-</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Oregon State, Health Division	148024	2,951,004	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Oregon State, Dept. of Human Services	149822/152778	68,503	-
		<i>Total SNAP Cluster</i>		<u>68,503</u>	<u>-</u>
10.578	WIC Grants to States	Oregon State, Health Division	WIC-16-OR-01	21,679	-
10.665	Schools and Roads - Grants to States	U.S. Forest Service		73,197	13,467
		<i>Total Forest Service Schools and Roads Cluster</i>		<u>73,197</u>	<u>13,467</u>
		TOTAL DEPARTMENT OF AGRICULTURE		<u>3,267,182</u>	<u>13,467</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
14.218	Community Development Block Grants/ Entitlement Grants	U.S. Dept. of Housing & Urban Dev.	B-12-UC-41-0003	336,533	284,931
		<i>Total Community Development Block Grants/Entitlement Grants Cluster</i>		<u>336,533</u>	<u>284,931</u>
14.231	Emergency Solutions Grant Program	Oregon State, Dept. of Housing & Community Svc.	E-13-DC-41-0001	115,778	112,733
14.231	Emergency Solutions Grant Program	City of Portland, OR	E-16-DC-41-0003	679,553	635,025
		<i>Total Emergency Solutions Grant Program</i>		<u>795,331</u>	<u>747,758</u>
14.239	Home Investment Partnerships Program	City of Portland, OR	M-16-DC-41-0203	743,007	743,007
14.241	Housing Opportunities for Persons with AIDS	City of Portland, OR	ORH16F001	1,050,020	1,017,114
14.241	Housing Opportunities for Persons with AIDS	U.S. Dept. of Housing & Urban Dev.	OR-H15-002	107,527	107,527
		<i>Total Housing Opportunities for Persons with AIDS</i>		<u>1,157,547</u>	<u>1,124,641</u>
14.267	Continuum of Care Program	U.S. Dept. of Housing & Urban Dev.	OR0204L0E01150/ OR0026L0E011508/ OR0028L0E011609/ OR0032L0E011407	1,776,780	1,210,909
14.881	Moving to Work Demonstration Program	Home Forward	ra13dd	55,778	-
		TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>4,864,976</u>	<u>4,111,246</u>

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
DEPARTMENT OF THE INTERIOR					
15.227	Distribution of Receipts to State and Local Governments	U.S. Dept. of the Interior		204,946	-
TOTAL DEPARTMENT OF THE INTERIOR				204,946	-
DEPARTMENT OF JUSTICE					
16.021	Justice Systems Response to Families	U.S. Dept. of Justice	2014-FJ-AX-0005	72,493	-
16.123	Community-Based Violence Prevention Program	U.S. Dept. of Justice	2016-MU-MU-K001	136	-
	Education, Training, and Enhanced Services to End Violence				
16.529	Against and Abuse of Women with Disabilities	U.S. Dept. of Justice	2015-FW-AX-K011	119,056	40,873
16.543	Missing Children's Assistance	U.S. Dept. of Justice	2012-CV-BX-K055	356,699	17,000
16.544	Youth Gang Prevention	U.S. Dept. of Justice	2014-JV-FX-K003	29,916	-
16.575	Crime Victim Assistance	Oregon State, Dept. of Justice	VOCAOT16MCDVAP99	560,985	-
16.585	Drug Court Discretionary Grant Program	U.S. Dept. of Justice	2016-DC-BX-0062	89,755	89,755
	Grants to Encourage Arrest Policies and Enforcement of				
16.590	Protection Orders Program	U.S. Dept. of Justice	2014-WE-AX-0043	188,048	118,831
16.606	State Criminal Alien Assistance Program	U.S. Dept. of Justice	2016-AP-BX-0075	205,431	-
	Transitional Housing Assistance for Victims of Domestic				
16.736	Violence, Dating Violence, Stalking, or Sexual Assault	U.S. Dept. of Justice	2014-WH-AX-0056	80,390	74,469
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Oregon State, Dept. of Justice	BJMC-17-003	100,000	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Oregon State, District Attorney Association	2016-DJ-BX-0459	7,006	-
			2015-DJ-BX-0532/		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	City of Portland, OR, Bureau of Police	2016-DJ-0833	188,010	-
	<i>Total Edward Byrne Memorial Justice Assistance Grants</i>			<i>295,016</i>	<i>-</i>
16.754	Harold Rogers Prescription Drug Monitoring Program	U.S. Dept. of Justice	2016PMBXK003	98,956	14,464
16.754	Harold Rogers Prescription Drug Monitoring Program	Oregon State, Health Division	2013-PM-BX-0002	40,000	-
	<i>Total Harold Rogers Prescription Drug Monitoring</i>			<i>138,956</i>	<i>14,464</i>
			2015-SM-BX-0001/		
16.812	Second Chance Act Reentry Initiative	U.S. Dept. of Justice	2015-RW-BX-0001	510,021	182,176
16.833	National Sexual Assault Kit Initiative	City of Portland, OR, Bureau of Police	30005057	190,736	-
16.922	Equitable Sharing Program	U.S. Dept. of Justice, U.S. Marshal Office		2,350	-
16.922	Equitable Sharing Program	Federal Bureau of Investigation		9,316	-
	<i>Total Equitable Sharing Program</i>			<i>11,666</i>	<i>-</i>
TOTAL DEPARTMENT OF JUSTICE				2,849,304	537,568

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
DEPARTMENT OF TRANSPORTATION					
20.205	* Highway Planning and Construction	Oregon State, Dept. of Transportation	22858-03	5,525,330	-
		<i>Total Highway Planning and Construction Cluster</i>		5,525,330	-
20.600	State and Community Highway Safety	Oregon State, Dept. of Transportation	18X9204020017	6,575	-
		<i>Total Highway Safety Cluster</i>		6,575	-
20.933	National Infrastructure Investments	Oregon State, Dept. of Transportation	22858-02	131,086	-
		TOTAL DEPARTMENT OF TRANSPORTATION		5,662,991	-
DEPARTMENT OF THE TREASURY					
21.000	Treasury Forfeiture Fund Program	U.S. Dept. of Justice		2,664	-
		TOTAL DEPARTMENT OF THE TREASURY		2,664	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
45.310	Grants to States	Oregon State, Library Division	LS-00-16-003816	39,619	-
45.312	National Leadership Grants	Portland State University	LG-06-14-0076-14	8,086	-
		TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES		47,705	-
ENVIRONMENTAL PROTECTION AGENCY					
66.432	State Public Water System Supervision	Oregon State, Health Div.	1936002309	8,172	-
66.468	Capitalization Grants for Drinking Water State Revolving	Oregon State, Health Div.	1936002309	9,695	-
		<i>Total Drinking Water State Revolving Fund Cluster</i>		9,695	-
		TOTAL ENVIRONMENTAL PROTECTION AGENCY		17,867	-
DEPARTMENT OF ENERGY					
81.042	Weatherization Assistance for Low-Income Persons	Oregon State, Housing & Community Svc	DE-EE0006179	388,266	-
		TOTAL DEPARTMENT OF ENERGY		388,266	-
DEPARTMENT OF EDUCATION					
84.002	Adult Education - Basic Grants to States	Portland Community College	045-09 #7	21,320	-
84.287	Twenty-First Century Community Learning Centers	Gresham-Barlow Schools, Dist. 10J	1213049	147,586	147,586
		TOTAL DEPARTMENT OF EDUCATION		168,906	147,586

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
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	Oregon State, Senior & Disabled Services	143130	6,678	-
93.043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	Oregon State, Senior & Disabled Services	143130	37,630	31,365
93.048	Special Programs for the Aging-Title IV-and Title II- Discretionary Projects	Oregon State, Dept. of Consumer Affairs	138576	10,265	-
93.051	Alzheimer's Disease Demonstration Grants to States	Oregon State, Senior & Disabled Services	146747	36,589	-
93.052	National Family Caregiver Support, Title III, Part E	Oregon State, Senior & Disabled Services	143130	259,317	58,292
93.044	* Supportive Services and Senior Centers Special Programs for the Aging-Title III, Part B-Grants for	Oregon State, Senior & Disabled Services	143130	775,561	122,147
93.045	* Services	Oregon State, Senior & Disabled Services	143130	1,010,631	985,751
93.053	* Nutrition Services Incentive Program	Oregon State, Senior & Disabled Services	143130	527,243	527,243
<i>Total Aging Cluster</i>				<u>2,313,435</u>	<u>1,635,141</u>
93.069	Public Health Emergency Preparedness	Oregon State, Health Div.	1936002309	320,544	-
93.069	Public Health Emergency Preparedness	Washington State, Dept. of Health	U90TP00544	36,366	-
<i>Total Public Health Emergency Preparedness</i>				<u>356,910</u>	<u>-</u>
93.070	Environmental Public Health and Emergency Response	U.S. Dept. of Health & Human Svcs.	NUE1EH00132701	179,219	178,089
93.071	Medicare Enrollment Assistance Program	Oregon State, Dept. of Consumer Affairs	147530	212,735	-
93.082	Sodium Reduction in Communities	Oregon State, Health Div.	148024	54,824	-
93.103	Food and Drug Administration Research	U.S. Dept. of Health & Human Svcs.	U18FD004672	23,450	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Oregon State, Health Div.	148024	61,509	-
93.136	Injury Prevention and Control Research and State and Community Based Programs	U.S. Dept. of Health & Human Svcs.	U81CE002061	314,516	3,692
93.136	Injury Prevention and Control Research and State and Community Based Programs	Oregon State, Health Div.	U17CE002751	173,009	-
<i>Total Injury Prevention and Control Research and State and Community Based Programs</i>				<u>487,525</u>	<u>3,692</u>
93.145	AIDS Education and Training Centers Projects for Assistance in Transition from Homelessness	University of Washington	UWSC8707	80,000	-
93.150	(PATH) Coordinated Services and Access to Research for Women,	Oregon State, Dept. of Human Svcs.	141423	232,285	232,285
93.153	Infants, Children, and Youth	U.S. Dept. of Health & Human Svcs.	H12HA24796	316,657	4,671

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>					
93.217	Family Planning Services	Oregon State, Health Div.	148024	303,119	-
	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public				
93.224	* Housing Primary Care, and School Based Health Centers)	U.S. Dept. of Health & Human Svcs.	H80CS00149	2,623,836	-
	Affordable Care Act (ACA) Grants for New and Expanded				
93.527	* Services under the Health Center Program	U.S. Dept. of Health & Human Svcs.	H80CS00149	7,059,461	-
		<i>Total Health Center Program Cluster</i>		<u>9,683,297</u>	<u>-</u>
93.235	Affordable Care Act (ACA) Abstinence Education Program	Oregon State, Div. of Children & Families	75-1512-01-01-506	27,016	-
	Substance Abuse and Mental Health Services Projects of		SM061700/ SP021987/		
93.243	Regional and National Significance	U.S. Dept. of Health & Human Svcs.	H79TI025030	623,948	231,605
93.276	Drug-Free Communities Support Program Grants	U.S. Dept. of Health & Human Svcs.	SP020521	78,679	-
93.279	Drug Abuse and Addiction Research Programs	U.S. Dept. of Health & Human Svcs.	R01DA039293	538,309	118,108
	The Affordable Care Act: Centers for Disease Control and				
93.283	Prevention Investigations and Technical Assistance	Oregon State, Health Div.	148024	101,248	23,750
93.297	Teenage Pregnancy Prevention Program	U.S. Dept. of Health & Human Svcs.	TP1AH000082	1,454,092	630,425
93.297	Teenage Pregnancy Prevention Program	Texas A&M Health and Science Center	TP2AH000024	92,965	-
		<i>Total Teenage Pregnancy Prevention Program</i>		<u>1,547,057</u>	<u>630,425</u>
93.317	Emerging Infections Program	Oregon State, Health Div.	U50CK000197	4,255	-
	Demonstration Grants for Domestic Victims of Human				
93.327	Trafficking	U.S. Dept. of Health & Human Svcs.	90TV000-01-00	213,975	153,531
93.336	Behavioral Risk Factor Surveillance System	Oregon State, Health Div.	148024	19,803	-
93.359	Nurse Education, Practice Quality and Retention Grants	U.S. Dept. of Health & Human Svcs.	UD7HP26903	484,454	-
	Building Capacity of the Public Health System to Improve	National Assoc. of City and County Health			
93.424	Population Health through National Nonprofit Organizations	Officials	6NU38OT000172	4,249	-
	Affordable Care Act (ACA) Maternal, Infant, and Early				
93.505	Childhood Home Visiting Program	Oregon State, Health Div.	D89MC28286	32,744	-
		<i>Total Maternal, Infant, and Early Childhood Home Visiting Cluster</i>		<u>32,744</u>	<u>-</u>
93.517	Affordable Care Act Aging and Disability Resource Center	Oregon State, Senior & Disabled Services	144217	102,885	-
	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and				
93.521	Emerging Infections Program (EIP) Cooperative Agreements	Oregon State, Health Div.	U50CK000197	88,392	-

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>					
93.526	Affordable Care Act (ACA) Grants for Capital Development in Health Centers	U.S. Dept. of Health & Human Svcs.	C8DCS29230	221,618	-
93.539	Prevention and Public Health Fund Affordable Care Act - Immunization Program	Oregon State, Health Div.	H23IP000785	6,501	-
93.539	Prevention and Public Health Fund Affordable Care Act - Immunization Program	Oregon State, Dept. of Human Svcs.	154562	50	-
	<i>Total Prevention and Public Health Fund Affordable Care Act - Immunization Program</i>			<u>6,551</u>	<u>-</u>
93.556	Promoting Safe and Stable Families	United Way of the Columbia	675800-1617-01A	262,837	262,837
93.558	Temporary Assistance for Needy Families	Oregon State, Dept. of Human Svcs.	1601ORTANF	171,039	171,039
93.558	Temporary Assistance for Needy Families	Oregon State, Housing & Community Svcs.	1936002309	104,023	-
	<i>Total TANF Cluster</i>			<u>275,062</u>	<u>171,039</u>
93.563	Child Support Enforcement	Oregon State, Dept. of Justice	15435	2,066,344	-
93.568	Low-Income Home Energy Assistance	Oregon State, Housing & Community Svcs.	G-16B1ORLIEA	5,268,588	499,631
93.569	Community Services Block Grant	Oregon State, Housing & Community Svcs.	G-16B1ORCOSR	849,474	812,447
93.576	Refugee and Entrant Assistance-Discretionary Grants	U.S. Dept. of Health & Human Svcs.	90RX0271	127,995	3,486
93.597	Grants to States for Access and Visitation Programs	Oregon State, Dept. of Justice	201500	71,845	-
93.600	Head Start	Oregon Child Development Coalition	OCDC 06-041	15,601	-
93.624	ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	Oregon State, Health Div.	1G1CMS331183	138,571	3,506
93.658	Foster Care Title IV-E	Oregon State, Dept. of Human Svcs.	147297	597,218	219,442
93.658	Foster Care Title IV-E	Oregon State, Dept. of Justice	148551	332,377	-
	<i>Total Foster Care Title IV-E</i>			<u>929,595</u>	<u>219,442</u>
93.667	Social Services Block Grant	Oregon State, Dept. of Education	MUL0911	528,866	528,866
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Centers for Medicare and Medicaid Services (CMS) Research,	U.S. Dept. of Health & Human Svcs.	NU58DP005955	1,148,519	334,948
93.779	Demonstrations and Evaluations	Oregon State, Dept. of Consumer Svcs.	SHIBA1516	14,664	-
93.889	National Bioterrorism Hospital Preparedness Program	Oregon State, Health Div.	146177	315,200	-
93.889	National Bioterrorism Hospital Preparedness Program	Oregon State, Dept. of Human Svcs.	154562	40	-
	<i>Total National Bioterrorism Hospital</i>			<u>315,240</u>	<u>-</u>

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>					
93.914	HIV Emergency Relief Project Grants	Boston University	U69HA30462	29,604	-
93.914	HIV Emergency Relief Project Grants	U.S. Dept. of Health & Human Svcs.	H89HA00040	4,018,426	2,173,127
		<i>Total HIV Emergency Relief Project Grants</i>		<u>4,048,030</u>	<u>2,173,127</u>
	Grants to Provide Outpatient Early Intervention Services with				
93.918	Respect to HIV Disease	U.S. Dept. of Health & Human Svcs.	H76HA00197	984,494	-
93.924	Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	Oregon Health Sciences University, Sponsored Prof. Admin.	H65HA00006	12,922	-
93.926	Healthy Start Initiative	U.S. Dept. of Health & Human Svcs.	H89HA00040	679,986	-
93.928	Special Projects of National Significance	U.S. Dept. of Health & Human Svcs.	H97HA24958	279,536	87,049
93.928	Special Projects of National Significance	AIDS United	U90HA29237	49,244	-
		<i>Total Special Projects of National Significance Program</i>		<u>328,780</u>	<u>87,049</u>
93.940	HIV Prevention Activities- Health Dept. Based Human Immunodeficiency Virus (HIV)/Acquired	Oregon State, Health Div.	1936002309	400,886	
93.944	Immunodeficiency Virus Syndrome (AIDS) Surveillance	Oregon State, Health Div.	148024	439,322	-
93.958	Block Grants for Community Mental Health Services	Oregon State, Dept. of Health & Human Svcs	SM010043	565,167	565,167
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Oregon State, Dept. of Human Svcs.	TI010043	4,074,253	3,956,868
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Oregon State, Health Div.	149029	147,838	-
		<i>Total Block Grants for Prevention and Treatment of Substance Abuse</i>		<u>4,222,091</u>	<u>3,956,868</u>
	Preventive Health Services Sexually Transmitted Diseases				
93.977	Control Grants	U.S. Dept. of Health & Human Svcs.	H25PS004256	278,279	-
93.994	Maternal and Child Health Services Block Grant to the States	Oregon State, Health Div.	148024	300,811	189,545
93.994	Maternal and Child Health Services Block Grant to the States	Oregon Health Sciences University	B04MC06604	90,865	-
		<i>Total Maternal and Child Health Services Block Grant to the States</i>		<u>391,676</u>	<u>189,545</u>
	TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>43,115,461</u>	<u>13,108,912</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
94.011	Foster Grandparent Program	Corp. for National & Community Svc.	OPO-22519-4101	207,919	-
		<i>Total Foster Grandparent/Senior Companion Cluster</i>		<u>207,919</u>	<u>-</u>
		City of Portland, Housing and Community			
94.024	Social Innovation Fund Pay for Success	Dev.	14PSHUT001	76,710	-
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>284,629</u>	<u>-</u>

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2017

CFDA	* Program Title	Grantor	Pass-Through Entity Number	Federal Expenditures	Expenditures to Subrecipients
EXECUTIVE OFFICE OF THE PRESIDENT					
95.001	High Intensity Drug Trafficking Areas Program	Oregon High Intensity Drug Trafficking Areas Prog.	G17OR0003A	107,946	-
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				107,946	-
DEPARTMENT OF HOMELAND SECURITY					
97.012	Boating Safety Financial Assistance	Oregon State, Marine Board	1936002309	226,154	-
97.042	Emergency Management Performance Grants	Oregon State, Office of Emergency Mgmt	S01	273,671	-
DEPARTMENT OF HOMELAND SECURITY (continued)					
97.067	Homeland Security Grant Program	Portland Bureau of Emergency Mgmt	EMW2015SS00044S	21,277	-
97.067	Homeland Security Grant Program	Oregon State, Office of Emergency Mgmt	EMW-2016-SS0008	69,274	-
<i>Total Homeland Security Grant Program</i>				<i>90,551</i>	<i>-</i>
97.073	State Homeland Security Program (SHSP)	Oregon State, Office of Emergency Mgmt	EMW-2015-SS00044	32,017	-
TOTAL DEPARTMENT OF HOMELAND SECURITY				622,393	-
TOTAL FEDERAL FUNDING				61,605,236	17,918,779

* Indicates a Major Program

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

MULTNOMAH COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

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, 2017. 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, 2017 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 two non-cash awards.

An award from the State Department of Education provides food donations (CFDA #10.555 - Commodity Supplemental Food Program) for the Juvenile Detention Center. The value of the food is determined by the grantor; \$6,477. This amount is included in the total program value reported on the Schedule of Expenditures of Federal Awards of \$100,481.

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, 2017 is calculated on a proportionate basis; \$2,936,237. 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, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report 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 Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Program</i>
93.224, 93.527	Health Center Program Cluster	<i>Unmodified</i>
20.205	Highway Planning and Construction	<i>Unmodified</i>
93.053, 93.044, 93.045	Aging Cluster	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 1,848,157

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported