





### **About the cover...**

Multnomah County's Courtyard Café Culinary Arts Youth Program and Hands of Wonder Garden Program have created a beautiful partnership that emphasizes the County's commitment to justice involved youth. This year's cover photo captures Hands of Wonder Garden participants and Multnomah County program staff showcasing the organic produce grown and made available for sale at this summer's public farmer's market.

The program, which began in 2013, provides young people an opportunity to learn valuable skills while earning a stipend. Participants, between the ages of 15 -18, are referred to the program by Multnomah County program staff. Youth not only learn where food comes from but are actively involved in designing, planting, growing, maintaining, harvesting, selling, and creating healthy meals from the organic produce.

The benefits of this program go beyond the individual participant. Vacant, unused County property provides the "farm land", a portion of the produce harvested is made available to Supplemental Nutrition Assistance Program (S.N.A.P.) recipients at no cost, youth learn marketable skills, and all proceeds go back into the program's stipend pool to compensate participants.

Weekly farmer's markets were hosted by program youth at multiple County building locations. Please visit <https://multco.us/courtyard-cafe%20hands-wonder-garden-program> to learn more about the program.

Pictured from left to right: (standing) Sidney Morgan, Aron Arceneaux, Sidney Walters, Austin Shough, Quaness Jackson, Samuel Johnson, and Anthony Croosley (sitting)

**MULTNOMAH COUNTY, OREGON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



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





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## ELECTED OFFICIALS - MULTNOMAH COUNTY OREGON

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**DEBORAH KAFOURY**  
*Chair*



**JULES BAILEY**  
*Commissioner District 1*



**LORETTA SMITH**  
*Commissioner District 2*



**JUDY SHIPRACK**  
*Commissioner District 3*



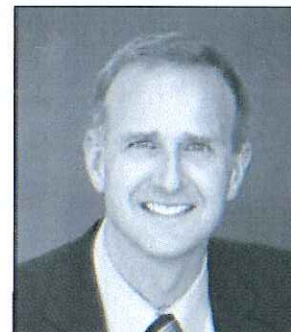
**DIANE McKEEL**  
*Commissioner District 4*



**STEVE MARCH**  
*Auditor*



**DAN STATON**  
*Sheriff*



**ROD UNDERHILL**  
*District Attorney*





**MULTNOMAH COUNTY, OREGON**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2015**  
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## **INTRODUCTORY SECTION**



**Department of County Management**  
**MULTNOMAH COUNTY OREGON**

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December 23, 2015

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

We are pleased to submit the Comprehensive Annual Financial Report of Multnomah County, Oregon, for the fiscal year ended June 30, 2015, together with the opinion thereon of our independent certified public accountants, Moss Adams LLP. This report, required by Oregon Revised Statutes 297.425, is prepared by the Department of County Management. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Circular A-133 is included with this report beginning on page 199.

This report presents fairly the financial position of the various funds of the County at June 30, 2015, and the results of operations of such funds and the cash flows of the proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). It is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

US GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Multnomah County's MD&A can be found immediately following the independent auditors' report. Unless otherwise noted, dollar amounts are expressed in thousands.

## PROFILE OF MULTNOMAH COUNTY, OREGON

Multnomah County, incorporated in 1854, is located in northwestern Oregon at the confluence of the Columbia and Willamette rivers, approximately 110 river miles and 80 highway miles from the Pacific Ocean. The County covers 465 square miles, and serves an estimated population of 777,490 residents. The cities of Portland and Gresham are the largest incorporated cities in the County.

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

Multnomah County provides a full range of services, including public safety protection; corrections and probation; construction and maintenance of roads, highways, bridges and other infrastructure; health and social services; library and community enhancement; and internal business support. Certain sanitary and lighting services are provided as legally separate Service District Authorities, which function, in essence, as departments of the County and therefore are included in the County's financial statements as component units. The legally separate Library District of Multnomah County is also included in the County's financial statements, as is the Library Foundation, a tax-exempt foundation whose primary purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries. The County also maintains a Hospital Facilities Authority (Authority) whose primary purpose is to issue conduit debt for health care facilities. The Hospital Facilities Authority is also considered a component unit but it is not included in the County's financial statements as the activity of the Authority is not material to the County's financial statements. Additional information on these legally separate entities can be found in Note 1 of the notes to the financial statements.

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County budget is adopted by the Board of County Commissioners by department for each fund. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between categories. The appropriation transfers must be approved by the Board of County Commissioners in public meetings. During the fiscal year, 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 40-41 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 99.

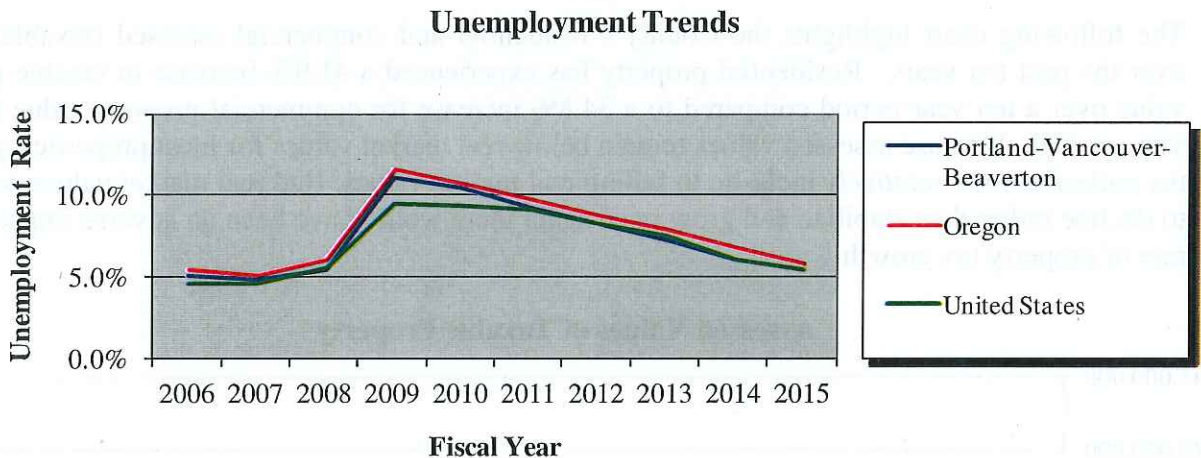
## FACTORS AFFECTING FINANCIAL CONDITION

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



The Portland-Vancouver-Beaverton PMSA's (Primary Metropolitan Statistical Area) economy experienced above long-term trend growth according to the University of Oregon Index of Economic Activity during fiscal year 2015. Like the rest of the nation, the region saw increasing real estate values with some areas of the County seeing double-digit growth. Employment growth has been strong and unemployment is now down to pre-recession levels. The rest of the State also saw improved economic conditions with Eugene-Springfield, Central Oregon, and Salem growing at average to slightly above average unemployment rates, while the Rogue Valley continued to grow at slightly below average rates. It is likely that the local economy will continue average to above average growth in the upcoming year.

The area's unemployment rate has steadily declined over the past five years. As of June 30, 2015 the Portland-Vancouver-Beaverton PMSA's unemployment rate was at 5.4%, down slightly less than one percent from 6.3% a year ago. The unemployment rate for the area is better than the State of Oregon (at 5.8%) and is slightly lower than the national average of 5.5%. The chart below compares the area's unemployment rate to the rates for the state and nation.



**Financial outlook:** Multnomah County emerged from the “great recession” in better financial shape than most local governments in Oregon. The 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, have allowed the County to increase service levels in fiscal year 2016. One-time-only General Fund resources were used to address a number of infrastructure projects, including a contribution to affordable housing projects, thereby reducing future long-term financing needs.

The current forecast assumes steady growth in employment and personal income over the next few years. Barring a recession or unexpected reductions in State or Federal funding, the General Fund should be able to provide funding at current service levels in fiscal year 2016. The current five year forecast projects that revenues will grow, on average, by about 3.25% from fiscal year 2016 to 2020. At this level, revenue growth is expected to exceed inflation over the forecast period.

This generally positive outlook is tempered somewhat by the recent decision by the Oregon Supreme Court in the case *Moro v. State of Oregon*, which struck down most of the Public Employee Retirement System (PERS) reforms passed during the 2013 legislative session. Specifically, the Court invalidated the parts of the statute that reduced cost of living increases to retirees who are currently drawing PERS benefits.

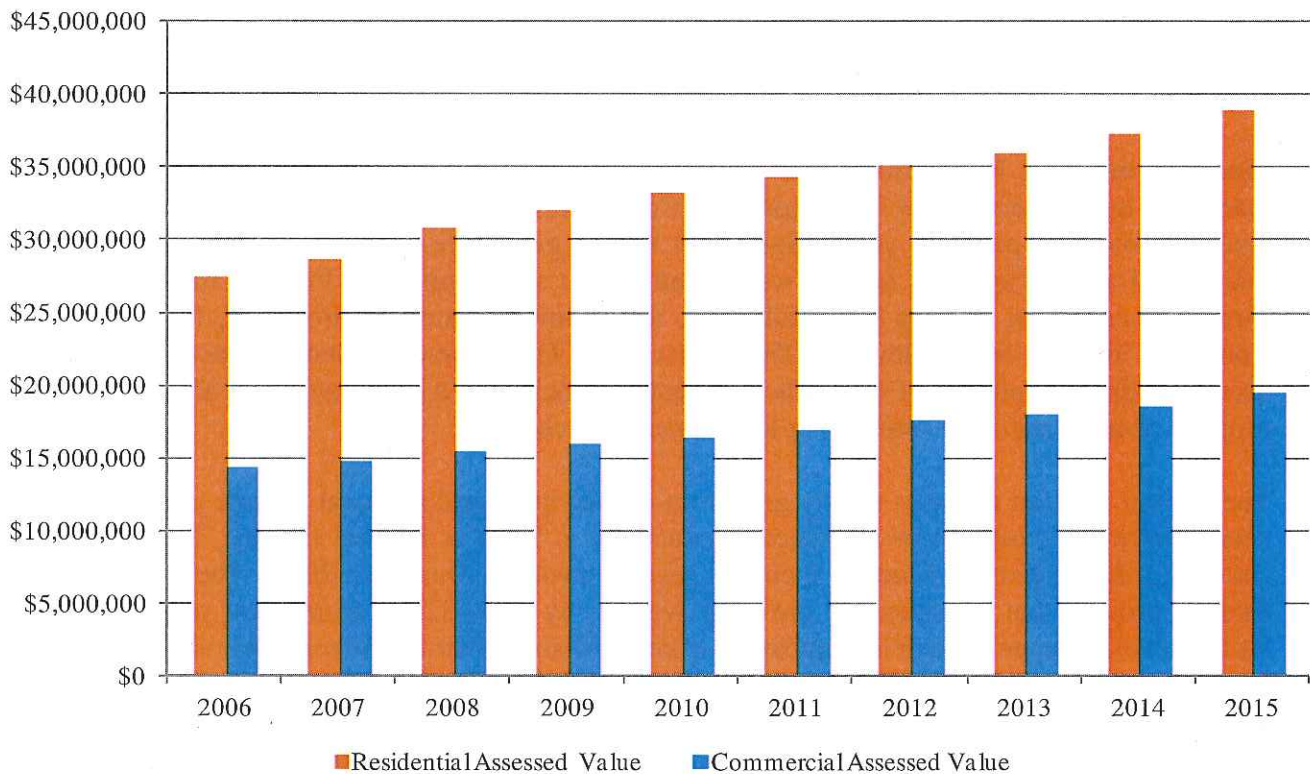


As a result, the County will experience PERS rate increases in upcoming biennium. It is anticipated that PERS rates will increase by 3% - 4% of payroll beginning with the 2017-2019 biennium. Additional changes made by the PERS Board – a reduction in the assumed earnings rate and updated mortality tables – will further increase rates paid by the County. The forecast PERS rate increases are manageable but will probably limit the amount of funding available to expand County services.

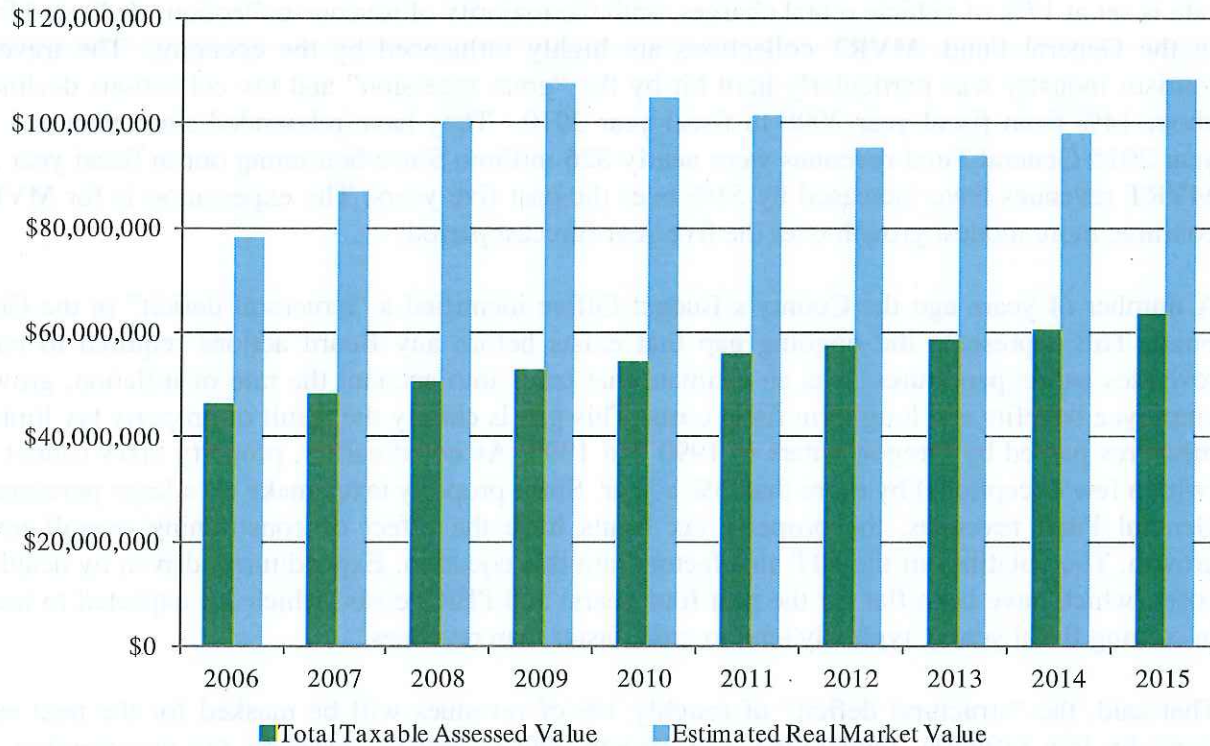
The economic recession had an impact on the County's revenue stream and illustrated which of the County's General Fund revenue streams are sensitive to economic cycles and which are not. The business income tax, in particular, experienced significant volatility and declines since fiscal year 2008. However, the property tax, which accounts for approximately two-thirds of General Fund revenues, has remained relatively insulated from declining real estate values. Property taxes are governed by two state constitutional measures, Measure 5 and Measure 50, which set limits on the amount of tax that can be collected. In general, property taxable values cannot grow by more than 3% year over year. For fiscal year 2016, property tax collections are expected to increase by 4% driven by new construction and decreased Measure 5 compression.

The following chart highlights the County's residential and commercial assessed (taxable) values over the past ten years. Residential property has experienced a 41.9% increase in taxable property value over a ten year period compared to a 34.8% increase for commercial property value over the same period. Because assessed values remain below real market values for most properties, property tax collections are *relatively* inelastic to falling real market values. Had real market values continued to decline rather than stabilize and grow once again there would have been an adverse impact on the rate of property tax growth.

**Assessed Values of Taxable Property**



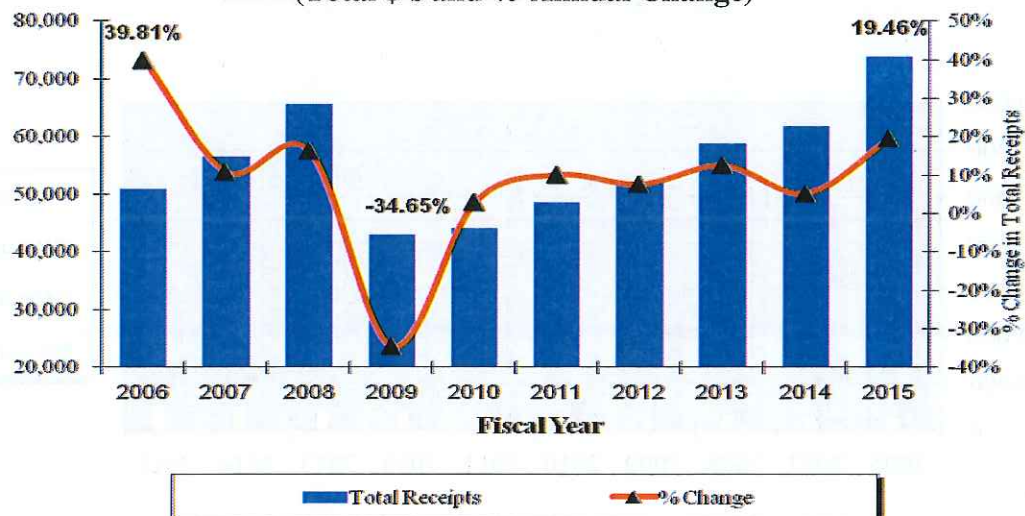
### Assessed and Real Market Values of Taxable Property



Business income tax (BIT) is the second largest source of revenue in the General Fund and it is set at a rate of 1.45% of net income. BIT collections generally parallel economic cycles. Prior to the onset of the “great recession”, fiscal year 2008 BIT collections were nearly \$66 million and had exhibited five years of double-digit growth. The following year they declined by more than a third, with fiscal year 2009 collections coming in at just under \$43 million. In fiscal year 2015, collections were nearly \$74 million, a 20% increase over fiscal year 2014 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. For fiscal year 2016, this “BIT Stabilization Reserve” was set at \$7.4 million providing an additional 10% buffer.

### Annual Business Income Tax Collections (Total \$'s and % Annual Change)





Motor vehicle rental taxes (MVRT) account for about 6.5% of General Fund tax revenues. The tax rate is set at 17% 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% from fiscal year 2008 to fiscal year 2010. They have rebounded since then and fiscal year 2015 General Fund revenues were nearly \$26 million. Since bottoming out in fiscal year 2010, MVRT revenues have increased by 51% over the past five years. The expectation is for MVRT to continue more modest growth over the five year forecast period.

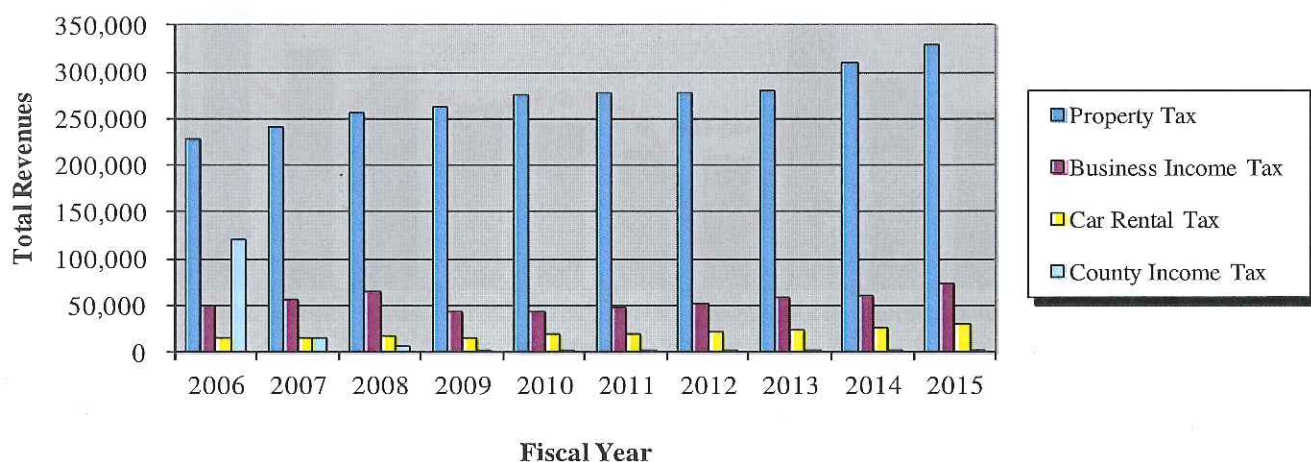
A number of years ago the County’s Budget Office identified a “structural deficit” in the General Fund. This represents the ongoing gap that exists before any Board actions required to balance revenues and expenditures. It is an estimate that takes into account the rate of inflation, growth in employee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

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

The State of Oregon provides a significant portion of the County’s funding, mostly recorded in the Federal and State Special Revenue fund. The State’s General fund is highly dependent upon economically sensitive personal income taxes, with approximately 85% of State General fund revenue attributable to this tax. For the County’s fiscal year 2015 and the State’s 2013-15 biennium, State funding was generally stable as the State’s financial picture improved with the economy.

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

**County General Fund Tax Revenues**





County income tax collections represent proceeds from a temporary 1.25% tax on personal income that was approved by County voters in May, 2003. The tax was in place for fiscal years 2004 through 2006. Revenues received after fiscal year 2006 represent delinquent collections which have declined from \$16 million in fiscal year 2007 to less than \$64,000 in fiscal year 2015. The County has ended active collections of delinquent taxes.

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

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

In fiscal year 2015, the Board updated its Use of One-Time-Only Resources policy, directing that *"after fully funding reserves as established by policy, 50% of any remaining one-time-only resources will be allocated to the capitalization, or recapitalization, of major County facilities projects."* This policy refinement will limit one-time-only funds being used for recurring costs, while addressing long-term facility costs.

The 2016 adopted budget includes approximately \$50.6 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, \$28.1 million for replacement of the County's Downtown Courthouse, \$5 million for affordable housing projects through the County's "A Home for Everyone" initiative, \$3 million to support construction of a psychiatric emergency center, \$2.3 million for energy retrofits in County facilities, \$1.7 million for cybersecurity measures, and \$1.4 million for IT network convergence (VOIP). A complete list of the uses of one-time-only funds can be found on pages 18-19 of the Budget Director's Message in the County's fiscal year 2016 adopted budget. The adopted budget document can be found on line at: <https://multco.us/budget/fy-2016-adopted-budget>.

By adopting the financial and budget policies, the Board acknowledges that, to avoid financial instability, continuing requirements should be insulated from temporary fluctuations. Therefore one of the goals of the Board is to fund and maintain a reserve designated as unappropriated fund balance and set at 10% of budgeted "corporate" revenues (i.e., property taxes, business income taxes, and motor vehicle rental tax) of the General fund. The reserve is to be used for periods where revenues experience significant declines or are used for non-recurring extreme emergencies such as disaster relief. Maintaining an appropriate reserve also helps the County maintain its favorable bond ratings. Moody's Investor Services currently rates the County as Aaa, the highest possible rating, for general obligation debt and Aa1 (second highest) for full faith and credit debt 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.** Due to improved economic conditions, the County has been able to focus on longer-term initiatives, such as infrastructure replacement and health care transformation. The County is a founding member of Health Share of Oregon, the regional Coordinated Care Organization, which is a key element in the State of Oregon's aim to provide better care and reduce costs for people enrolled in the Oregon Health Plan.

The County's capital project initiatives include funding for improvements and construction on many of the County owned buildings, roads and Willamette River bridges. Included in the County's capital project plan is the replacement the 88-year old Sellwood Bridge. The project to replace the bridge is estimated to cost \$317.5 million. Construction is nearing completion with the new Sellwood Bridge expected to be open to vehicle traffic in the spring of 2016.

Another significant capital project initiative is the construction of a new Health Department headquarters, to relocate operations from the outdated McCoy Building to the east half of Block U in downtown Portland. When completed the building is expected to be approximately 157,000 gross square feet with nine floors of office, clinic, and laboratory space. It will house all of the Health Department functions that are currently located in the McCoy Building. The total cost of the new building and relocation of current operations is expected to cost from \$85 million to \$95 million, with \$36.4 million anticipated in the form of a grant from the Portland Development Commission from the River District Urban Renewal Area. It is anticipated that the County will borrow the remaining amount when construction commences. The project is expected to break ground in late 2016 and ready for occupancy in early 2019.

Planning for a new, downtown Multnomah County Courthouse has been underway for the past few years. The project took a significant step forward in fiscal year 2015 and is poised to move into the design and construction phase in fiscal year 2016. 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 partnered with the State of Oregon, as well as other stakeholders, to plan a new facility that will be between 445,000 and 455,000 square feet and meet all modern standards for court operations and security. The project is expected to cost between \$290 million and \$300 million. Under legislation passed in 2013, the State of Oregon can provide up to 50% of the cost of constructing or renovating county courthouses. In fiscal year 2015, the County received the first \$15 million commitment from the State in support of the project. The 2015 legislature approved an additional \$17.4 million, the County has reserved proceeds from the sale of property at the west end of the Morrison Bridge, and the fiscal year 2016 budget earmarks \$28.1 million of one-time-only resources to provide the required match to the State commitments.



## AWARDS AND ACKNOWLEDGEMENTS

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2014. The County has received this prestigious award for 30 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 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



Colleen Yoshihara, CPA  
Interim Accounting Manager





Government Finance Officers Association

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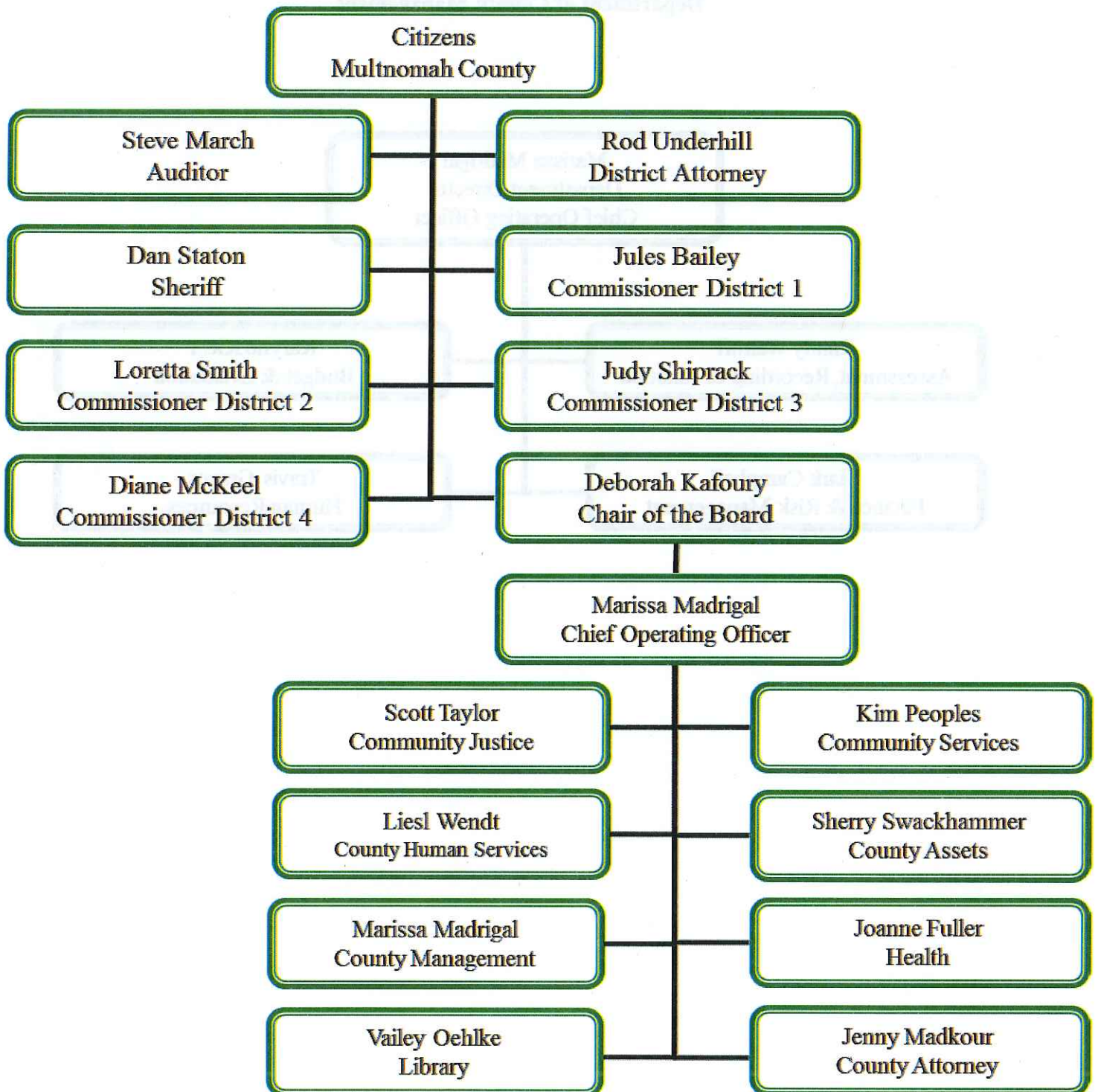
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

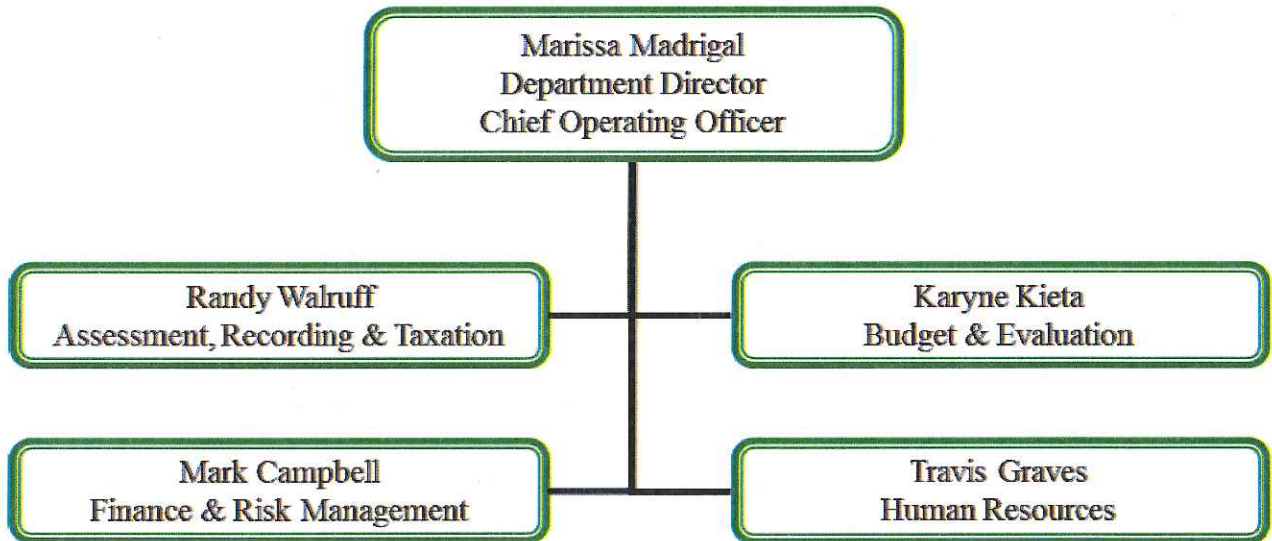
Executive Director/CEO



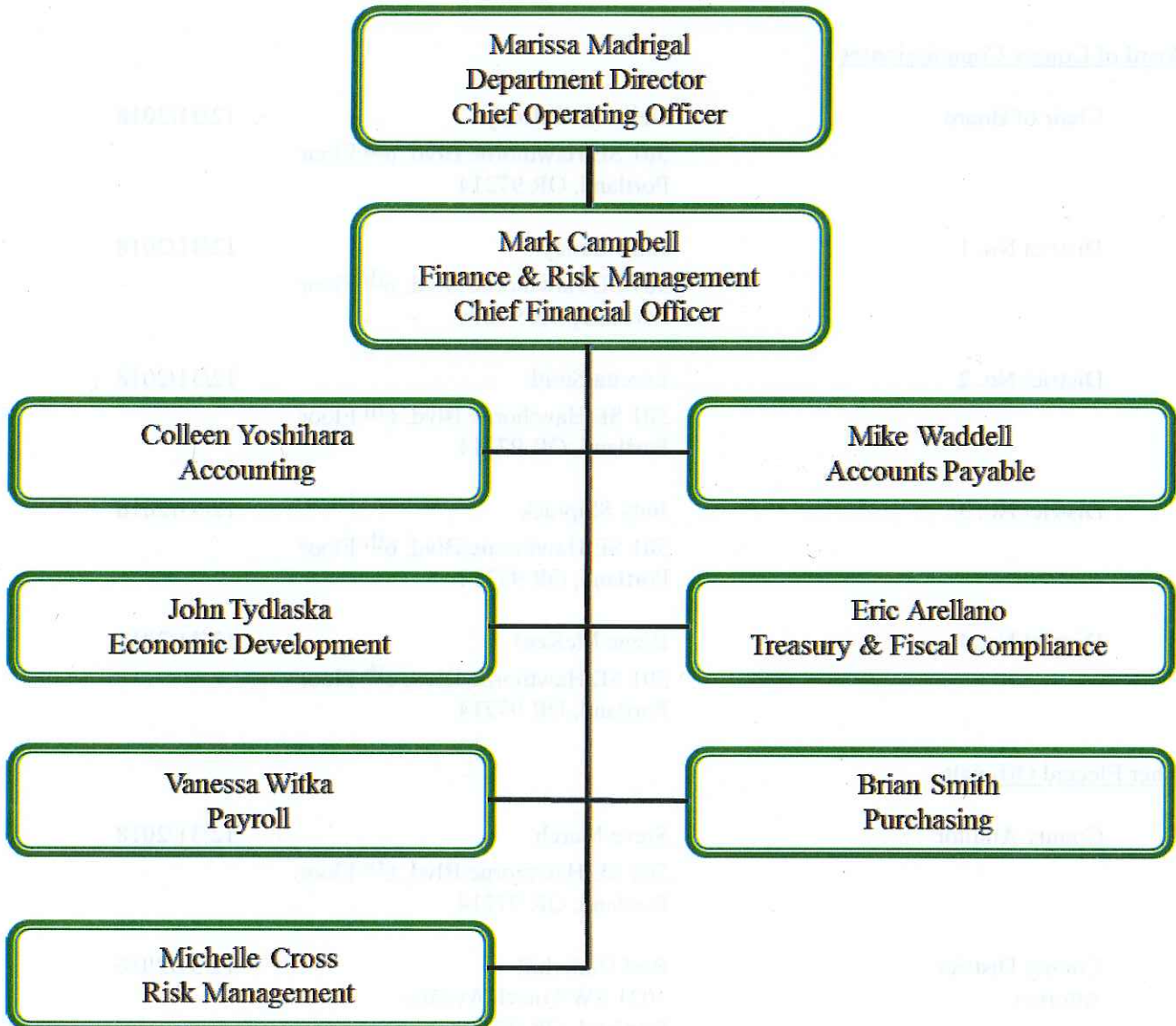
## MULTNOMAH COUNTY, OREGON



**MULTNOMAH COUNTY, OREGON**  
**Department of County Management**



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





**MULTNOMAH COUNTY, OREGON**  
**For the Year Ended June 30, 2015**  
**Principal Officers**

Title	Name	Term Expires
<u>Board of County Commissioners</u>		
Chair of Board	Deborah Kafoury 501 SE Hawthorne Blvd, 6 <sup>th</sup> Floor Portland, OR 97214	12/31/2018
District No. 1	Jules Bailey 501 SE Hawthorne Blvd, 6 <sup>th</sup> Floor Portland, OR 97214	12/31/2018
District No. 2	Loretta Smith 501 SE Hawthorne Blvd, 6 <sup>th</sup> Floor Portland, OR 97214	12/31/2018
District No. 3	Judy Shiprack 501 SE Hawthorne Blvd, 6 <sup>th</sup> Floor Portland, OR 97214	12/31/2016
District No. 4	Diane McKeel 501 SE Hawthorne Blvd, 6 <sup>th</sup> Floor Portland, OR 97214	12/31/2016
<u>Other Elected Officials</u>		
County Auditor	Steve March 501 SE Hawthorne Blvd, 6 <sup>th</sup> Floor Portland, OR 97214	12/31/2018
County District Attorney	Rod Underhill 1021 SW Fourth Avenue Portland, OR 97204	12/31/2016
County Sheriff	Dan Stanton 501 SE Hawthorne Blvd, 3 <sup>rd</sup> 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

## **FINANCIAL SECTION**



## REPORT OF INDEPENDENT AUDITORS

The Board of Commissioners  
Multnomah County, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Federal and State Program Fund of Multnomah County, Oregon (the "County") as of and for the year ended June 30, 2015, 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.



## MOSS-ADAMS<sub>LLP</sub>

### *Opinions*

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, and the respective budgetary comparisons for the General Fund and the Federal and State Program Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of a Matter*

In the year ended June 30, 2015, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which modified the presentation of the financial statements by establishing standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, GASB Statement 68 requires disclosure of information related to pension benefits. As discussed in Note 1 to the basic financial statements, the adoption of GASB statements 68 and 71 resulted in the restatement of beginning net position. Our opinions are not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the other postemployment healthcare benefits schedule of funding progress, the County's schedule of proportionate share of net position liability, and the County's schedule of contributions, as listed in the table of contents (collectively, the required supplementary information) on pages 18 through 30 and pages 95 through 98 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 the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules; other schedules; and schedule of expenditures of federal awards which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; each as listed in the table of contents (collectively, the



## MOSS-ADAMS<sub>LLP</sub>

supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### *Other Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 23, 2015 on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



James C. Lanzarotta, Partner  
On behalf of Moss Adams LLP  
Certified Public Accountants  
Eugene, Oregon  
December 23, 2015



## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Department of County Management

**MULTNOMAH COUNTY OREGON**

501 SE Hawthorne Blvd, Suite 531

Portland, Oregon 97214

(503) 988-3312 phone

(503) 988-3292 fax



### MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of Multnomah County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2015. The information presented here should be read in conjunction with the letter of transmittal, which can be found on pages 1-8 of this report. All dollar amounts, unless otherwise indicated, are expressed in thousands.

#### Financial Highlights

- Multnomah County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2015, by \$893,848 (*net position*). Of this amount, \$27,586 is restricted for capital projects and buildings, \$59,217 is restricted for improvements to roads, bridges and bike paths, \$7,673 is restricted for various community support programs, \$5,534 is restricted for Library operations and \$176 is restricted for document storage and retrieval. \$20,910 is unrestricted and \$772,752 is for net investment in capital assets.
- Total assets for governmental activities increased by \$65,565 or 4% over the prior year. The increase in assets is primarily due to the increase to the construction of the Sellwood Bridge. Land, right-of-way and construction in progress increased by \$50,812 or 11% over 2014. Capitalized construction costs for the Sellwood Bridge were approximately \$54,806 in fiscal year 2015. The overall increase to construction in process is partially offset by the disposition of current year costs related to the Morrison Bridge deck span failure.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$63,388, or approximately 15% of total General Fund expenditures and 15% of total "corporate" revenues of General Fund. Corporate revenues include Property Tax, Business Income Tax, Motor Vehicle Rental Tax, State Revenue Sharing, and Interest Earnings, revenues that are available for general use and over which the Board has complete discretion. This balance is consistent with the County's finance and budget policies requiring a 10% reserve.
- In fiscal year 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The standards required the County restate its beginning net position for fiscal year 2015 which resulted in a \$241,100 beginning net position decrease. For fiscal year 2015 activity the County reported a net pension asset of \$77,474 for its proportionate share of the OPERS net pension asset, deferred outflows of \$29,772, and deferred inflows of \$152,060; resulting in a total net position increase of \$101,449. The change from a net pension liability to a net pension asset in fiscal year 2015 is primarily a result of Senate Bill 822, which eliminated the SB 656/HB 3349 tax remedy payment for benefit recipients who are not subject to Oregon income tax and limited the 2013 post-retirement COLA to 1.5% of annual benefit and Senate Bill 861, which limited the post-retirement COLA for years beyond 2013 to 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000. The pension plan also had strong earnings growth on investments as of the valuation date.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$291,562. The net change in governmental fund balances during the year was an increase of \$26,318 or 10% over fiscal year 2014.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Multnomah County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, health and social services, public safety and justice, community services, roads and bridges, and libraries. The business-type activities of the County include sanitary sewer and street lighting districts, and a behavioral health managed care operation.

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

The government-wide financial statements can be found on pages 31-33 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



## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

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

The basic governmental fund financial statements and respective reconciliation's can be found on pages 34-39 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 42-44 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 45 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 149-150 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 46 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 99 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 post employment healthcare benefits obligations. Required supplementary information can be found on page 95-98.

### 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 \$893,848 at the close of the most recent fiscal year.

#### Multnomah County's Net Position

	Governmental Activities		Business- Type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Current and other assets	\$ 525,083	\$ 484,335	\$ 24,811	\$ 24,027	\$ 549,894	\$ 508,362
Capital assets	1,044,522	924,868	4,537	3,631	1,049,059	928,499
Total assets	1,569,605	1,409,203	29,348	27,658	1,598,953	1,436,861
Deferred outflows of resources	29,412	27,881	360	277	29,772	28,158
Current and other liabilities	162,434	156,498	4,886	5,341	167,320	161,839
Long-term liabilities outstanding	415,406	607,090	-	1,716	415,406	608,806
Total liabilities	577,840	763,588	4,886	7,057	582,726	770,645
Deferred inflows of resources	150,654	340	-	-	150,654	340
Net position:						
Net investment in capital assets	768,977	705,519	3,775	3,631	772,752	709,150
Restricted for, expendable:						
Capital projects	27,586	18,242	-	-	27,586	18,242
Roads, bridge and bike path	59,217	71,524	-	-	59,217	71,524
Other programs	13,383	10,116	-	-	13,383	10,116
Unrestricted	1,360	(132,245)	19,550	17,247	20,910	(114,998)
Total net position	\$ 870,523	\$ 673,156	\$ 23,325	\$ 20,878	\$ 893,848	\$ 694,034

The largest portion of the County's net position, approximately 88%, 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 \$772,752 as compared to \$709,150 a year ago. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's restricted net position in the amount of \$100,186 or approximately 12% are restricted for capital projects, debt service, and various community support programs. Restricted net position represents resources

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

that are subject to external restrictions on how they may be used. The remaining balance is the County's unrestricted net position of \$20,910 or approximately 2%. At the end of the current year, the County is able to report positive balances in all categories of net position for governmental and business-type activities.

Below is a summary of the County's changes in net position for fiscal years 2015 and 2014.

### Multnomah County's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 218,190	\$ 179,903	\$ 72,496	\$ 54,441	\$ 290,686	\$ 234,344
Operating grants and contributions	350,767	340,367	-	-	350,767	340,367
Capital grants and contributions	20,455	60,776	-	-	20,455	60,776
<b>General revenues:</b>						
Taxes:						
Property taxes	330,014	310,870	-	-	330,014	310,870
Business income taxes	73,825	61,800	-	-	73,825	61,800
Other taxes	67,883	59,293	-	-	67,883	59,293
State government shared revenues	9,534	9,198	-	-	9,534	9,198
Grants and contributions not restricted to specific programs	-	24	-	-	-	24
Interest and investment earnings	2,363	2,119	119	102	2,482	2,221
Miscellaneous	2,713	2,302	100	10	2,813	2,312
Gain on sale of capital assets	189	279	-	-	189	279
<b>Total revenues</b>	<b>1,075,933</b>	<b>1,026,931</b>	<b>72,715</b>	<b>54,553</b>	<b>1,148,648</b>	<b>1,081,484</b>
<b>Expenses:</b>						
General government	101,137	97,325	-	-	101,137	97,325
Health services	147,909	152,854	-	-	147,909	152,854
Social services	244,858	245,233	-	-	244,858	245,233
Public safety and justice	200,669	228,463	-	-	200,669	228,463
Community services	53,731	39,182	-	-	53,731	39,182
Library services	60,150	64,708	-	-	60,150	64,708
Roads and bridges	50,327	66,622	-	-	50,327	66,622
Interest on long-term debt	19,785	20,822	-	-	19,785	20,822
Dunthorpe-Riverdale Service District Number 1	-	-	622	573	622	573
Mid County Service District Number 14	-	-	404	420	404	420
Behavioral Health Managed Care	-	-	69,242	53,156	69,242	53,156
<b>Total expenses</b>	<b>878,566</b>	<b>915,209</b>	<b>70,268</b>	<b>54,149</b>	<b>948,834</b>	<b>969,358</b>
Change in net position	197,367	111,722	2,447	404	199,814	112,126
Beginning net position	673,156	801,095	20,878	21,913	694,034	823,008
Cumulative effect to implement GASB No. 68	-	(239,661)	-	(1,439)	-	(241,100)
Ending net position	\$ 870,523	\$ 673,156	\$ 23,325	\$ 20,878	\$ 893,848	\$ 694,034

**Governmental activities.** Governmental activities increased the County's net position by \$197,367; listed are noteworthy reasons for the change from prior year:

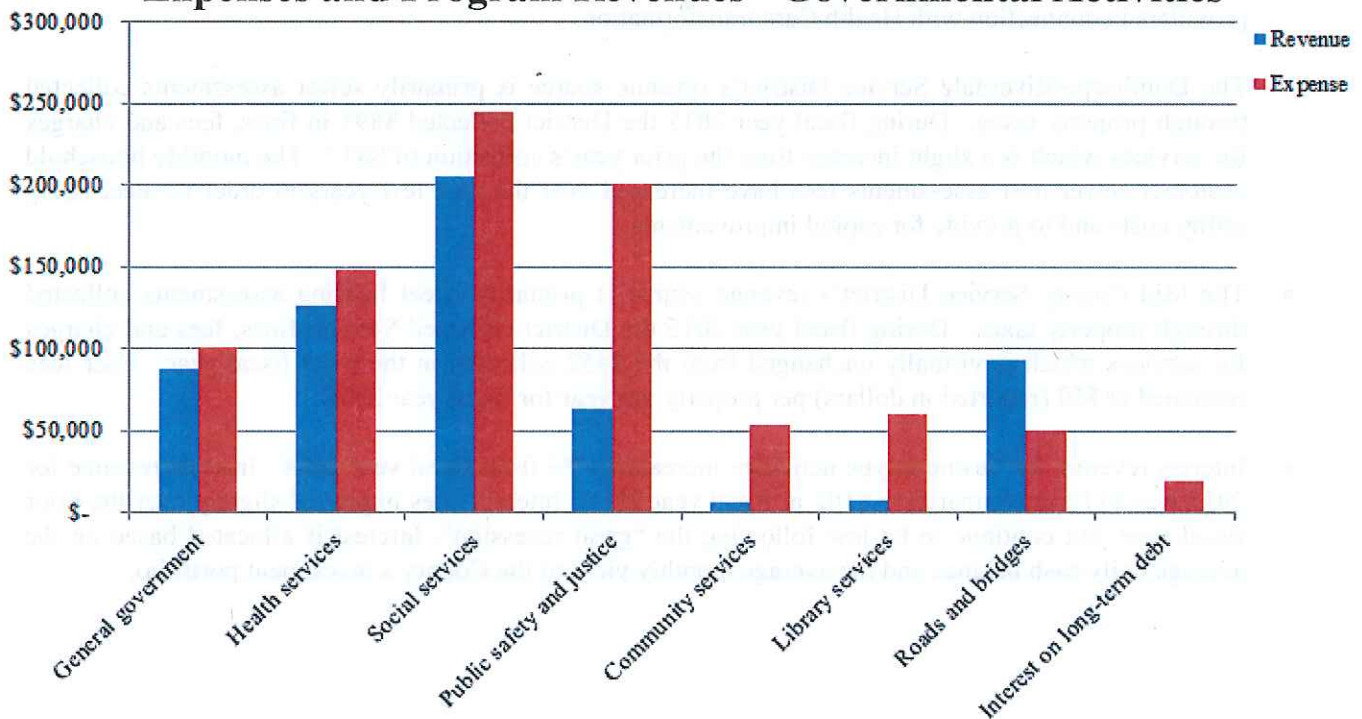


## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

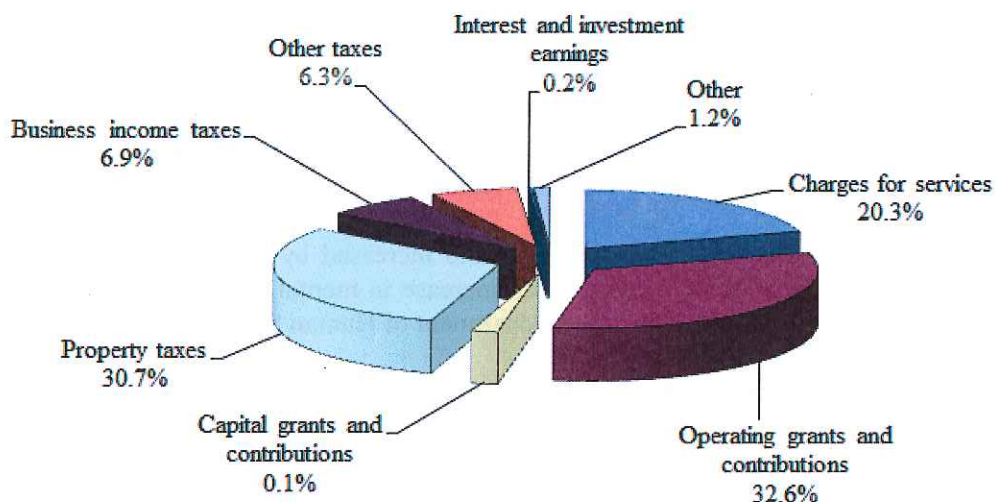
- Property tax revenues are up by \$19,144 or 4% over 2014. The increase is primarily attributable to a 4.8% increase in assessed values, the highest since the imposition of tax limits imposed by Measure 50, and a decrease in Measure 50 compression.
- Business income taxes increased by \$12,025 or nearly 20% over the prior year. This is a reflection of the renewed strength of the regional economy.
- Other taxes increased by \$8,590 or 14% 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 2015 primarily due to the continued popularity of the Portland area as a travel destination.
- Operating grants and contributions for Social Services increased by \$10,400 or 3% from fiscal year 2014. The increase is primarily attributable to an increase in mental health funding from the State of Oregon. Mental health funds received from the Department of Human Services increased by \$20,229.
- Capital grants and contributions for Roads and Bridges decreased by \$40,321 or 66% from fiscal year 2014. This is related to the Sellwood Bridge project. In fiscal year 2014 the City of Portland contributed \$50,000 to the project. In fiscal year 2015 the City of Portland contributed \$20,000 to the project. This reflects the payment schedule in the financing agreement made between the two parties.
- Expenses for Community Services increased by \$14,549 or 37% over fiscal year 2014. This increase is primarily a result of increased Transient Lodging and Motor Vehicle Rental tax collections that per County Code are passed-thru to other government entities to support the Regional Visitors Facilities and Visitor Development. In fiscal year 2015, pass-thru expenses grew by 22% from improved tax collections within the excise tax fund.

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

### Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities increased the County's net position by \$1,008, compared to a increase of \$404 in the prior year. The primary reasons for the current year's increase are:

- In the Behavioral Health Managed Care Fund, state and local health care changes impacted the County's Medicaid mental health organization in the Department of County Human Services (DCHS). Program revenues in the Behavioral Health Managed Care fund increased by \$18,037 or 34% over the prior fiscal year. The primary reason for the increase was Medicaid expansion as of January 2015. The number of members served by the HSO increased by approximately 29% which resulted in a higher overall capitation payment. Multnomah County HSO continues to collaborate with neighboring counties to standardize administrative functions and reduce the burden and cost on mental health providers in connection with Health Care transformation.
- The Dunthorpe-Riverdale Service District's revenue source is primarily sewer assessments collected through property taxes. During fiscal year 2015 the District collected \$893 in fines, fees and charges for services which is a slight increase from the prior year's collection of \$877. The monthly household customer sewer user assessments fees have increased over the past few years in order to meet rising utility costs and to provide for capital improvements.
- The Mid County Service District's revenue source is primarily street lighting assessments collected through property taxes. During fiscal year 2015 the District collected \$454 in fines, fees and charges for services which is virtually unchanged from the \$452 collected in the prior fiscal year. User fees remained at \$60 (reported in dollars) per property per year for fiscal year 2015.
- Interest revenue for business-type activities increased 17% from fiscal year 2014. Interest revenue for 2015 was \$119 as compared to \$102 in fiscal year 2014. Interest rates improved slightly over the prior fiscal year, but continue to be low following the "great recession". Interest is allocated based on the average daily cash balance and the average monthly yield of the County's investment portfolio.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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### 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 \$291,562 an increase of \$26,318 over the prior year. Approximately 27% or \$78,982 of this total amount constitutes *assigned and unassigned fund balances*, which is available for spending at the government's discretion. Unassigned fund balances in the General Fund represent available amounts. A deficit unassigned fund balance in Federal and State Special Revenue Fund represents over spending on assigned amounts. Assigned fund balances in other governmental funds represents available fund balance in those funds. The restricted fund balance is \$106,437 or 37% of the total fund balance. Most of the restricted balance is dedicated to the Sellwood Bridge replacement capital project. Other restricted resources include grant programs, improvements to roads or bike paths, various community support or future debt service. The remainder of fund balance is either *committed* for resources constrained on use by the Board of County Commissioners via a County Ordinance or Board resolution or is *nonspendable* to indicate that it is not available for discretionary spending because it has already been dedicated to prepaid items and inventories. Additional information on the County's fund balances can be found in note 3.G on page 80 of this report.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$63,388 in the General Fund or approximately 99% of the total fund balance of \$64,345. 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 15% of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$18,992 or 42%, reflecting revenues that were 4% above budgeted amounts while expenditures were 4% lower than appropriations.

The Federal and State Program Special Revenue Fund has a total fund balance of \$6,451, of which \$494 is nonspendable due to balances reported for prepaid items and inventories. The restricted balance of \$5,954 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 \$3 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 and State Program fund increased by \$274 or 5% from the prior fiscal year reflecting spending levels that were in alignment with revenues recognized during the year.

The PERS Pension Bond Fund is a debt service fund with a total fund balance of \$84,279 which is an increase of \$14,914 or 22% over the prior year's ending fund balance of \$69,365. The increase is directly related to the County's conservative approach to recover PERS costs through internal service charges. The total fund balance is committed for future debt service.

The Sellwood Bridge Replacement Capital Project Fund reported a total fund balance of \$56,821 of which \$149 is nonspendable for balances reported in prepaid items and inventories, \$2,419 is committed and \$477 is assigned. The largest balance is reported as restricted fund balance of \$53,776. The restricted balance primarily represents unspent grants and capital contributions to finance construction of the new Sellwood Bridge.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at year end amounted to:

- Dunthorpe-Riverdale Service District Fund, \$1,598
- Mid County Service District Fund, \$571
- Behavioral Health Managed Care Fund, \$17,381

The total change in net position for all proprietary funds was an increase of \$2,447. 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 \$5,711 and the total final adopted budgeted expenditures increased by \$7,403 from the original budgeted numbers. During the year the General Fund contingency was reduced by (\$854) or (8%). Following are noteworthy changes from the original budget to the final adopted budget in the General Fund.

- Health Department - \$3,490 increase due to clinic expansion as a result of increased Medicaid enrollment.
- Department of County Human Services - \$1,000 increase to provide funding for programs that aim to eradicate socio-economic disparities following the model of the federal Promise Neighborhoods initiative including efforts to improve the quality of life for youth experiencing generational poverty and discrimination.
- Nondepartmental - \$764 increase in pass through payments to four east county cities to account for higher than anticipated Business Income Tax collections. The County shares revenue with the cities of Gresham, Troutdale, Fairview, and Wood Village through an intergovernmental agreement
- Department of Community Justice - \$315 increase due to the addition of 3 beds at the Donald E. Long juvenile facility. The additional beds are supported by intergovernmental revenue from Clackamas County.

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

### Capital Projects and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$971,585 (net of accumulated depreciation). This investment in capital assets includes land, right of ways, buildings and improvements, machinery and equipment, internally developed software, roads and bridges, sewer and street lighting systems, and motor vehicles. The total overall change in the County's investment in capital assets for the current fiscal year was an increase of \$43,086 or approximately 5%. This increase is attributable to the County's Sellwood Bridge project under construction at the end of fiscal year 2015, which accounts for the significant increase in construction in process. Buildings not-in-service represents a County jail facility whose construction was completed in fiscal year 2005, but the County does not

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

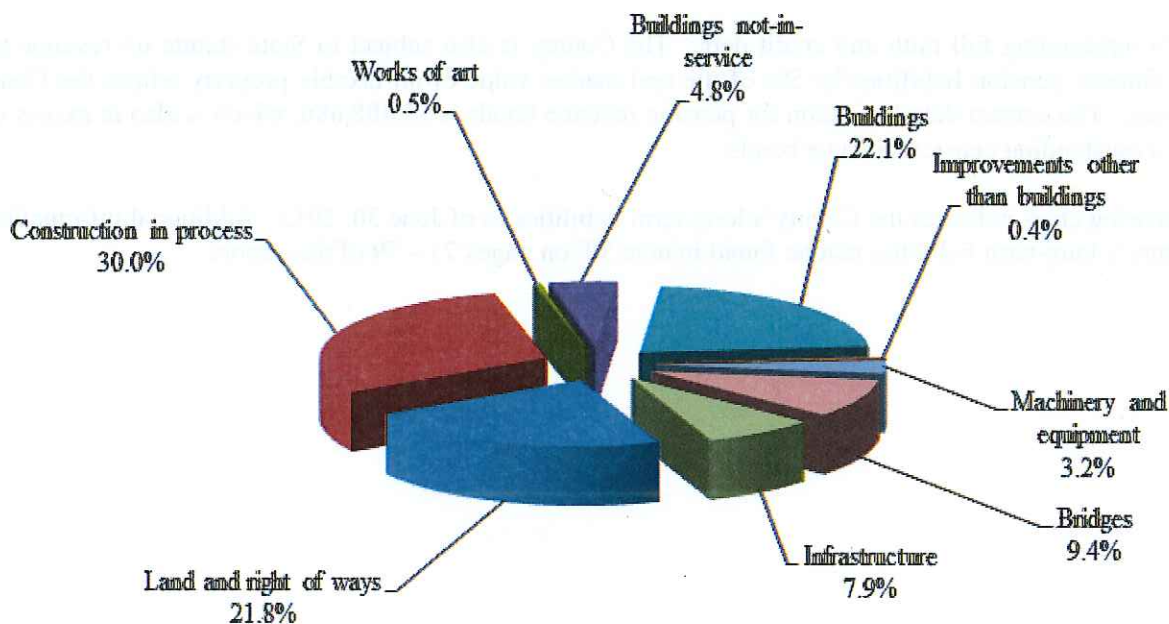
have sufficient resources to operate the facility. In fiscal year 2015 management determined the asset had been impaired and wrote the County jail down by \$945 to an adjusted amount of \$46,164. The County replaced the Morrison Bridge's aging deck span during the fiscal year 2012 and 2013 at a capitalized cost of \$4,430. Soon after completion the new decking began to fail. In fiscal year 2015 management determined the asset had been impaired and wrote the Morrison Bridge deck span down by \$3,007. The County will begin replacing the failed decking in fiscal year 2016.

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

	Governmental Activities		Business- Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and right of ways	\$ 211,870	\$ 212,016	\$ -	\$ -	\$ 211,870	\$ 212,016
Construction in process	290,940	239,982	460	174	291,400	240,156
Works of art	4,430	4,430	-	-	4,430	4,430
Buildings not-in-service	46,164	47,109	-	-	46,164	47,109
Buildings	214,337	222,928	-	-	214,337	222,928
Improvements other than Buildings	675	714	3,315	3,457	3,990	4,171
Machinery and equipment	31,011	33,654	-	-	31,011	33,654
Bridges	91,364	77,736	-	-	91,364	77,736
Infrastructure	77,019	86,299	-	-	77,019	86,299
Total capital assets	<u>\$ 967,810</u>	<u>\$ 924,868</u>	<u>\$ 3,775</u>	<u>\$ 3,631</u>	<u>\$ 971,585</u>	<u>\$ 928,499</u>

The following chart indicates the County's capital assets as of June, 30, 2015. Additional information on the County's capital assets can be found in note 3.C on pages 69 – 71 of this report.

### Total Capital Assets



## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding of \$316,524. Of this amount, \$12,962 is general obligation bonds; \$299,647 represents full faith and credit bonds; \$2,723 comprises long term loan obligations; and the remainder of \$1,192 represents capitalized leases. Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

### Multnomah County's Outstanding Debt

	Governmental Activities		Business- Type Activities		Total	
	2,015	2,014	2,015	2,014	2,015	2,014
General obligation bonds	\$ 12,962	\$ 19,812	\$ -	\$ -	\$ 12,962	\$ 19,812
Full faith and credit bonds	299,647	317,452	-	-	299,647	317,452
Capital leases	1,192	1,333	-	-	1,192	1,333
Loans	2,723	2,919	-	-	2,723	2,919
Total outstanding debt	<u>\$ 316,524</u>	<u>\$ 341,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,524</u>	<u>\$ 341,516</u>

The County's total debt decreased by (\$24,992) or approximately (7%) during the current fiscal year. The County did not issue new debt or refund any existing debt obligations in fiscal year 2015. Changes to the County's long-term debt during fiscal year 2015 consisted primarily of principal payments.

The County maintains an AAA rating with a stable outlook from Moody's, for general obligation debt and AA1 for full faith and credit bonds. Standard & Poor's rated the County's full faith and credit bonds as AA+.

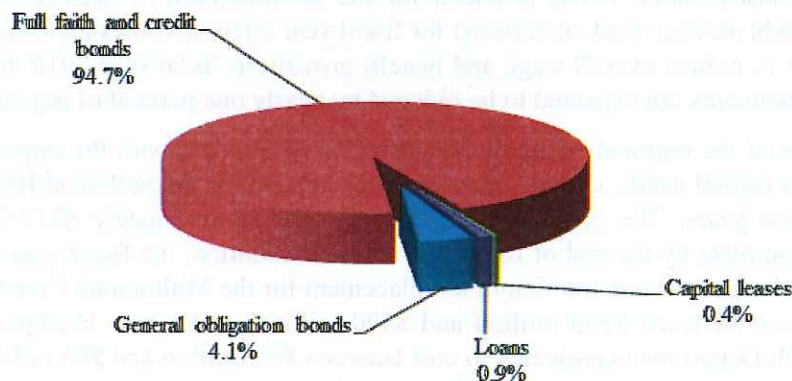
State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for general obligation debt is \$2,163,475, which is significantly in excess of the County's outstanding general obligation debt. State statutes also limit the amount of full faith and credit obligations to one percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for full faith and credit obligations is \$1,081,737, which is in excess of the

County's outstanding full faith and credit debt. The County is also subject to State statute on revenue bonds used to finance pension liabilities by 5% of the real market value of all taxable property within the County's boundaries. The current debt limitation for pension revenue bonds is \$5,408,686, which is also in excess of the County's outstanding pension revenue bonds.

The following chart indicates the County's long-term liabilities as of June 30, 2015. Additional information on the County's long-term liabilities can be found in note 3.F on pages 73 – 79 of this report.



**Total Outstanding Long-Term Debt**



**Key Economic Factors and Budget Information for Next Year**

- The unemployment rate for the Portland-Vancouver-Beaverton PMSA (Primary Metropolitan Statistical Area) at the close of the fiscal year the rate had dropped to approximately 5.4% from 6.3% at the same time last year. The consensus forecast has Oregon employment growing 3.1% in 2015 and 2.9% in 2016. Personal income growth is projected to increase 5.9% in 2015 and 6.1% in 2016.
- Property tax revenues are the single largest source of revenue in the General Fund and account for approximately two thirds of ongoing revenues. Therefore, General Fund growth is particularly sensitive to taxable value growth and compression. Property tax revenues are based on projections and estimates. This data notes an increase in the 2016 budget of 6.1% due to a combination of increases in assessed values and a reduction in Measure 50 compression.
- The forecast for fiscal year 2016 projects business income tax revenues will increase by 18.2% over budgeted fiscal year 2015 levels. Business income tax (BIT) is highly sensitive to economic conditions and has historically been a volatile revenue source. The fiscal year 2016 budget includes an additional 10% 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 2016 calls for a 14.3% increase over budgeted fiscal year 2015 levels.
- Health care transformation and the expansion of Medicaid continue to drive growth in the County's Health Department and Department of County Human Services. Intergovernmental revenues dedicated to the functions are forecast to increase by 12% over revised fiscal year 2015 levels.
- The County's primary cost drivers are costs related to personnel. Expenditures for employee salary and benefits are forecast to grow by an estimated 2.4% in fiscal year 2016. Wage growth is based on the change in the CPI which has been relatively low for the past several years. Of particular note is the fact that rates charged to County departments for the provision of employee and retiree benefits have not increased for the past few years and are forecast to stay flat in fiscal year 2016.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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- The County has taken a conservative approach to PERS. 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. And, as forecast for fiscal year 2016, it allows the County to use the internal rates as a lever to reduce overall wage and benefit growth. In fiscal year 2016 the internal PERS rates charged to departments are expected to be reduced by nearly one percent of payroll.
- The resurgence of the regional economy has provided the County with the opportunity to tackle some of its long-term capital needs. Construction of a replacement for the Sellwood Bridge has been ongoing for the past few years. The project is expected to cost approximately \$317.5 million and will be substantially complete by the end of fiscal year 2016. In addition, the fiscal year 2016 budget provides funds to begin design and construction of a replacement for the Multnomah County Central Courthouse (projected to cost between \$290 million and \$300 million) and a new headquarters building for the County's Health Department (projected to cost between \$85 million and \$95 million). When completed these projects will add significantly to the County's asset base and reduce the amount of deferred capital maintenance.

All of these factors were considered in preparing the County's budget for fiscal year 2016.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$63,388. At this level, the County is able to fully fund the reserve account in the General Fund unappropriated fund balance as described in the Financial and Budget policies. The Finance and Budget policies state it is the goal of the Board to fund and maintain a General Fund budgeted reserve, designated as unappropriated fund balance and funded at approximately 10% of specifically identified revenues, "corporate" revenues, of the General Fund. In fiscal year 2016, reserves are budgeted at 10% of the "corporate" revenues of the General Fund. The fiscal year 2016 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

## **BASIC FINANCIAL STATEMENTS**





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**MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position**  
**June 30, 2015**  
(amounts expressed in thousands)

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>The Library Foundation</b>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 279,433	\$ 24,730	\$ 304,163	\$ 18,030
Receivables (net of allowance for uncollectibles):				
Taxes	26,128	-	26,128	-
Accounts	48,644	1	48,645	-
Interest	1,096	-	1,096	-
Special assessments	11	80	91	-
Contracts	529	-	529	-
Contributions	-	-	-	173
Inventories	1,793	-	1,793	-
Prepaid items	3,283	-	3,283	25
Split interest and other agreements	-	-	-	598
Restricted assets:				
Cash and investments	110,274	-	110,274	-
Receivables:				
Taxes	3,261	-	3,261	-
Accounts	49,421	-	49,421	-
Loans	639	-	639	-
Restricted inventories	571	-	571	-
Non-current assets:				
Capital assets:				
Land, right-of-way and construction in progress	502,810	460	503,270	-
Works of art, not depreciating	4,430	-	4,430	-
Building - not in service, not depreciating	46,164	-	46,164	-
Other capital assets (net of accumulated depreciation)	414,406	3,315	417,721	25
Net pension asset	76,712	762	77,474	-
Total assets	1,569,605	29,348	1,598,953	18,851
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Plan - Current year contributions	29,412	360	29,772	-
<b>LIABILITIES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	43,713	3,862	47,575	210
Claims and judgements payable	10,911	1,024	11,935	-
Accrued salaries and benefits	6,061	-	6,061	-
Accrued interest payable	1,448	-	1,448	-
Gift annuity payable	-	-	-	6
Unearned revenue	1,585	-	1,585	-



**MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position**  
**June 30, 2015**  
(amounts expressed in thousands)

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>The Library Foundation</b>
Due within one year:				
Compensated absences	28,736	-	28,736	-
Bonds payable	18,670	-	18,670	-
Capital leases payable	148	-	148	-
Loans payable	203	-	203	-
Pollution remediation obligation	38	-	38	-
Due in more than one year:				
Compensated absences	273	-	273	-
Bonds payable	287,549	-	287,549	-
Capital leases payable	1,044	-	1,044	-
Loans payable	2,520	-	2,520	-
Incremental lease obligation	1,500	-	1,500	-
Net other postemployment benefits obligation	121,794	-	121,794	-
Liabilities payable from restricted assets				
Accounts payable	30,681	-	30,681	-
Accrued salaries and benefits	3,130	-	3,130	-
Unearned revenue	11,445	-	11,445	-
Due within one year - Bonds payable	5,665	-	5,665	-
Due in more than one year - Bonds payable	726	-	726	-
Total liabilities	<u>577,840</u>	<u>4,886</u>	<u>582,726</u>	<u>216</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Plan - Earnings	148,023	1,471	149,494	-
Pension Plan - Share of contributions	2,541	25	2,566	-
Resources received before time requirements met	90	-	90	-
<b>NET POSITION</b>				
Net investment in capital assets	768,977	3,775	772,752	25
Restricted for:				
Nonexpendable - Library operations	-	-	-	4,262
Expendable:				
Capital projects, buildings	27,586	-	27,586	-
Community support programs	7,673	-	7,673	-
Document storage and retrieval	176	-	176	-
Library operations	5,534	-	5,534	4,273
Road, bridge and bike path improvements	59,217	-	59,217	-
Unrestricted	1,360	19,550	20,910	10,075
Total net position	<u>\$ 870,523</u>	<u>\$ 23,325</u>	<u>\$ 893,848</u>	<u>\$ 18,635</u>

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

**MULTNOMAH COUNTY, OREGON**  
Statement of Activities  
For the year ended June 30, 2015  
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position			Component Unit
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 101,137	\$ 83,516	\$ 4,324	\$ -	\$ (13,297)	\$ -	\$ (13,297)	\$ -
Health services	147,909	89,951	36,384	-	(21,574)	-	(21,574)	-
Social services	244,858	3,604	202,035	-	(39,219)	-	(39,219)	-
Public safety and justice	200,669	19,472	43,747	33	(137,417)	-	(137,417)	-
Community services	53,731	5,120	1,560	4	(47,047)	-	(47,047)	-
Library	60,150	3,126	3,909	-	(53,115)	-	(53,115)	-
Roads and bridges	50,327	13,401	58,808	20,418	42,300	-	42,300	-
Interest on long-term debt	19,785	-	-	-	(19,785)	-	(19,785)	-
Total governmental activities	878,566	218,190	350,767	20,455	(289,154)	-	(289,154)	-
Business-type activities:								
Dunthorpe-Riverdale service								
District Number 1	622	893	-	-	-	271	271	-
Mid County service								
District Number 14	404	454	-	-	-	50	50	-
Behavioral health managed care	69,242	71,149	-	-	-	1,907	1,907	-
Total business-type activities	70,268	72,496	-	-	-	2,228	2,228	-
Total primary government	\$ 948,834	\$ 290,686	\$ 350,767	\$ 20,455	\$ (289,154)	\$ 2,228	\$ (286,926)	\$ -
Component unit:								
The Library Foundation	\$ 2,884	\$ -	\$ 2,270	\$ -	\$ -	\$ -	\$ -	\$ (614)
General revenues:								
Taxes:								
					323,898	-	323,898	-
Property taxes, levied for general purposes					6,116	-	6,116	-
Property taxes, levied for debt service					32	-	32	-
Personal income taxes					73,825	-	73,825	-
Business income taxes					67,192	-	67,192	-
Selective excise and use taxes					659	-	659	-
Payments in lieu of taxes					9,534	-	9,534	-
State government shared unrestricted revenues					-	-	-	1,028
Grants and contributions not restricted to specific programs					2,363	119	2,482	(56)
Interest and investment earnings					2,713	100	2,813	1
Miscellaneous					189	-	189	-
Gain on sale of capital assets					486,521	219	486,740	973
Total general revenues					197,367	2,447	199,814	359
Change in net position					912,817	22,317	935,134	18,276
Net position - as previously reported					(239,661)	(1,439)	(241,100)	-
Cumulative effect to implement GASB Statement No. 68 (See Note 1)					673,156	20,878	694,034	18,276
Net position - beginning, as restated					\$ 870,523	\$ 23,325	\$ 893,848	\$ 18,655
Net position - ending								

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

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**MULTNOMAH COUNTY, OREGON**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**  
(amounts expressed in thousands)

	<b>General Fund</b>	<b>Federal and State Special Revenue Fund</b>	<b>PERS Pension Bond Debt Service Fund</b>
<b>ASSETS</b>			
Unrestricted:			
Cash and investments	\$ 75,592	\$ -	\$ 84,279
Receivables:			
Taxes	21,599	-	-
Accounts	46,848	365	-
Interest	1,096	-	-
Special assessments	11	-	-
Contracts	529	-	-
Due from other funds	250	-	-
Inventories	785	-	-
Prepays and deposits	370	494	-
Restricted:			
Cash and investments	792	454	-
Receivables:			
Taxes	-	-	-
Accounts	15	31,698	-
Loans	-	639	-
Inventories	-	571	-
Total assets	<u>\$ 147,887</u>	<u>\$ 34,221</u>	<u>\$ 84,279</u>
<b>LIABILITIES</b>			
Liabilities payable from unrestricted assets:			
Accounts payable	\$ 27,577	\$ 365	\$ -
Payroll payable	4,436	-	-
Unearned revenue	1,537	-	-
Liabilities payable from restricted assets:			
Restricted accounts payable	631	12,957	-
Restricted payroll payable	-	3,003	-
Due to other funds	-	-	-
Restricted unearned revenue	-	11,445	-
Total liabilities	<u>34,181</u>	<u>27,770</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Resources not yet available:			
Clinic fees	34,741	-	-
Property taxes	14,596	-	-
Resources received before time requirements met	24	-	-
Total deferred inflows of resources	<u>49,361</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	781	494	-
Restricted	176	5,954	-
Committed	-	-	84,279
Assigned	-	3	-
Unassigned	63,388	-	-
Total fund balances	<u>64,345</u>	<u>6,451</u>	<u>84,279</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 147,887</u>	<u>\$ 34,221</u>	<u>\$ 84,279</u>

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

<b>Sellwood Bridge Replacement Capital Project Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,896	\$ 32,980	\$ 195,747
-	4,529	26,128
-	830	48,043
-	-	1,096
-	-	11
-	-	529
-	401	651
-	155	940
147	560	1,571
50,141	52,732	104,119
-	3,261	3,261
10,823	6,885	49,421
-	-	639
-	-	571
<u>\$ 64,007</u>	<u>\$ 102,333</u>	<u>\$ 432,727</u>
\$ -	\$ 7,278	\$ 35,220
-	884	5,320
-	-	1,537
7,186	9,907	30,681
-	128	3,131
-	651	651
-	-	11,445
<u>7,186</u>	<u>18,848</u>	<u>87,985</u>
-	-	34,741
-	3,753	18,349
-	66	90
-	<u>3,819</u>	<u>53,180</u>
149	715	2,139
53,776	46,531	106,437
2,419	17,306	104,004
477	15,114	15,594
-	-	63,388
<u>56,821</u>	<u>79,666</u>	<u>291,562</u>
<u>\$ 64,007</u>	<u>\$ 102,333</u>	<u>\$ 432,727</u>

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**MULTNOMAH COUNTY, OREGON**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**As of June 30, 2015**  
**(amounts expressed in thousands)**

Fund Balances - Governmental Funds		\$ 291,562
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	1,571,980	
Less accumulated depreciation	<u>(618,618)</u>	953,362
Net pension asset		70,217
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the Governmental Funds		
Deferred Outflow of Resources:		
Pension Plan current year deferred contributions		26,921
Accrued interest payable		(1,448)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds payable	(312,610)	
Capital leases payable	(1,192)	
Loans payable	<u>(2,723)</u>	(316,525)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
		(26,443)
Pollution remediation obligation		(38)
Net other post-employment benefits obligation		(121,794)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the Governmental Funds		
Deferred Inflow of Resources:		
Pension Plan Earnings		(135,492)
Pension Plan Share of Contributions		(2,327)
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.		
Clinic fees	34,740	
Property taxes	<u>18,349</u>	53,089
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>79,439</u>
Net Position of Governmental Activities		<u>\$ 870,523</u>

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

**MULTNOMAH COUNTY, OREGON**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>General Fund</b>	<b>Federal and State Special Revenue Fund</b>	<b>PERS Pension Bond Debt Service Fund</b>
<b>REVENUES</b>			
Taxes	\$ 352,971	\$ -	\$ -
Payments in lieu of taxes	582	-	-
Intergovernmental	12,374	272,832	-
Licenses and permits	11,548	1,144	-
Charges for services	33,372	45,225	-
Interest	1,067	1	319
Non-governmental grants	2,963	3,687	-
Service reimbursements	26,189	10	33,682
Miscellaneous	1,214	1,082	-
Total revenues	<u>442,280</u>	<u>323,981</u>	<u>34,001</u>
<b>EXPENDITURES</b>			
Current:			
General government	73,098	-	-
Health services	95,654	76,170	-
Social services	57,805	201,586	-
Public safety and justice	187,535	44,076	-
Community services	-	1,061	-
Library services	-	-	-
Roads and bridges	-	-	-
Capital outlay	1,837	814	-
Debt service:			
Principal	-	-	4,469
Interest expense	-	-	14,618
Total expenditures	<u>415,929</u>	<u>323,707</u>	<u>19,087</u>
Excess of (deficiency) of revenues over (under) expenditures	<u>26,351</u>	<u>274</u>	<u>14,914</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	10	-	-
Transfers in	1,770	-	-
Transfers out	(9,139)	-	-
Total other financing sources (uses)	<u>(7,359)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	18,992	274	14,914
Fund balances - beginning	45,353	6,177	69,365
Fund balances - ending	<u>\$ 64,345</u>	<u>\$ 6,451</u>	<u>\$ 84,279</u>

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

<b>Sellwood Bridge Replacement Capital Project Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 117,515	\$ 470,486
-	77	659
37,976	46,472	369,654
11,602	4,819	29,113
-	7,615	86,212
256	381	2,024
-	3,997	10,647
-	24,779	84,660
9	419	2,724
49,843	206,074	1,056,179
-	6,265	79,363
-	72	171,896
-	-	259,391
-	8,515	240,126
-	41,165	42,226
-	62,673	62,673
9,910	43,359	53,269
54,086	18,236	74,973
-	18,262	22,731
-	7,789	22,407
63,996	206,336	1,029,055
(14,153)	(262)	27,124
-	266	276
-	101,428	103,198
-	(95,141)	(104,280)
-	6,553	(806)
(14,153)	6,291	26,318
70,974	73,375	265,244
\$ 56,821	\$ 79,666	\$ 291,562



**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, 2015**  
**(amounts expressed in thousands)**

Net change in fund balances - Governmental Funds		\$ 26,318
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	74,974	
Current year depreciation expense	<u>(29,161)</u>	45,813
Contributed and donated capital assets	450	
Proceeds on sale of capital assets	<u>(276)</u>	
Loss on disposal of capital assets	<u>(7,060)</u>	(6,886)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Increase in deferred inflows of resources - clinic fees	8,200	
Increase in deferred inflows of resources - property taxes	<u>1,104</u>	9,304
Premium issued on long-term debt is reported as an other financing source in governmental funds, but an increase of long-term liabilities in the statement of net position.		
The premium is amortized to interest expense in the statement of activities.		
Current year premium amortization		2,260
Repayment of long-term debt (including defeased amounts) is reported as an expenditure in the governmental funds, but a reduction of long-term liabilities in the statement of net position.		
		22,731
Some expenses reported in the statement of activities do not require the use of current resources		
Increase in long-term compensated absences	(1,326)	
Decrease in accrued interest expense	361	
Increase in other expenses	<u>(53)</u>	(1,018)
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68.		
Amount of pension expenditures at fund modified accrual level	26,921	
Amount of pension income recognized at government-wide level	<u>64,964</u>	91,885
Activities related to pollution remediation obligations:		
Pollution remediation activities incurred and paid within the fiscal year		22
Current year expense for net other post-employment benefits obligation		(5,848)
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>12,786</u>
Change in net position of Governmental Activities		<u>\$ 197,367</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/expenses, assets or liabilities (excluding extraordinary items) are at least 10 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, and health and social services.
- **Federal and State Program Fund** - accounts for the majority of grant restricted revenues and expenditures related to funding received from federal, state and local programs. This fund also includes some non-restricted operations revenues in the form of fees and licenses.
- **PERS Pension Bond Fund** - accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's PERS unfunded liability. Revenues consist of charges to departments and interest. The schedule of revenues, expenditures, and changes in fund balances - budget and actual for the PERS Pension Bond debt service fund is on page 125.
- **Sellwood Bridge Replacement Fund** - accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from Vehicle Registration Fees, City of Portland, Clackamas County, the State of Oregon and a request for federal funds, debt issuance or other financing proceeds. The schedule of revenues, expenditures, and changes in fund balances - budget and actual for the Sellwood Bridge Replacement capital projects fund is on page 137.





**MULTNOMAH COUNTY, OREGON**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ 248,488	\$ 248,488	\$ 253,126	\$ 4,638
Business income	62,987	63,751	73,825	10,074
Personal income	-	-	32	32
Motor vehicle rental	22,950	22,950	25,972	3,022
Transient lodging	-	-	16	16
Payments in lieu of taxes	339	339	582	243
Intergovernmental	11,202	11,518	12,374	856
Licenses and permits	10,860	10,860	11,548	688
Charges for services	42,522	43,354	41,572	(1,782)
Interest	1,046	1,046	1,067	21
Other:				
Non-governmental grants	1,503	3,320	2,963	(357)
Service reimbursements	24,311	26,293	26,189	(104)
Miscellaneous	1,431	1,431	1,214	(217)
Total revenues	427,639	433,350	450,480	17,130
<b>EXPENDITURES</b>				
Community justice	58,661	59,050	56,259	2,791
Community services	13,223	13,223	12,423	800
County assets	6,085	6,085	6,016	69
County management	33,545	33,545	30,375	3,170
District attorney	21,618	21,618	21,178	440
Health services	96,082	100,450	95,847	4,603
Human services	61,334	63,053	57,838	5,215
Nondepartmental	24,792	25,656	24,800	856
Sheriff	112,138	112,201	111,192	1,009
Total expenditures	427,478	434,881	415,928	18,953
Excess (deficiency) of revenues over (under) expenditures	161	(1,531)	34,552	36,083
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	10	10
Transfers in	2,535	2,535	1,770	(765)
Transfers out	(9,139)	(9,139)	(9,139)	-
Total other financing sources (uses)	(6,604)	(6,604)	(7,359)	(755)
Contingency	(10,378)	(9,524)	-	9,524
Net change in fund balances	(16,821)	(17,659)	27,193	44,852
Fund balances - beginning	51,143	51,981	71,894	19,913
Fund balances - ending	\$ 34,322	\$ 34,322	99,087	\$ 64,765
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			(26,541)	
Current year revenues unavailable			(14,177)	
Unavailable in prior year, recognized in current year			5,976	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, Page 37			\$ 64,345	

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

**MULTNOMAH COUNTY, OREGON**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Federal and State Program Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 180,833	\$ 206,695	\$ 194,440	\$ (12,255)
Licenses and permits	992	992	1,144	152
Charges for services	44,297	50,379	45,225	(5,154)
Interest	-	-	1	1
Other:				
Non-governmental grants	2,440	2,626	3,687	1,061
Service reimbursements	32	32	10	(22)
Miscellaneous	105	105	1,082	977
Total revenues	<u>228,699</u>	<u>260,829</u>	<u>245,589</u>	<u>(15,240)</u>
<b>EXPENDITURES</b>				
Community justice	28,011	28,990	26,772	2,218
Community services	41	61	55	6
District attorney	6,180	6,496	6,416	80
Health services	71,525	81,525	76,800	4,725
Human services	116,874	136,333	123,268	13,065
Nondepartmental	1,196	1,258	1,006	252
Sheriff	11,124	11,185	10,998	187
Total expenditures	<u>234,951</u>	<u>265,848</u>	<u>245,315</u>	<u>20,533</u>
Net change in fund balances	(6,252)	(5,019)	274	5,293
Fund balances at beginning of year	6,252	5,019	6,177	1,158
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>6,451</u>	<u>\$ 6,451</u>
Reconciliation to GAAP Basis:				
Intergovernmental revenues for State payments to County service providers			78,392	
State payments to County service providers			<u>(78,392)</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, Page 37			<u>\$ 6,451</u>	

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

## PROPRIETARY FUNDS

The County utilizes eight Proprietary Funds made up of three Enterprise Funds and five Internal Service Funds. Internal Service Funds' statements begin on page 141.

### **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 street lights throughout unincorporated Multnomah County. (A blended component unit of Multnomah County).
- **Behavioral Health Managed Care Fund** - accounts for all financial activity associated with the State required behavioral health services.





**MULTNOMAH COUNTY, OREGON**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Dunthorpe-Riverdale Service District</b>	<b>Mid County Service District</b>	<b>Behavioral Health Managed Care</b>	<b>Total</b>	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 1,553	\$ 571	\$ 22,606	\$ 24,730	\$ 89,841
Receivables (net of allowances for uncollectibles):					
Accounts	1	-	-	1	601
Special assessments	53	27	-	80	-
Inventories	-	-	-	-	853
Prepaid items	-	-	-	-	1,712
Total current assets	1,607	598	22,606	24,811	93,007
Noncurrent assets:					
Capital assets:					
Construction in progress	460	-	-	460	3,701
Other capital assets (net of accumulated depreciation)	2,049	1,266	-	3,315	10,749
Net Pension Asset	-	-	762	762	6,495
Total noncurrent assets	2,509	1,266	762	4,537	20,945
Total assets	4,116	1,864	23,368	29,348	113,952
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Plan - Current year contributions	-	-	360	360	2,491
Total deferred outflows of resources	-	-	360	360	2,491
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	9	26	3,827	3,862	8,494
Claims and judgments payable	-	-	1,024	1,024	10,911
Payroll payable	-	-	-	-	741
Unearned revenue	-	-	-	-	48
Compensated absences	-	-	-	-	2,473
Total current liabilities	9	26	4,851	4,886	22,667
Noncurrent liabilities:					
Compensated absences	-	-	-	-	93
Incremental leases payable	-	-	-	-	1,500
Total noncurrent liabilities	-	-	-	-	1,593
Total liabilities	9	26	4,851	4,886	24,260
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Plan - Earnings	-	-	1,471	1,471	12,531
Pension Plan - Share of contributions	-	-	25	25	214
Total deferred inflows of resources	-	-	1,496	1,496	12,745
<b>NET POSITION</b>					
Invested in capital assets	2,509	1,266	-	3,775	14,450
Unrestricted	1,598	571	17,381	19,550	64,989
Total net position	\$ 4,107	\$ 1,837	\$ 17,381	\$ 23,325	\$ 79,439

The accompanying notes are an integral part of the financial statements.

**MULTNOMAH COUNTY, OREGON**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**  
(amounts expressed in thousands)

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Dunthorpe-Riverdale Service District</b>	<b>Mid County Service District</b>	<b>Behavioral Health Managed Care</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>					
Current assessments	\$ 881	\$ 447	\$ -	\$ 1,328	\$ -
Prior assessments	-	7	-	7	-
Charges for services	11	-	71,149	71,160	171,237
Insurance premiums	-	-	-	-	8,725
Experience ratings and other	8	-	92	100	3,814
Total operating revenues	900	454	71,241	72,595	183,776
<b>OPERATING EXPENSES</b>					
Cost of sales and services	523	314	67,888	68,725	165,637
Administration	23	24	1,353	1,400	5,312
Depreciation	76	66	-	142	2,159
Total operating expenses	622	404	69,241	70,267	173,108
Operating income (loss)	278	50	2,000	2,328	10,668
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest revenue	8	2	109	119	339
Gain on disposal of capital assets	-	-	-	-	748
Loss on disposal of capital assets	-	-	-	-	(49)
Total nonoperating revenues	8	2	109	119	1,038
Income (loss) before contributions and transfers	286	52	2,109	2,447	11,706
Transfers in	-	-	-	-	1,739
Transfers out	-	-	-	-	(657)
Change in net position	286	52	2,109	2,447	12,788
Total net position - beginning	3,821	1,785	16,711	22,317	78,911
Net impact of adoption of GASB No. 68 (Note 1)	-	-	(1,439)	(1,439)	(12,260)
Total net position - ending	\$ 4,107	\$ 1,837	\$ 17,381	\$ 23,325	\$ 79,439

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, 2015**  
**(amounts expressed in thousands)**

	<b>Business Type Activities - Enterprise Funds</b>				
	<b>Dunthorpe - Riverdale Service District</b>	<b>Mid County Service District</b>	<b>Behavioral Health Manage Care</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 898	\$ 452	\$ 71,243	\$ 72,593	\$ 21,103
Receipts connected with interfund activities	-	-	-	-	162,903
Payments to suppliers	(506)	(315)	(63,591)	(64,412)	(125,307)
Payments to employees	(31)	(20)	(6,320)	(6,371)	(40,556)
Payments connected with interfund activities	-	-	(863)	(863)	(11,353)
Net cash provided by operating activities	361	117	469	947	6,790
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers out	-	-	-	-	(657)
Net cash (used) by noncapital and related financing activities	-	-	-	-	(657)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(285)	-	-	(285)	(6,337)
Transfers in	-	-	-	-	1,739
Proceeds on sales of capital assets	-	-	-	-	860
Net cash provided by (used in) capital and related financing activities	(285)	-	-	(285)	(3,738)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	8	2	109	119	339
Net cash provided by investing activities	8	2	109	119	339
Net increase (decrease) in cash and cash equivalents	84	119	578	781	2,734
Balances at beginning of the year	1,469	452	22,028	23,949	87,107
Balances at end of the year	\$ 1,553	\$ 571	\$ 22,606	\$ 24,730	\$ 89,841
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)	\$ 278	\$ 50	\$ 2,000	\$ 2,328	\$ 10,668
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	76	66	-	142	2,159
Changes in assets and liabilities:					
Receivables, net	(2)	(1)	(1)	(4)	227
Inventories	-	-	-	-	130
Prepaid items	-	-	-	-	218
Pension asset (liability), net	-	-	(1,065)	(1,065)	(8,500)
Accounts payable	9	2	325	336	1,907
Claims and judgments payable	-	-	(790)	(790)	119
Payroll payable	-	-	-	-	41
Unearned revenue	-	-	-	-	7
Compensated absences	-	-	-	-	113
Incremental leases payable	-	-	-	-	(299)
Total adjustments	83	67	(1,531)	(1,381)	(3,878)
Net cash provided by operating activities	\$ 361	\$ 117	\$ 469	\$ 947	\$ 6,790
<b>Noncash financing activities:</b>					
Contributions of capital assets from government	\$ -	\$ -	\$ -	\$ -	\$ -

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

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## FIDUCIARY FUNDS

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

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



**MULTNOMAH COUNTY, OREGON**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**  
**(amounts expressed in thousands)**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Restricted assets:	
Cash and investments	\$ 28,396
Receivables - taxes	<u>71,720</u>
Total assets	<u><u>100,116</u></u>
 <b>LIABILITIES</b>	
Liabilities payable from restricted assets:	
Accounts payable	15,040
Due to other governmental units	67,320
Amounts held in trust	<u>17,756</u>
Total liabilities	<u><u>100,116</u></u>
 <b>Net Position</b>	
Total net position	<u><u>\$ -</u></u>

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

**MULTNOMAH COUNTY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**

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**Note 1. Summary of Significant Accounting Policies**

**A. Reporting entity**

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

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

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

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

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

TLF is a private non-profit organization that reports under the Financial Accounting Standards Board (FASB) standards, including FASB Statement 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.

**B. Government-wide and fund financial statements**

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

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



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

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

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

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 PERS 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excise taxes, personal income taxes, business income taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

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The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Federal and State Program Fund* is a special revenue fund that accounts for primarily grant resources (federal, state and local) and the related expenditures for those programs.

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

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

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

The *Dunthorpe-Riverdale Service District No. 1 Fund* accounts for the operation of the sanitary sewer system in southwest unincorporated Multnomah County.

The *Mid County Service District No. 14 Fund* accounts for the operation of the street lighting system throughout unincorporated Multnomah County.

The *Behavioral Health Managed Care Fund* accounts for all financial activity associated with the State of Oregon required behavioral health capitated services.

Additionally, the County reports the following fund types:

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

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

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*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 the Facilities Management Fund.

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

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

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

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

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

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

**1. Cash and investments**

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

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

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

**2. Accounts receivables**

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

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

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Multnomah County residents approved a personal income tax effective from calendar year 2003 through calendar year 2005. The tax was a 1.25% levy on the Oregon taxable income of Multnomah County residents reduced by an exemption amount. The revenues generated from the tax provided funding for public school districts within Multnomah County in addition to funding for elderly, disabled and mentally ill persons, and programs for public safety and health. In fiscal year 2015, the County discontinued its collection of delinquent accounts.

**3. *Inventories and prepaid items***

Inventories of materials and supplies in the governmental funds are valued at average cost and is included in non-spendable classification of fund balances. Inventories of materials and supplies in the internal service funds are valued at the lower of average cost or market. All inventories are recorded as expenditures when consumed rather than when purchased.

Payments in excess of \$10 to vendors which reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

**4. *Fund balances and net position***

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

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

Fund balance is reported as *Nonspendable* when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items. Fund balance is reported as *Restricted* when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.



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Fund balance is reported as *Committed* for resources constrained on use authorized by the Board of County Commissioners (BOCC) via their highest level of decision making authority. This is accomplished through either a County Ordinance or Board Resolution. Constraints over how resources are spent are considered an administrative action, which will generally be decided via Board Resolution, while Ordinances are used for legislative actions. Resolutions and Ordinances are considered equally binding in that either can be repealed with a single vote from the Board. Resources will be committed prior to June 30th and the amount may be determined at a subsequent date.

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

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

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

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

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted assets. Such revenues include dedicated property taxes, state gas tax, intergovernmental grants, and charges for services which are legally restricted to finance particular functions or activities. In addition, proceeds from general obligation bonds, revenue bonds, and full faith and credit bonds are restricted to support the specific purpose for which the debt was issued. Net position in these resources is reported as restricted on the *Statement of Net Position* and is recorded in separate funds supporting the specific function or operation.

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**5. Capital assets**

Capital assets, which includes land, right of ways, property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5 for equipment and \$100 for infrastructure and internally developed software with an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phases of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, the County incurred no interest expense for capital assets for business-type activities. Capital assets are depreciated unless they are inexhaustible in nature, such as land and right of ways. Property, plant, and equipment of the County, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

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

**6. Net pension asset**

The net pension asset in the *Statement of Net Position* has been recognized in connection with the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date* (amendment to No. 68), and the most recent PERS actuarial valuation measurement date. The net pension asset/liability is measured as the portion of the present value of projected benefits payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees past periods of service less the amount of the pension plan's fiduciary net position.

**7. Deferred outflow of resources**

Deferred outflows of resources in the *Statement of Net Position* represents a consumption of net position that is applicable to a future reporting period and will not be recognized as an outflow of resources (expenditure/expense) until then. The deferred outflow of resources is

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pension contributions made subsequent to the measurement date of the net pension liability/asset. Contributions will be recognized as either a reduction to the net pension liability or an increase in the net pension asset in the year ended June 30, 2016.

**8. *Unearned revenues***

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

**9. *Compensated absences***

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay and compensatory time is accrued when incurred in the government-wide statements and proprietary funds statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements at June 30. Liabilities for compensated absences are liquidated as employees separate from service and receive payment for accumulated leave benefits. Expenditures for liquidating the liabilities are recorded in the General, Special Revenue, Capital Projects, Enterprise, and Internal Service Funds.

**10. *Long-term obligations***

In the government-wide financial statements and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type *Statement of Net Position*. When incurred, bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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**11. *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 reflects both the lump sum payments to employees and the present value of expected future payments. The net other post employment benefits liability and expenditure in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year. This liability is funded via internal service charges from the Risk Management internal service fund to all governmental funds that support personnel costs, via a rate charged to subject salary costs.

**12. *Pollution remediation obligations***

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

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

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

**13. *Deferred inflows of resources***

Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until then. In the *Statement of Net Position* this includes resources that are received before the County has met eligibility requirements related to time. For the pension plan deferred inflows of resources includes the net differences between projected and actual investment earnings and differences between employer pension contributions and the proportionate share of pension contributions. In the governmental fund financial statements, deferred inflows of resources also include revenues that are measurable but not available.

**14. *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

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donations from The Library Foundation are recorded at fair value upon receipt to contribution revenue in the government wide and fund financial statements.

**15. *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.

**16. *Reclassifications***

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

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. Change in accounting principle**

Multnomah County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (amendment to No. 68). These standards impacted financial reporting by establishing accounting and financial reporting for pension plans (determining pensions, accumulating and managing assets dedicated for pensions and paying benefits to plan members as they come due). At implementation governments recognize a beginning deferred outflow of resources for pension contributions made subsequent to the measurement date of the beginning net pension liability.

The next page displays the total impact to the beginning net position balance for Governmental Activities and Business Type Activities:



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**PRIOR PERIOD ADJUSTMENT**

	<b><u>Governmental Activities</u></b>	
	(Governmental - inclusive of Internal Service Funds)	(Internal Service Funds)
Beginning net position as previously reported at June 30, 2014	\$ 912,817	\$ 78,911
Prior period adjustment - Implementation GASB 68:		
Net Pension Asset	(94,837)	-
Net Pension Liability	(172,705)	(14,620)
Deferred Outflows - County Contributions made during Fiscal Year 2014	27,881	2,360
Total Prior Period Adjustment	(239,661)	(12,260)
Net Position as restated, June 30, 2014	<u>\$ 673,156</u>	<u>\$ 66,651</u>

	<b><u>Business Type Activities</u></b>	
	Behavioral Health Managed Care Fund	
Beginning net position as previously reported at June 30, 2014	\$ 16,711	
Prior period adjustment - Implementation GASB 68:		
Net Pension Asset	-	
Net Pension Liability	(1,716)	
Deferred Outflows - County Contributions made during Fiscal Year 2014	277	
Total Prior Period Adjustment	(1,439)	
Net Position as restated, June 30, 2014	<u>\$ 15,272</u>	

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**F. New accounting pronouncements and accounting standards**

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

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

The County along, with other local governments, participates in a cost-sharing multiple employer defined benefit public employee pension plan, noted as PERS. The requirements of this standard have a significant impact over financial accounting and reporting for the County's participation in the PERS plan. Detailed information on the impact of this pronouncement can be found in footnote 4.D. *Employee retirement systems, pensions plans and deferred compensation plan* and footnote 4.E. *Subsequent events*.

2. ***GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68.*** The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This statement is effective for fiscal year ending June 30, 2015. Information related to the impact of this pronouncement may also be found in footnote 4.D. *Employee retirement systems, pensions plans and deferred compensation plan* and footnote 4.E. *Subsequent events*.

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

1. ***GASB Statement No. 72, Fair Value Measurement and Application.*** This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. This statement also provides guidance for applying fair value to certain

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investments and disclosures related to all fair value measurements. This statement is effective for the fiscal year ending June 30, 2016.

The County has not completed the process of evaluating the impact of Statement No. 72 on its financial statements. The County plans to adopt them as applicable by its effective date.

2. ***GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*** This standard includes extending the approach to accounting and financial reporting established in Statement 68 to all defined-benefit pensions. It also adds clarification to the information that is required to be presented as notes to the financial statements, the timing of employer recognition of revenue and reporting for separately financed liabilities of contributing entities. This statement amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions*, that are within their respective scopes. This statement is effective for the fiscal year ending June 30, 2016.

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

3. ***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. The Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement is effective for the fiscal year ending June 30, 2017.

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

4. ***GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension.*** 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 No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This statement is effective for fiscal year ending June 30, 2018.

Management is evaluating the impact of implementing this statement in connection with our review of the impact to implement No. 74.

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5. **GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.** This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement is effective for the fiscal year ending June 30, 2016 and should be applied retroactively.

These statements will not have a material effect on the County's financial statements once implemented. The County will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

6. **GASB Statement No. 77, Tax Abatement Disclosures.** For financial reporting purposes, this statement defines a tax abatement and contains required disclosures about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This statement is effective for the fiscal year ending June 30, 2017.

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

**Note 2. Stewardship, compliance, and accountability**

**A. Budgetary information**

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

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

The adopted budget is prepared by fund and department. County department managers may make transfers of appropriations within a department and fund. Transfers and changes (increases) of appropriations between departments or funds require approval of the Board. The legal level of budgetary control, (i.e., the level at which expenditures may not legally exceed appropriations) is the fund and department level. The Board approved one supplemental budget and several other budgetary appropriations throughout the year.

**MULTNOMAH COUNTY, OREGON**  
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**B. Expenditures in excess of appropriations**

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the year ended June 30, 2015, expenditures exceeded appropriations in the special excise tax fund by \$724 in Non-Departmental activities. The over-expenditure was a result of a budgeting cost element error. Within the Agency Fund-Visitors Facilities Trust pursuant an intergovernmental agreement, Multnomah County receives an annual payment. The payment was incorrectly budgeted as a cash transfer instead of a pass-thru payment. The payment was correctly recorded in fiscal year 2015 and budgeted in fiscal year 2016. This over expenditure was funded by available fund balance.

**Note 3. Detailed notes on all funds**

**A. Cash and Investments**

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

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

	Unrestricted	Restricted	Total
Governmental Activities	\$ 279,433	\$ 110,274	\$ 389,707
Business Type Activities	24,730	-	24,730
Fiduciary Funds		28,396	28,396
	<u>\$ 304,163</u>	<u>\$ 138,670</u>	<u>\$ 442,833</u>

**DEPOSIT RISK**

Policies

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

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

Funds deposited with fiscal agents for the purpose of meeting the payment of principal or interest on bonds or like obligations are not required to be collateralized per Oregon Revised Statutes, Chapter 295.005.



**MULTNOMAH COUNTY, OREGON**  
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Custodial Risk

At year-end, the carrying amount of the County's deposits was \$40,570 and the bank balance was \$40,548. Of this bank balance \$9,856 was covered by depository insurance, FDIC or NCUA, and \$30,692 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.

Uninsured Deposits by Depository	Cash Balance	Credit Risk
Bank of America	\$ 12,912	Collateralized by PFCP, held by FHLB
Umpqua Bank	9,184	Collateralized by PFCP, held by FHLB
US Bank	5,579	Collateralized by PFCP, held by FHLB
Willamette Community Bank	3,017	Collateralized by PFCP, held by FHLB
Petty Cash / Imprest Accounts	22	Uncollateralized
	<u>\$ 30,714</u>	

**INVESTMENT RISK**

Policies

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

The County's investments are governed by a written investment policy that is reviewed annually by the Multnomah County Investment Advisory Board, and is adopted annually by the Board of County Commissioners. The policy specifies the County's investment objectives, benchmarks, required diversification by security type and by maturity, and the reporting requirements. A copy of the policy is located at [www.multco.us/finance](http://www.multco.us/finance).

The County is authorized to invest in the Local Government Investment Pool (LGIP), an open-ended, no-load diversified portfolio. The LGIP is comingled with other state funds in the Oregon Short-Term Fund (OSTF). These investments are governed by a written investment policy that is reviewed annually by the, Governor appointed, Oregon Short-Term Fund Board. The OSTF is not managed as a stable net asset value fund; therefore, preservation of principal is not assured. The Oregon Short-Term Fund financial statements and its portfolio rules can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us). 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 limit its exposure to losses due to asset concentration, the County's investment policy and Oregon Revised Statutes limit asset concentration as follows:

1. Corporate indebtedness must be rated on the settlement date A-1 or AA or better by Standard and Poor's Corporation or P-1 or Aa by Moody's Investors Service or the equivalent rating by any nationally recognized statistical rating organization.
2. Notwithstanding item one, corporate indebtedness must be rated A-2 or A by Standard & Poor's and P-2 or A by Moody's, or the equivalent rating by any nationally recognized statistical rating organization when issued by a business enterprise that has its headquarters in Oregon, employs more than 50% of its permanent workforce in Oregon, or has more than 50% of its tangible assets in Oregon.
3. Purchase of commercial paper and other corporate debt not insured by an agency of the U.S. Government up to 25% of the total investment portfolio is allowed, but may exceed that limit up to 30% for a period not to exceed ten consecutive business days.
4. U.S. Government Agencies are limited to 75% of the investment portfolio.
5. Investments guaranteed by an agency of the U.S. Government (e.g., the U.S. Treasury or the Federal Depository Insurance Corporation) may be owned without limit.
6. Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term debt rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (2)]. Also, lawfully issued debt obligations of the States of California, Idaho and Washington and their political subdivisions if such obligations have a long-term rating of AA or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (3)]. For these latter obligations, they are allowable subject to ORS 294.040.

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Additionally, to limit its exposure to asset concentration risk, the County restricts the total investment that can be made in the corporate indebtedness of a single corporate entity and its affiliates and subsidiaries to 5% of the total investment portfolio.

Investment Type / Issuer	Issuer Holding Greater than Five Percent		
	Fair Value	Percent of Total Portfolio	Policy Limit
Federal Home Loan Bank	\$ 81,091	18.5%	25%
Federal National Mortgage Assoc.	35,242	8.1%	25%
Federal Farm Credit Banks	25,063	5.7%	25%

As of June 30, 2015, the County had the following unrestricted cash and investments:

Investment Type	Fair Value	Risk Concentration	Weighted Average Maturity (in months)
US Agencies	\$ 109,692	36.06%	3.0
US Treasuries	115,333	37.92%	6.0
Corporate Debt	49,151	16.16%	<1
Bankers' Acceptances	19,908	6.55%	<1
Municipal Debt	10,079	3.31%	<1
Total unrestricted cash and investments	\$ 304,163	100.00%	
Portfolio weighted average maturity			9.9

As of June 30, 2015, the County had the following restricted cash and investments. All types reported as restricted had weighted average maturities of less than one month. The County maintains cash with fiscal agent accounts to set aside for debt service requirements per the trustees and bond indentures.

Investment Type	Fair Value	Risk Concentration
US Agencies	\$ 51,162	36.89%
L.G.I.P.	46,931	33.84%
Cash with Fiscal Agent	151	0.11%
Cash and Equivalents	40,426	29.15%
	\$ 138,670	100.0%

**MULTNOMAH COUNTY, OREGON**  
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**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%

If the goals of maturity limits are exceeded by 5% or more for ten successive business days, prompt notification to the County's Chief Financial Officer and the County's Investment Advisory Board is required.

At June 30, 2015, the County had the following interest rate and concentration risk. Credit ratings are noted by Moody's and Standard & Poor's respectively:

<u>Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Days to Maturity</u>		
			<u>0-90</u>	<u>91-365</u>	<u>366-1095</u>
US Agency	\$ 160,854	Aaa/AA+	77,045	40,124	43,685
Banker's Acceptance	19,908	P-1/A-1+	19,908		
Corporate MTN	4,013	Aaa/AAA			4,013
	14,550	Aa1/AA+	2,523	5,007	7,020
	20,593	Aa2/AA	10,513	10,080	
Corporate CP	9,995	P-1/A-1+	9,995		
Municipal	1,611	Aaa/AAA	1,611		
	2,500	Aa1/AA+	2,500		
	4,968	Aa2/AA		4,968	
	1,000	A2/A	1,000		
LGIP	46,931	AA to AA-*	46,931		
Total:	<u>\$ 286,923</u>		<u>172,026</u>	<u>60,179</u>	<u>54,718</u>
Percentage			60%	21%	19%

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

**MULTNOMAH COUNTY, OREGON**  
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**B. Receivables**

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

	Governmental Activities							
	General Fund	Federal and State Program Fund	Sellwood Bridge Fund	Internal Service Funds	Non-Major Funds	Total Governmental Activities	Business-type Activities	Total
Receivables:								
Taxes:								
Property	\$ 16,338	\$ -	\$ -	\$ -	\$ 4,209	\$ 20,547	\$ -	\$ 20,547
Other	5,262	-	-	-	3,581	8,843	-	8,843
Accounts	48,694	33,945	10,823	601	7,715	101,778	1	101,779
Loans	-	639	-	-	-	639	-	639
Interest	1,096	-	-	-	-	1,096	-	1,096
Special assessments	11	-	-	-	-	11	83	94
Contracts	529	-	-	-	-	529	-	529
Gross receivables	71,930	34,584	10,823	601	15,505	133,443	84	133,527
Less: allowance for discounts and uncollectible amounts	(1,831)	(1,882)	-	-	-	(3,713)	(3)	(3,716)
Net total receivables	\$ 70,099	\$ 32,702	\$ 10,823	\$ 601	\$ 15,505	\$ 129,730	\$ 81	\$ 129,811

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

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report a liability in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:



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	Deferred Inflows of Resources	Unearned Revenue
Property taxes receivable (General Fund)	\$ 14,596	\$ -
Property taxes receivable (other governmental funds)	3,753	-
Clinic fee revenues	34,741	-
Grant draws prior to meeting time requirements	90	-
Grant draws prior to meeting all eligibility requirements	-	10,859
Loans receivable	-	639
Special assessments receivable	-	11
Contracts receivable	-	529
Tax title land sales inventory	-	373
State vaccine inventory	-	571
Totals for governmental funds	<u>\$ 53,180</u>	<u>\$ 12,982</u>

Amounts reported above as unearned are reported as unearned revenue in governmental activities on the *Statement of Net Position*. Governmental activities also include Internal Service Funds, which report \$48 in unearned revenue, resulting in total unearned revenue on the *Statement of Net Position* of \$13,030.

**MULTNOMAH COUNTY, OREGON**  
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**C. Capital assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

**Primary Government**

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 15,173	\$ -	\$ -	\$ (146)	\$ 15,027
Right-of-way	196,843	-	-	-	196,843
Construction in progress	239,982	75,529	(21,854)	(2,717)	290,940
Works of art	4,430	-	-	-	4,430
Buildings-not in service	47,109	-	-	(945)	46,164
Total capital assets, not being depreciated	503,537	75,529	(21,854)	(3,808)	553,404
Capital assets, being depreciated:					
Buildings	398,766	47	1,967	(1,089)	399,691
Improvements other than buildings	1,010	-	-	-	1,010
Machinery and equipment	110,421	6,185	618	(9,699)	107,525
Bridges	156,395	-	19,269	(3,007)	172,657
Infrastructure	370,476	-	-	-	370,476
Total capital assets being depreciated	1,037,068	6,232	21,854	(13,795)	1,051,359
Less accumulated depreciation for:					
Buildings	(175,838)	(10,044)	-	528	(185,354)
Improvements other than buildings	(295)	(40)	-	-	(335)
Machinery and equipment	(76,767)	(9,323)	-	9,576	(76,514)
Bridges	(78,659)	(2,634)	-	-	(81,293)
Infrastructure	(284,178)	(9,279)	-	-	(293,457)
Total accumulated depreciation	(615,737)	(31,320)	-	10,104	(636,953)
Total capital assets being depreciated, net	421,331	(25,088)	21,854	(3,691)	414,406
Governmental activities capital assets, net	\$ 924,868	\$ 50,441	\$ -	\$ (7,499)	\$ 967,810
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 175	\$ 285	\$ -	\$ -	\$ 460
Total capital assets, not being depreciated	175	285	-	-	460
Capital assets, being depreciated:					
Improvements other than buildings	6,605	-	-	-	6,605
Total capital assets being depreciated	6,605	-	-	-	6,605
Less accumulated depreciation for:					
Improvements other than buildings	(3,148)	(142)	-	-	(3,290)
Total accumulated depreciation	(3,148)	(142)	-	-	(3,290)
Total capital assets being depreciated, net	3,457	(142)	-	-	3,315
Business-type activities capital assets, net	\$ 3,632	\$ 143	\$ -	\$ -	\$ 3,775

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During fiscal year 2005 the County finalized the construction of the Wapato Jail. Since the completion of the jail in 2005, the County has not funded an operating budget for the jail; therefore the jail has not been placed into service and is not being depreciated. The capitalized cost of the jail in fiscal year 2005 was \$51,164. As the jail has not been put into operation, management has estimated a total asset impairment of \$5,000. The adjusted balance of the Wapato Jail is \$46,164. This amount is included in the above capital asset schedule. Management continues to look for options to operate the jail. When the jail becomes operational it will be depreciated over forty years.

During fiscal years 2012 and 2013 the County replaced the Morrison Bridge's aging deck span. The capitalized cost of the deck replacement was \$4,430. The new decking began failing soon after completion, resulting in the County filing legal claims against the contractors and their insurance carriers. As of June 30, 2015, the County has recovered \$3,025 in litigation and insurance awards. Management has estimated a total asset impairment of \$3,007. This amount is also included in the above capital asset schedule. Management continues to assess the Bridge for salvageable items and plans to begin replacing the failed decking in fiscal year 2016.

During fiscal year 2015 the Board of County Commissioners authorized the proposed Library Asset Transfer Agreement. The purpose of this Agreement was to transfer all County property and debt associated with the operations of the Libraries to the Library District. Transferred Assets valued a total of \$126,570. Included in the transfer were buildings, leases, and land; improvements associated with buildings and land; the general book population; rare books from the John Wilson Room; and miscellaneous equipment. The increase in Library District Assets from fiscal year 2014 to 2015 can be seen on pg 151.

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

Governmental activities:

General government	\$ 10,557
Health services	345
Social services	23
Public safety & justice	536
Community services	1,785
Library	6,947
Roads and bridges	11,127
Total depreciation expense – governmental activities	<u>\$ 31,320</u>

Business-type activities:

Sewer	\$ 76
Lighting	66
Total depreciation expense – business-type activities	<u>\$ 142</u>

**D. Net pension asset**

The balance of the net pension asset is recognized in connection with implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (amendment to No. 68), and the most recent PERS actuarial valuation measurement date. At June 30, 2015 the net pension asset for governmental activities is \$76,712 (of which \$6,495 was from Internal Service Funds) and Business Type Activities \$762. See Note 4 Pension Disclosures

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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 amount payable to the General Fund and the Library Fund are related to providing interim working capital financing for the Video Lottery Fund and the Library District Fund. This balance is collected in the subsequent year. The composition of the interfund balance as of June 30, 2015 is as follows:

Receivable Funds	Payable Funds	Amount
General Fund	Video Lottery Fund	\$ 250
Library Fund	Library District Fund	\$ 401

Interfund Transfers:

Following are the County’s interfund transfers for the year ended June 30, 2015. Significant transfers include \$9,601 from the Capital Improvement Fund to the Downtown Courthouse Capital Fund, \$14,361 from the Capital Improvement Fund to the Health Department Headquarters Fund, and a transfer of \$67,975 from the Library District Fund to the Library Fund to support library operations. The Library District Fund and Library Fund transfer is necessary for financial reporting purposes, however this transfer is reported as intergovernmental revenue and expenditures on the budgetary basis.

	General Fund	Other Governmental Funds	Internal Service Funds	Total Transfers Out
Transfers out:				
General Fund	\$ -	\$ 7,400	\$ 1,739	\$ 9,139
Other Governmental Funds	1,770	93,370	-	95,140
Internal Service Funds	-	658	-	658
Total transfers in:	\$ 1,770	\$ 101,428	\$ 1,739	\$ 104,937



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**F. Long-term debt**

General Obligation Bonds

In March 2010, the County issued \$45,175 in General Obligation Refunding bonds, Series 2010 at a premium of \$4,870, with interest rates from 3.00% - 5.00%. These bonds were issued to refund previously issued General Obligation debt. At June 30, 2015 the outstanding balance on the Series 2010 bonds was \$11,570 and the balance on the unamortized premium was \$1,391.

General obligation bonds are direct obligations, pledge the full faith and credit of the County and are backed by the County's authority to levy property taxes. These bonds are generally issued as 20-year serial bonds with equal amounts of principal and interest maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.00-5.00%	\$ 11,570

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 5,665	\$ 349
2017	5,905	118
Total	\$ 11,570	\$ 467
Premium on long-term debt	1,391	
Total	\$ 12,961	

Full Faith and Credit Bonds

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds with interest rates from 6.49% to 7.74% to fund the County's unfunded accrued actuarial liability (UAAL). The County estimates that by funding the actuarial liability, the County will receive a present value savings of about \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Payment of principal and interest, except for a term bond, will be guaranteed by National Public Finance Guarantee. At June 30, 2015, \$118,093 of these bonds were outstanding.

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On March 31, 2010, the County issued \$9,800 in Full Faith and Credit Obligations, Series 2010 at a premium of \$573, with interest rates from 2.00% - 3.00%. The obligations were issued to finance the replacement cost of the County's data center, provide for telephone enhancements, deferred facilities maintenance and assist with a project to automate the movement of library materials. At June 30, 2015, the balance on the unamortized premium was \$164 and \$2,935 on the debt was outstanding.

On December 14, 2010, the County issued \$15,000 in Full Faith and Credit Obligations, Series 2010B with interest rates from 4.00% to 4.70%. The proceeds from the sale of the obligations were used to finance the construction costs for the East County Courthouse (ECC). At June 30, 2015 the entire debt issue was outstanding.

On December 4, 2012, the County issued \$128,000 in Full Faith and Credit Obligations, Series 2012 at a premium of \$21,113, with interest rates from 3.00% - 5.00%. The obligations were issued to finance and refinance constructions of the Sellwood Bridge. The obligations were issued to support construction of a new Sellwood Bridge along with upgrades to the east and west end approaches. At June 30, 2015, \$119,790 of the bonds were outstanding and the balance of the unamortized premium was \$19,002.

On June 18, 2014, the County issued \$22,530 in Full Faith and Credit Refunding Obligations Series 2014 at a premium of \$2,562 with interest rates from 3.00% - 5.00%. This debt issue was a current refunding of which the proceeds of the obligations were used to refund debt service (fiscal years 2016 through 2020 or \$24,395 in principal) on the Series 2004 debt issue. At June 30, 2015 the entire balance of the bonds were outstanding and the balance of the unamortized premium was \$2,135.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.50-7.74%	\$ 278,348

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

Year Ending June 30,	Principal	Interest
2016	\$ 16,410	\$ 20,222
2017	27,590	10,770
2018	29,065	9,001
2019	31,790	7,126
2020	15,364	24,915
2021 – 2025	62,556	143,619
2026 – 2030	68,788	182,308
2031 – 2033	26,785	1,622
Sub-total	278,348	\$ 399,583
Premium on long-term debt, net	21,300	
Total	\$ 299,648	

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	\$ 261,938	\$ 16,410	\$ 278,348
Premium on long-term debt	19,736	1,565	21,300
Total	\$ 281,674	\$ 17,975	\$ 299,648

Capital Leases

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

Asset	Governmental Activities
Buildings	\$ 80,434
Less: Accumulated depreciation	(41,696)
Total	\$ 38,738

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.50-4.90%	<u>\$ 1,192</u>

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 149	\$ 103
2017	156	96
2018	28	90
2019	31	87
2020	34	84
2021 – 2025	236	354
2026 – 2030	394	197
2031 – 2032	163	14
Total	<u>\$ 1,192</u>	<u>\$ 1,025</u>

Loans Payable

In fiscal year 2009, the County entered into a loan agreement with the Oregon Department of Transportation – Financial Services for the purpose of making capital improvements to the County's road system. The total outstanding under this agreement was \$2,723 at June 30, 2015.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.98%	<u>\$ 2,723</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 203	\$ 108
2017	212	100
2018	220	92
2019	229	83
2020	238	74
2021 – 2024	1,049	198
2025 – 2026	572	34
Total	<u>\$ 2,723</u>	<u>\$ 689</u>

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Pollution Remediation Obligations

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

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

The calculation for the June 30, 2015 pollution remediation obligation is an estimate determined by management using the expected cash flow techniques 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*.

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Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Adjustments & Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 19,812	\$ -	\$ 6,850	\$ 12,962	\$ 6,361
Full Faith and Credit Bonds	317,452	-	17,805	299,647	17,974
Capital Leases	1,333	-	141	1,192	149
Loans Payable	2,919	-	196	2,723	203
Long-term debt before					
Other long-term liabilities	341,516	-	24,992	316,524	24,687
Pollution Remediation					
Obligations	60	-	22	38	38
Compensated Absences	27,569	31,914	30,474	29,009	28,736
Governmental activity					
long-term liabilities	\$ 369,145	\$ 31,914	\$ 55,488	\$ 345,571	\$ 53,461

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, 2015, \$6,580 of the Higher Education Variable Rate Demand Revenue Bonds was 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 issues were used by health care facilities to finance various capital projects and refund



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

Obligor (Health Care Facility), debt issue, terms	Original Amount	Balance June 30, 2015
Terwilliger Plaza, Revenue Bonds, Series 2006, due serially through December 1, 2036	\$ 39,765	\$ 15,995
Adventist Health System/West, Revenue Bonds, Series 2009A, due September 1, 2021 and September 1, 2040	66,535	66,535
Holladay Park Plaza, Revenue and Refunding Bonds, Variable Rate Demand Revenue Refunding Bonds, Series 2010A, due serially through December 1, 2040	14,460	13,225
Terwilliger Plaza, Revenue and Refunding Bonds, Series 2012, due serially through December 1, 2029	18,245	16,690
Odd Fellows Home-Friendship Health Center, Variable Rate Demand Revenue Refunding Bonds, Series 2013, due serially through September 15, 2020	7,280	7,040
Holladay Park Plaza, Revenue Bonds, Series 2013, due serially through December 1, 2043	14,138	14,138
Pacific Mirabella (at South Waterfront Project), Variable Rate Demand Revenue Refunding Bonds, Series 2014A, due serially through October 1, 2049	93,380	93,380
	<u>\$ 253,803</u>	<u>\$ 227,003</u>

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**G. Fund balances, Governmental funds**

On the *Balance Sheet – Governmental Funds*, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances by classification for the year ended June 30, 2015 were as follows:

	General Fund	Federal and State Program Fund	PERS Bond Fund	Sellwood Bridge Replace- ment Fund	Other Govern- mental Funds	Total Govern- mental Funds
Fund balances						
Nonspendable:						
Inventories	\$ 412	\$ -	\$ -	\$ -	\$ 155	\$ 567
Prepaid items	369	494	-	149	560	1,572
Restricted:						
Capital projects, buildings	-	-	-	-	27,743	27,743
Community support programs	-	5,954	-	-	3,962	9,916
Debt service	-	-	-	-	6,096	6,096
Document storage and retrieval	176	-	-	-	-	176
Library operations	-	-	-	-	5,533	5,533
Road, bridge and bike path improvements	-	-	-	53,778	3,197	56,975
Committed:						
Capital projects, buildings	-	-	-	-	14,238	14,238
Capital projects, information technology	-	-	-	-	2,859	2,859
Community support programs	-	-	-	-	58	58
Debt service	-	-	84,279	-	151	84,430
Library operations	-	-	-	-	-	-
Road, bridge and bike path improvements	-	-	-	2,419	-	2,419
Assigned:						
Capital equipment acquisition	-	-	-	-	374	374
Capital projects, information technology	-	3	-	-	2,091	2,094
Community support programs	-	-	-	-	544	544
Library operations	-	-	-	-	7,349	7,349
Road, bridge and bike path improvements	-	-	-	475	4,756	5,231
Unassigned	63,388	-	-	-	-	63,388
Total fund balances	<u>\$ 64,345</u>	<u>\$ 6,451</u>	<u>\$ 84,279</u>	<u>\$ 56,821</u>	<u>\$ 79,666</u>	<u>\$ 291,562</u>

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**Note 4. Other information**

**A. Risk management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County established risk management programs for liability, workers' compensation and medical/dental, whereby premiums are calculated on payroll expenses in all funds and are paid into the risk management fund, an internal service fund. The funds are available to pay claims, claim reserves, and reduce administrative costs of the program. These interfund premiums are used to offset the amount of claims expenditure reported in the risk management fund. As of June 30, 2015, interfund premiums exceeded reimbursable expenditures. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. A discount factor of .929 and .947 were used to estimate the year-end workers' compensation component and the liability component, respectively. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The County's excess insurance coverage policies cover claims in excess of \$1,000 for workers' compensation and \$1,000 for all liability claims. Settlements have not exceeded coverages for each of the past three fiscal years. The County anticipates the balance in the claims liability account at year-end will be paid within the next fiscal year.

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

	Fiscal Year Ended 6/30/15	Fiscal Year Ended 6/30/14
Unpaid claims, beginning of fiscal year	\$ 10,792	\$ 11,230
Incurred claims (including IBNRs)	27,907	26,948
Actuarial adjustment	(2,819)	(3,079)
Claim payments	(24,969)	(24,307)
Unpaid claims, end of fiscal year	<u>\$ 10,911</u>	<u>\$ 10,792</u>

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**B. Commitments and contingent liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

The following is a schedule by years of future minimum rental payments required under operating leases for certain land, buildings and equipment used in governmental operations that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2015.

<u>Year ended June 30</u>	
2016	\$ 5,331
2017	4,968
2018	3,714
2019	894
2020	475
2021 – 2025	645
2026 and thereafter	685
Total minimum payments	<u>\$ 16,712</u>

The County recorded \$4,732 in base rent expense for the year ended June 30, 2015. Total rent expense was \$6,349, which includes operating and maintenance costs.

The County has entered into various construction and non-construction contracts at fiscal year-end. The commitments noted below are evidenced by signed purchase orders or contracts which were entered into prior to June 30, 2015.

<u>Construction Commitment Description</u>	<u>Fiscal Year Ended 6/30/15</u>
Buildings	\$ 33,974
Bridges	48,391
Roads	6,649
Sewer	135
Total outstanding contracts	<u>\$ 89,149</u>

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**C. Postemployment benefits other than pensions**

*Plan description.* The County administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. In general, the plan states the County shall pay 50% of the monthly medical insurance premium on behalf of a County retiree and his/her eligible dependents from the retiree's fifty-eighth birthday or date of retirement, whichever is later, until the retiree's sixty-fifth birthday, death or eligibility for Medicare, whichever is earlier, if the retiree has: five years of continuous County service immediately preceding retirement at or after age fifty-eight years; or ten years of continuous County service immediately preceding retirement prior to age fifty-eight years. The County's postemployment medical plan does not issue a publicly available financial report.

*PERS Retirement Health Insurance Account, Plan Description.* The County contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employee defined other postemployment benefit plan administered by PERS. 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. PERS issues a publicly available financial report that includes financial statements and required supplementary information. For 2015, the County contributed \$1,649 to the plan.

*Funding policy.* The County has not established a trust fund to hold resources for the payment of benefits for the net OPEB obligation. Contribution requirements also are negotiated between the County and union representatives. In general, the County offers retirees a health benefit equal to half of their monthly premium and retirees are required to pay the other half. The benefit is generally offered from age 58 to age 65. The County's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The County is contractually obligated by collective bargaining agreements to cover 50% of the annual premium costs which is 2.00% of annual covered payroll to fund the retiree benefit. At June 30, 2015, there were 669 retirees that were enrolled in the postemployment medical benefit and 743 enrolled in dental. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the County contributed \$8,198 to the plan. Of this amount, \$2,609 was explicitly contributed as part of the contractual obligation described above. The remaining \$5,589 represents the implicit subsidy derived from active employee contributions.

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*Annual OPEB cost and net OPEB obligation.* The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the guidance of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the fiscal year ending June 30, 2015, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 13,853
Interest on net OPEB obligation	4,058
Adjustment to annual required contribution	(3,865)
Annual OPEB cost (expense)	14,046
Contributions made	(8,198)
Increase in net OPEB obligation	5,848
Net OPEB obligation - beginning of year	115,946
Net OPEB obligation - end of year	<u>\$ 121,794</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/12	\$ 15,261	49%	\$ 105,187
6/30/13	\$ 11,980	54%	\$ 110,700
6/30/14	\$ 12,464	58%	\$ 115,946
6/30/15	\$ 14,046	58%	\$ 121,794

*Funded status and funding progress.* As of the most recent actuarial report, January 1, 2015, the actuarial accrued liability for benefits was \$152,624 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$152,624. The covered payroll (annual payroll of active employees covered by the plan) was \$309,377 for fiscal year 2015 and the ratio of the UAAL to the covered payroll was 49%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following



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the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the most recently conducted, actuarial valuation (as of January 1, 2015), the projected unit credit (PUC) method actuarial cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on historical and expected returns on the County's short-term investment portfolio. A discount rate of 3.5% was used in the most recent actuarial valuation for the closed period. The actuarial report does not reflect future changes in benefits, penalites, 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 County's plan may be subject to a 40% 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 report also states health care costs rates are grading down from 7.60% in 2015 to 6.80% in 2019. The report includes assumptions for medical inflation at 4.0% and annual payroll growth rate of 3.5%. The County's unfunded actuarial accrued liability is re-determined each valuation and amortized over a 30 year open period as a level percentage of payroll. The remaining amortization period at June 30, 2015 is 30 years.

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

*Pension plan descriptions.* The County is a participating employer in the Oregon Public Employee Retirement System (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 (PERB). OPERS, a component of the State of Oregon,

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issues a comprehensive annual financial report that can be obtained from their website at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx) or by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281.

*Summary of significant accounting policies – basis of accounting and valuation of investments.* 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 PERS 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.

#### **Plan Benefits**

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two Retirement Benefit. Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

*Pension Benefits.* The PERS 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 (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either 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.

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*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 a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-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 PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

*Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**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% 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% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is 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

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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% of the pension that would otherwise have been paid to the deceased member.

*Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% 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 changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

### **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The County's contribution rates for the period were 11.27% for Tier One/Tier Two members, 7.66% for OPSRP General Service members, and 10.39% for OPSRP Police and Fire members. The County's total contributions for the year ended June 30, 2015 were \$29,772, excluding the IAP 6% "pick-up".

Covered employees are required to contribute 6% 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% "pick-up" or \$18,154 of the employees' contribution.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the County reported an asset of \$77,474 for its proportionate share of the OPERS net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions

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of all participating employers, actuarially determined. At June 30, 2014, the County's proportion was 3.4179%, which is unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense credit of \$71,677. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Net difference between projected and actual earnings on investments	\$ -	\$ 149,494
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,566
Contributions subsequent to the measurement date	29,772	-
Total	\$ 29,772	\$ 152,060

Deferred outflows of resources related to pensions of \$29,772 resulting from the County's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2016	\$ 37,931
2017	37,931
2018	37,931
2019	37,931
2020	336
Total	\$ 152,060

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability:**

The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial methods and assumptions:

**MULTNOMAH COUNTY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**

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Actuarial cost Method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increases	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	<p>Healthy retirees and beneficiaries:  RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:  Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees:  Mortality rates are a percentage (65% for males, 90% 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 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

#### **Discount Rate**

The discount rate used to measure the total pension liability was 7.75% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension 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 pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.



**MULTNOMAH COUNTY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**

**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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability (asset)	\$ 164,062	\$(77,474)	\$(281,757)

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

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00	3.70
Intermediate-Term Bonds	3.00	4.10
High Yield Bonds	1.80	6.66
Large Cap US Equities	11.65	7.20
Mid Cap US Equities	3.88	7.30
Small Cap US Equities	2.27	7.45
Developed Foreign Equities	14.21	6.90
Emerging Foreign Equities	5.49	7.40
Private Equity	20.00	8.26
Opportunity Funds/Absolute Return	5.00	6.01
Real Estate (Property)	13.75	6.51
Real Estate (REITS)	2.50	6.76
Commodities	7.71	6.07
Assumed Inflation - Mean		2.75

**MULTNOMAH COUNTY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**

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**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 PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. Multnomah County has elected to pay all of the employees' required IAP contributions. Although PERS members retain their existing PERS account, all current member contributions are deposited into the member's IAP account. Liability outstanding at June 30, 2015 was \$2,300 for the amount associated with the final year-end payroll and is recorded as a current other 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 the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits.* Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*Recordkeeping.* PERS 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.

**MULTNOMAH COUNTY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**

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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 the purposes other than the payment of benefits. At June 30, 2015, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$311,891. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

**E. Subsequent events**

*Employee Retirement Systems, Pension Plans-Changes in Plan Provisions Subsequent to Measurement Date.* The Oregon Supreme Court ruled on April 30, 2015 that provisions of Senate Bill 861, signed into law on October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and will not be included in the net pension liability (asset) proportionate shares calculated by OPERS. However, OPERS' third-party actuaries estimated the impact of the Court decision under one possible methodology, which is summarized below for the County's proportionate share.

**MULTNOMAH COUNTY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**

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	June 30, 2014 Measurement Date	
	Prior to	After
	Court Decision	Court Decision
		(estimated)
Net pension liability (Asset)		
Total pension liability	\$ 2,157,888	\$ 2,325,885
Fiduciary net position	2,235,362	2,235,311
Net pension liability (Asset)	<u>\$ (77,474)</u>	<u>\$ 90,574</u>

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

## **REQUIRED SUPPLEMENTARY INFORMATION**





**MULTNOMAH COUNTY, OREGON**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**

**Other Postemployment Healthcare Benefits**  
**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2011	\$ -	\$ 154,498	\$ 154,498	0%	\$ 273,938	56%
1/1/2013	\$ -	\$ 134,712	\$ 134,712	0%	\$ 289,938	46%
1/1/2015	\$ -	\$ 152,624	\$ 152,624	0%	\$ 309,377	49%

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**  
**June 30, 2015**  
**(dollar amounts expressed in thousands)**  
**(modified accrual basis of accounting)**

**Schedule of Proportionate Share of Net Pension Liability**  
**Last Two Fiscal Years\***

	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset)	3.42%	3.42%
County's proportionate share of the net pension liability (asset)	\$ (77,474)	\$ 174,421
County's covered-employee payroll	\$ 303,774	\$ 284,960
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-26%	61%
Plan fiduciary net position as a percentage of the total pension liability	104%	92%

*\*The schedule is required 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**

**June 30, 2015**

**(dollar amounts expressed in thousands)  
(modified accrual basis of accounting)**

**Schedule of Contributions  
Last Two Fiscal Years\***

	2015	2014
Actuarially Determined Contributions	\$ 29,772	\$ 28,158
Contributions in Relation to Actuarially Determined Contributions	29,772	28,158
Contributions Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 303,774	\$ 284,960
Contributions as a percentage of covered-employee payroll	10%	10%

*\*The schedule is required 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.*

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Changes in benefit terms:** Senate Bill 822, signed into law in May 2013, eliminated the SB 656/HB 3349 tax remedy payments for benefit recipients who are not subject to Oregon income tax due to not residing in Oregon, and limited the 2013 post-retirement COLA to 1.5% of annual benefit. Senate Bill 861, signed into law in October 2013, limited the post-retirement COLA for years beyond 2013 to 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Due to the timing of the benefit changes, the combined impact of Senate Bill 822 and Senate Bill 861 are reflected in the June 30, 2014 total pension liability. The decrease in the total pension liability resulting from Senate Bill 861, measured as of June 30, 2014, created a \$82.8 million reduction in the County's pension plan liabilities.

**Changes in assumptions:** A summary of key changes implemented since the December 31, 2011 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at:

<http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

**Actuarial Cost Method** - The Actuarial Cost Method was changed from the Projected Credit (PUC) Cost Method to the Entry Age Normal (EAN) Cost Method. This change allows OPERS to use the same cost method for contribution rate calculations as required by GASB Statement 67 and 68.

**Tier 1/Tier 2 UAL Amortization** - In combination with the change in cost method, the Board chose to re-amortize the outstanding Tier 1/Tier 2 UAL as of December 31, 2013 over a closed period of 20 years as a level percentage of projected payroll. Gains and losses between subsequent rate-setting valuations will be amortized over a closed 20 year period from the valuation in which they are first recognized.

**MULTNOMAH COUNTY, OREGON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

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Contribution Rate Stabilization Method - The “grade-in range” over which the rate collar gradually doubles was modified so that the collar doubles as funded status (excluding side accounts) decreases from 70% to 60% or increases from 130% to 140%. Previously the ranges had been 80% to 70% and 120% to 130%.

Allocation of Liability for Service Segments - For allocating Tier 1/Tier 2 liability among multiple employers, the weighting between Money Match and Full Formula methodology was updated to reflect expected future experience. The money match was weighted 30% for General Service members and 5% for Police and Fire members for the December 31, 2012/2013 valuations (40% for General Service members and 10% for Police and Fire members for the December 31, 2010/2011 valuations)

**Changes in Economic Assumptions:**

Investment Return and Interest Crediting - The assumed investment return and interest crediting rate (regular and variable) was reduced to 7.75%. Previously the assumed investment return and interest crediting to regular account balances was 8.00% and the assumed interest crediting to variable account balances was 8.25%

OPSRP Administrative Expenses - Assumed administrative expenses were reduced from \$6.6 million per year to \$5.5 million per year.

Healthcare Cost Inflation - The healthcare cost inflation for the maximum RHIPA subsidy was updated based on analysis performed by Millman'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.

**Changes in Demographic Assumptions:**

Health 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 healthy tables to the RP2000 disabled 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. Termination rates were changed from being indexed upon age to being indexed upon duration from hire date.

**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 RHIA participation rate for healthy retirees was reduced from 48% to 45%. The RHIPA participation rate was changed from uniform rate of 13% to a service-based table of rates.

*(Source: December 31, 2012 OPERS Actuarial Valuation, page 89)*

Plan fiduciary net position as a percentage of total pension liability - See Schedule of Changes in Net Pension (Asset/Liability) on page 57 of the OPERS June 30, 2014 CAFR, and can be found at:

[http://www.oregon.gov/pers/pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/pages/section/financial_reports/financials.aspx)



## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Debt Service Funds**

- Capital Debt Retirement Fund
- General Obligation Bond Fund

### **Capital Project Funds**

- Downtown Courthouse Fund
- Equipment Acquisition Fund
- Financed Projects Fund
- Capital Improvement Fund
- Asset Preservation Fund
- Health Headquarters Fund





**MULTNOMAH COUNTY, OREGON**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**  
(amounts expressed in thousands)

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ 17,557	\$ 151	\$ 15,272	\$ 32,980
Receivables:				
Taxes	4,529	-	-	4,529
Accounts	710	-	120	830
Due from other funds	401	-	-	401
Inventories	127	-	28	155
Prepaid items	560	-	-	560
Restricted:				
Cash and investments	12,391	6,043	34,298	52,732
Receivables:				
Restricted taxes	2,764	497	-	3,261
Restricted accounts	6,885	-	-	6,885
Total assets	<u>\$ 45,924</u>	<u>\$ 6,691</u>	<u>\$ 49,718</u>	<u>\$ 102,333</u>
<b>LIABILITIES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 6,400	\$ -	\$ 878	\$ 7,278
Payroll payable	884	-	-	884
Liabilities payable from restricted assets:				
Accounts payable	8,399	-	1,508	9,907
Payroll payable	128	-	-	128
Due to other funds	651	-	-	651
Total liabilities	<u>16,462</u>	<u>-</u>	<u>2,386</u>	<u>18,848</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Resources not yet available:				
Property taxes	3,309	444	-	3,753
Resources received before time requirements met	66	-	-	66
Total deferred inflows of resources	<u>3,375</u>	<u>444</u>	<u>-</u>	<u>3,819</u>
<b>FUND BALANCES</b>				
Nonspendable	687	-	28	715
Restricted	12,693	6,096	27,742	46,531
Committed	58	151	17,097	17,306
Assigned	12,649	-	2,465	15,114
Total fund balances	<u>26,087</u>	<u>6,247</u>	<u>47,332</u>	<u>79,666</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,924</u>	<u>\$ 6,691</u>	<u>\$ 49,718</u>	<u>\$ 102,333</u>

**MULTNOMAH COUNTY, OREGON**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 111,399	\$ 6,116	\$ -	\$ 117,515
Payments in lieu of taxes	74	3	-	77
Intergovernmental	46,165	297	10	46,472
Licenses and permits	4,819	-	-	4,819
Charges for services	6,966	-	649	7,615
Interest	151	22	208	381
Non-governmental grants	3,997	-	-	3,997
Service reimbursements	310	16,670	7,799	24,779
Miscellaneous	88	-	331	419
Total revenues	173,969	23,108	8,997	206,074
<b>EXPENDITURES</b>				
Current:				
General government	321	1	5,943	6,265
Health services	-	-	72	72
Public safety and justice	6,919	-	1,596	8,515
Community services	41,165	-	-	41,165
Library services	62,554	-	119	62,673
Roads and bridges	43,359	-	-	43,359
Capital outlay	11,592	-	6,644	18,236
Debt service:				
Principal	-	18,262	-	18,262
Interest expense	-	7,789	-	7,789
Total expenditures	165,910	26,052	14,374	206,336
Excess (deficiency) of revenues over (under) expenditures	8,059	(2,944)	(5,377)	(262)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	6	-	260	266
Transfers in	68,080	1,800	31,548	101,428
Transfers out	(69,745)	(250)	(25,146)	(95,141)
Total other financing sources (uses)	(1,659)	1,550	6,662	6,553
Net change in fund balances	6,400	(1,394)	1,285	6,291
Fund balances - beginning	19,687	7,641	46,047	73,375
Fund balances - ending	\$ 26,087	\$ 6,247	\$ 47,332	\$ 79,666

## NONMAJOR SPECIAL REVENUE FUNDS

These funds account for revenue derived from specific taxes or other earmarked revenue sources, including state gas tax, grants, and charges for services which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make the expenditures. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

- **Road Fund** - accounts for revenues primarily from State motor vehicle fees and County gasoline taxes. Expenditures consist of construction, repair, maintenance, and operation of County highways and roads.
- **Bicycle Path Construction Fund** - accounts for revenue and expenditures for bicycle paths. Revenue is one percent of State motor vehicle fees.
- **Recreation Fund** - accounts for State revenues and the pass through disbursements to Metro for the operation of parks.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **Animal Control Fund** - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- **Willamette River Bridges Fund** - accounts for capital grants and contributions for County bridges, motor vehicle fees, and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- **Library Fund** – accounts for the public library operations, including the serial property tax levy dedicated to library operations.
- **Special Excise Tax Fund** - accounts for 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, 2015**  
**(amounts expressed in thousands)**

	Roads	Bicycle Path Construction	Recreation	County School
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ 4,065	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Accounts	154	-	-	-
Due from other funds	-	-	-	-
Inventories	127	-	-	-
Prepays and deposits	-	-	-	-
Restricted:				
Cash and investments	2,833	429	42	-
Receivables:				
Taxes	-	-	-	-
Accounts	5,061	-	-	-
Total assets	<u>\$ 12,240</u>	<u>\$ 429</u>	<u>\$ 42</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 269	\$ -	\$ -	\$ -
Payroll payable	106	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	7,894	-	42	-
Payroll payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>8,269</u>	<u>-</u>	<u>42</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
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>
<b>FUND BALANCES</b>				
Nonspendable	127	-	-	-
Restricted	-	429	-	-
Committed	-	-	-	-
Assigned	3,844	-	-	-
Total fund balances	<u>3,971</u>	<u>429</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,240</u>	<u>\$ 429</u>	<u>\$ 42</u>	<u>\$ -</u>



<u>Animal Control</u>	<u>Willamette River Bridges</u>	<u>Library</u>	<u>Special Excise Tax</u>	<u>Land Corner Preservation</u>	<u>Inmate Welfare</u>	<u>Justice Services Special Operations</u>
\$ 76	\$ 912	\$ 8,090	\$ 1,085	\$ -	\$ -	\$ 162
-	-	993	3,536	-	-	-
-	-	1	-	-	51	464
-	-	401	-	-	-	-
-	-	-	-	-	-	-
-	-	560	-	-	-	-
823	2,960	-	-	2,272	-	38
-	-	-	-	8	-	-
8	91	-	-	6	-	33
<u>\$ 907</u>	<u>\$ 3,963</u>	<u>\$ 10,045</u>	<u>\$ 4,621</u>	<u>\$ 2,286</u>	<u>\$ 51</u>	<u>\$ 697</u>
\$ -	\$ -	\$ 1,356	\$ 4,608	\$ -	\$ 34	\$ 133
-	-	773	-	-	5	-
43	181	-	-	26	-	58
5	102	-	-	17	-	-
-	-	-	-	-	-	-
<u>48</u>	<u>283</u>	<u>2,129</u>	<u>4,608</u>	<u>43</u>	<u>39</u>	<u>191</u>
-	-	907	-	-	-	-
-	-	-	-	-	-	-
-	-	907	-	-	-	-
-	-	560	-	-	-	-
775	2,768	-	-	2,243	-	13
-	-	-	13	-	12	33
84	912	6,449	-	-	-	460
<u>859</u>	<u>3,680</u>	<u>7,009</u>	<u>13</u>	<u>2,243</u>	<u>12</u>	<u>506</u>
<u>\$ 907</u>	<u>\$ 3,963</u>	<u>\$ 10,045</u>	<u>\$ 4,621</u>	<u>\$ 2,286</u>	<u>\$ 51</u>	<u>\$ 697</u>

(Continued)

**MULTNOMAH COUNTY, OREGON**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2015**  
**(amounts expressed in thousands)**

(continued)

	<b>Oregon Historical Society Special Levy</b>	<b>Video Lottery</b>	<b>Library District</b>	<b>Total</b>
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ -	\$ -	\$ 3,167	\$ 17,557
Receivables:				
Taxes	-	-	-	4,529
Accounts	-	-	40	710
Due from other funds	-	-	-	401
Inventories	-	-	-	127
Prepays and deposits	-	-	-	560
Restricted:				
Cash and investments	-	9	2,985	12,391
Receivables:				
Taxes	110	-	2,646	2,764
Accounts	-	1,317	369	6,885
Total assets	<u>\$ 110</u>	<u>\$ 1,326</u>	<u>\$ 9,207</u>	<u>\$ 45,924</u>
<b>LIABILITIES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,400
Payroll payable	-	-	-	884
Liabilities payable from restricted assets:				
Accounts payable	-	155	-	8,399
Payroll payable	-	4	-	128
Due to other funds	-	250	401	651
Total liabilities	<u>-</u>	<u>409</u>	<u>401</u>	<u>16,462</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Resources not yet available:				
Property taxes	96	-	2,306	3,309
Resources received before time requirements met	-	-	66	66
Total deferred inflows of resources	<u>96</u>	<u>-</u>	<u>2,372</u>	<u>3,375</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	687
Restricted	14	917	5,534	12,693
Committed	-	-	-	58
Assigned	-	-	900	12,649
Total fund balances	<u>14</u>	<u>917</u>	<u>6,434</u>	<u>26,087</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 110</u>	<u>\$ 1,326</u>	<u>\$ 9,207</u>	<u>\$ 45,924</u>

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**MULTNOMAH COUNTY, OREGON**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<u>Roads</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>
<b>REVENUES</b>				
Taxes	\$ 6,950	\$ -	\$ 43	\$ 57
Payments in lieu of taxes	-	-	-	-
Intergovernmental	34,791	-	-	14
Licenses and permits	86	-	-	-
Charges for services	164	-	-	-
Interest	48	2	-	-
Other:				
Non-governmental grants	-	-	-	-
Service reimbursements	4	-	-	-
Miscellaneous	33	6	-	-
Total revenues	<u>42,076</u>	<u>8</u>	<u>43</u>	<u>71</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety and justice	-	-	-	-
Community services	-	7	43	71
Library services	-	-	-	-
Roads and bridges	38,738	-	-	-
Capital outlay	3,011	6	-	-
Total expenditures	<u>41,749</u>	<u>13</u>	<u>43</u>	<u>71</u>
Excess of revenues over (under) expenditures	<u>327</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	327	(5)	-	-
Fund balances - beginning	3,644	434	-	-
Fund balances - ending	<u>\$ 3,971</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Animal Control</b>	<b>Willamette River Bridges</b>	<b>Library</b>	<b>Special Excise Tax</b>	<b>Land Corner Preservation</b>	<b>Inmate Welfare</b>	<b>Justice Services Special Operations</b>
\$ -	\$ -	\$ 410	\$ 34,154	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	6,027	-	-	13	-	9
1,819	3	-	-	-	-	2,794
64	8	1	-	1,533	1,116	2,716
3	-	12	5	8	-	1
593	-	1,738	-	-	-	7
-	-	39	-	-	-	267
-	19	4	-	-	-	22
2,479	6,057	2,204	34,159	1,554	1,116	5,816
321	-	-	-	-	-	-
-	-	-	-	-	1,105	5,814
-	-	-	34,461	-	-	-
-	-	62,554	-	-	-	-
-	3,715	-	-	906	-	-
-	1,347	7,203	-	-	-	25
321	5,062	69,757	34,461	906	1,105	5,839
2,158	995	(67,553)	(302)	648	11	(23)
-	-	-	-	-	-	6
-	105	67,975	-	-	-	-
(1,770)	-	-	-	-	-	-
(1,770)	105	67,975	-	-	-	6
388	1,100	422	(302)	648	11	(17)
471	2,580	6,587	315	1,595	1	523
\$ 859	\$ 3,680	\$ 7,009	\$ 13	\$ 2,243	\$ 12	\$ 506

(Continued)

**MULTNOMAH COUNTY, OREGON**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

(continued)

	Oregon Historical Society Special Levy	Video Lottery	Library District	Total
<b>REVENUES</b>				
Taxes	\$ 2,001	\$ -	\$ 67,784	\$ 111,399
Payments in lieu of taxes	1	-	73	74
Intergovernmental	-	4,799	512	46,165
Licenses and permits	-	-	117	4,819
Charges for services	-	-	1,364	6,966
Interest	-	-	72	151
Other:				
Non-governmental grants	-	-	1,659	3,997
Service reimbursements	-	-	-	310
Miscellaneous	-	-	4	88
Total revenues	<u>2,002</u>	<u>4,799</u>	<u>71,585</u>	<u>173,969</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	321
Public safety and justice	-	-	-	6,919
Community services	1,997	4,586	-	41,165
Library services	-	-	-	62,554
Roads and bridges	-	-	-	43,359
Capital outlay	-	-	-	11,592
Total expenditures	<u>1,997</u>	<u>4,586</u>	<u>-</u>	<u>165,910</u>
Excess of revenues over (under) expenditures	<u>5</u>	<u>213</u>	<u>71,585</u>	<u>8,059</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	6
Transfers in	-	-	-	68,080
Transfers out	-	-	(67,975)	(69,745)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(67,975)</u>	<u>(1,659)</u>
Net change in fund balances	5	213	3,610	6,400
Fund balances - beginning	9	704	2,824	19,687
Fund balances - ending	<u>\$ 14</u>	<u>\$ 917</u>	<u>\$ 6,434</u>	<u>\$ 26,087</u>



**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Road Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Taxes	\$ 6,850	\$ 6,850	\$ 6,950	\$ 100
Intergovernmental	39,391	39,391	34,791	(4,600)
Licenses and permits	70	70	86	16
Charges for services	378	378	164	(214)
Interest	25	25	48	23
Service reimbursements	267	267	4	(263)
Miscellaneous	47	47	33	(14)
Total revenues	47,028	47,028	42,076	(4,952)
<b>EXPENDITURES</b>				
Community services	49,761	49,761	41,749	8,012
Total expenditures	49,761	49,761	41,749	8,012
Net change in fund balances	(2,733)	(2,733)	327	3,060
Fund balances - beginning	2,733	2,733	3,644	911
Fund balances - ending	\$ -	\$ -	\$ 3,971	\$ 3,971

**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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Interest	\$ 2	\$ 2	\$ 2	\$ -
Miscellaneous	-	-	6	6
Total revenues	2	2	8	6
<b>EXPENDITURES</b>				
Community services	75	75	13	62
Total expenditures	75	75	13	62
Excess (deficiency) of revenues over (under) expenditures	(73)	(73)	(5)	68
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(407)	(407)	-	407
Total other financing sources (uses)	(407)	(407)	-	407
Net change in fund balances	(480)	(480)	(5)	475
Fund balances - beginning	480	480	434	(46)
Fund balances - ending	\$ -	\$ -	\$ 429	\$ 429

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Recreation Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 102	\$ 102	\$ 43	\$ (59)
Total revenues	102	102	43	(59)
<b>EXPENDITURES</b>				
County management	102	102	43	59
Total expenditures	102	102	43	59
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**County School Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 70	\$ 57	\$ (13)
Intergovernmental	20	20	14	(6)
Total revenues	20	90	71	(19)
<b>EXPENDITURES</b>				
Nondepartmental	20	90	71	19
Total expenditures	20	90	71	19
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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Licenses and permits	\$ 1,725	\$ 1,725	\$ 1,819	\$ 94
Charges for services	70	70	64	(6)
Interest	-	-	3	3
Non-governmental grants	143	143	593	450
Total revenues	1,938	1,938	2,479	541
<b>EXPENDITURES</b>				
Community services	397	397	321	76
Total expenditures	397	397	321	76
Excess (deficiency) of revenues over (under) expenditures	1,541	1,541	2,158	617
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,770)	(1,770)	(1,770)	-
Contingency	(268)	(268)	-	268
Total other financing sources (uses)	(2,038)	(2,038)	(1,770)	268
Net change in fund balances	(497)	(497)	388	885
Fund balances - beginning	497	497	471	(26)
Fund balances - ending	\$ -	\$ -	\$ 859	\$ 859

**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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 6,539	\$ 6,539	\$ 6,027	\$ (512)
Licenses and permits	-	-	3	3
Charges for services	-	-	8	8
Service reimbursements	3,335	3,335	-	(3,335)
Miscellaneous	5	5	19	14
Total revenues	9,879	9,879	6,057	(3,822)
<b>EXPENDITURES</b>				
Community services	12,261	12,261	5,062	7,199
Total expenditures	12,261	12,261	5,062	7,199
Excess (deficiency) of revenues over (under) expenditures	(2,382)	(2,382)	995	3,377
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	175	175	105	(70)
Total other financing sources (uses)	175	175	105	(70)
Net change in fund balances	(2,207)	(2,207)	1,100	3,307
Fund balances - beginning	2,207	2,207	2,580	373
Fund balances - ending	\$ -	\$ -	\$ 3,680	\$ 3,680

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Library Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Taxes	\$ 200	\$ 200	\$ 410	\$ 210
Intergovernmental	69,043	69,161	67,975	(1,186)
Charges for services	-	-	1	1
Interest	10	10	12	2
Service reimbursements	35	35	39	4
Miscellaneous	-	-	4	4
Total revenues	69,288	69,406	68,441	(965)
<b>EXPENDITURES</b>				
Library	69,288	69,406	68,019	1,387
Total expenditures	69,288	69,406	68,019	1,387
Excess (deficiency) of revenues over (under) expenditures	-	-	422	422
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(6,500)	(6,500)	-	6,500
Total other financing sources (uses)	(6,500)	(6,500)	-	6,500
Net change in fund balances	(6,500)	(6,500)	422	6,922
Fund balances - beginning	6,500	6,500	6,587	87
Fund balances - ending	\$ -	\$ -	7,009	\$ 7,009
Reconciliation to GAAP Basis:				
In kind contributions			1,738	
Consumption of in kind contributions			(1,738)	
Reimbursements from the Library District are reported as Transfers In on the GAAP Basis, rather than as Intergovernmental Revenues				
Intergovernmental Revenues			(67,975)	
Transfers In			67,975	
Fund balance as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Nonmajor Special Revenue Funds, page 105.			\$ 7,009	



**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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>REVENUES</b>				
Taxes	\$ 30,177	\$ 33,922	\$ 34,154	\$ 232
Interest	5	5	5	-
Total revenues	30,182	33,927	34,159	232
<b>EXPENDITURES</b>				
Nondepartmental	29,992	33,737	34,461	(724)
Total expenditures	29,992	33,737	34,461	(724)
Excess (deficiency) of revenues over (under) expenditures	190	190	(302)	(492)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(765)	(765)	-	765
Total other financing sources (uses)	(765)	(765)	-	765
Net change in fund balances	(575)	(575)	(302)	273
Fund balances - beginning	575	575	315	(260)
Fund balances - ending	\$ -	\$ -	\$ 13	\$ 13

**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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 13	\$ 13
Charges for services	1,550	1,550	1,533	(17)
Interest	8	8	8	-
Service reimbursements	240	240	-	(240)
Total revenues	1,798	1,798	1,554	(244)
<b>EXPENDITURES</b>				
Community services	1,410	1,410	906	504
Total expenditures	1,410	1,410	906	504
Net change in fund balances	388	388	648	260
Fund balances - beginning	1,575	1,575	1,595	20
Fund balances - ending	\$ 1,963	\$ 1,963	\$ 2,243	\$ 280

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Inmate Welfare Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>REVENUES</b>				
Charges for services	\$ 1,163	\$ 1,163	\$ 1,116	\$ (47)
Interest	10	10	-	(10)
Miscellaneous	1	1	-	(1)
Total revenues	1,174	1,174	1,116	(58)
<b>EXPENDITURES</b>				
Community justice	1	1	-	1
Sheriff	1,173	1,173	1,105	68
Total expenditures	1,174	1,174	1,105	69
Net change in fund balances	-	-	11	11
Fund balances - beginning	-	-	1	1
Fund balances - ending	\$ -	\$ -	\$ 12	\$ 12

**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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 9	\$ 9	\$ 9	\$ -
Licenses and permits	2,821	2,821	2,794	(27)
Charges for services	2,775	2,835	2,716	(119)
Interest	-	-	1	1
Non-governmental grants	-	-	7	7
Service reimbursements	252	252	267	15
Miscellaneous	-	-	22	22
Total revenues	5,857	5,917	5,816	(101)
<b>EXPENDITURES</b>				
Community justice	2,460	2,460	2,236	224
District attorney	93	93	93	-
Sheriff	3,532	3,956	3,510	446
Total expenditures	6,085	6,509	5,839	670
Excess (deficiency) of revenues over (under) expenditures	(228)	(592)	(23)	569
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	6	6
Total other financing sources (uses)	-	-	6	6
Net change in fund balances	(228)	(592)	(17)	575
Fund balances - beginning	228	592	523	(69)
Fund balances - ending	\$ -	\$ -	\$ 506	\$ 506

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Oregon Historical Society Special Levy Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Taxes	\$ 1,808	\$ 2,088	\$ 2,001	\$ (87)
Payments in lieu of taxes	-	-	1	1
Interest	3	3	-	(3)
Total revenues	1,811	2,091	2,002	(89)
<b>EXPENDITURES</b>				
Nondepartmental	1,829	2,109	1,997	112
Total expenditures	1,829	2,109	1,997	112
Net change in fund balances	(18)	(18)	5	23
Fund balances - beginning	18	18	9	(9)
Fund balances - ending	\$ -	\$ -	\$ 14	\$ 14

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Video Lottery Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 4,679	\$ 4,679	\$ 4,799	\$ 120
Total revenues	4,679	4,679	4,799	120
<b>EXPENDITURES</b>				
Community justice	2,312	2,312	2,311	1
Community services	586	586	363	223
County management	196	196	173	23
Human services	1,102	1,102	1,097	5
Nondepartmental	642	642	642	-
Total expenditures	4,838	4,838	4,586	252
Excess (deficiency) of revenues over (under) expenditures	(159)	(159)	213	372
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	(468)	(468)	-	468
Total other financing sources (uses)	(468)	(468)	-	468
Net change in fund balances	(627)	(627)	213	840
Fund balances - beginning	627	627	704	77
Fund balances - ending	\$ -	\$ -	\$ 917	\$ 917

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Library District Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Taxes	\$ 66,891	\$ 66,891	\$ 67,784	\$ 893
Payments in lieu of taxes	-	-	73	73
Intergovernmental	384	384	512	128
Licenses and permits	115	115	117	2
Charges for services	1,432	1,432	1,364	(68)
Interest	20	20	72	52
Non-governmental grants	1,616	1,734	1,659	(75)
Miscellaneous	2	2	4	2
Total revenues	<u>70,460</u>	<u>70,578</u>	<u>71,585</u>	<u>1,007</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(69,043)	(69,161)	(67,975)	1,186
Contingency	(1,417)	(1,417)	-	1,417
Total other financing sources (uses)	<u>(70,460)</u>	<u>(70,578)</u>	<u>(67,975)</u>	<u>2,603</u>
Net change in fund balances	-	-	3,610	3,610
Fund balances - beginning	-	-	2,824	2,824
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,434</u>	<u>\$ 6,434</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

(67,975)

Transfers Out

67,975

Fund balance as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Nonmajor Special Revenue Funds, page 106.

\$ 6,434



## **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 PERS unfunded liability. Revenues consist of charges to departments and interest.

### **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.



**MULTNOMAH COUNTY, OREGON**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2015**  
(amounts expressed in thousands)

	<b>Capital Debt Retirement</b>	<b>General Obligation Bond</b>	<b>Total</b>
<b>ASSETS</b>			
Unrestricted:			
Cash and investments	\$ 151	\$ -	\$ 151
Restricted:			
Restricted cash and investments	149	5,894	6,043
Restricted taxes	-	497	497
Total assets	<u>\$ 300</u>	<u>\$ 6,391</u>	<u>\$ 6,691</u>
<b>LIABILITIES</b>			
Liabilities payable from restricted assets:			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Resources not yet available:			
Property taxes	-	444	444
Total deferred inflows of resources	<u>-</u>	<u>444</u>	<u>444</u>
<b>FUND BALANCES</b>			
Restricted	149	5,947	6,096
Committed	151	-	151
Total fund balances	<u>300</u>	<u>5,947</u>	<u>6,247</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 300</u>	<u>\$ 6,391</u>	<u>\$ 6,691</u>

**MULTNOMAH COUNTY, OREGON**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Capital Debt Retirement</b>	<b>General Obligation Bond</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 6,116	\$ 6,116
Payments in lieu of taxes	-	3	3
Intergovernmental	297	-	297
Interest	-	22	22
Other - service reimbursements	16,670	-	16,670
Total revenues	<u>16,967</u>	<u>6,141</u>	<u>23,108</u>
<b>EXPENDITURES</b>			
Current:			
General government	1	-	1
Debt service:			
Principal	12,107	6,155	18,262
Interest	<u>7,172</u>	<u>617</u>	<u>7,789</u>
Total expenditures	<u>19,280</u>	<u>6,772</u>	<u>26,052</u>
Deficiency of revenues under expenditures	<u>(2,313)</u>	<u>(631)</u>	<u>(2,944)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,800	-	1,800
Transfers out	<u>(250)</u>	<u>-</u>	<u>(250)</u>
Total other financing sources	<u>1,550</u>	<u>-</u>	<u>1,550</u>
Net change in fund balances	<u>(763)</u>	<u>(631)</u>	<u>(1,394)</u>
Fund balances - beginning	<u>1,063</u>	<u>6,578</u>	<u>7,641</u>
Fund balances - ending	<u>\$ 300</u>	<u>\$ 5,947</u>	<u>\$ 6,247</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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 321	\$ 321	\$ 297	\$ (24)
Interest	10	10	-	(10)
Service reimbursements	16,670	16,670	16,670	-
Total revenues	17,001	17,001	16,967	(34)
<b>EXPENDITURES</b>				
Nondepartmental	19,530	19,530	19,280	250
Total expenditures	19,530	19,530	19,280	250
Deficiency of revenues over expenditures	(2,529)	(2,529)	(2,313)	216
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,800	1,800	1,800	-
Transfers out	(250)	(250)	(250)	-
Total other financing sources (uses)	1,550	1,550	1,550	-
Net change in fund balances	(979)	(979)	(763)	216
Fund balances - beginning	1,086	1,086	1,063	(23)
Fund balances - ending	\$ 107	\$ 107	\$ 300	\$ 193

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Obligation Bond Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Taxes	\$ 6,094	\$ 6,094	\$ 6,116	\$ 22
Payments in lieu of taxes	-	-	3	3
Interest	35	35	22	(13)
Total revenues	6,129	6,129	6,141	12
<b>EXPENDITURES</b>				
Nondepartmental	6,772	6,772	6,772	-
Total expenditures	6,772	6,772	6,772	-
Net change in fund balances	(643)	(643)	(631)	12
Fund balances - beginning	6,539	6,539	6,578	39
Fund balances - ending	\$ 5,896	\$ 5,896	\$ 5,947	\$ 51

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**PERS Pension Bond Debt Service Fund**  
**For the Year Ended June 30, 2015**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Interest	\$ 340	\$ 340	\$ 319	\$ (21)
Service reimbursements	18,051	18,051	33,682	15,631
Total revenues	18,391	18,391	34,001	15,610
<b>EXPENDITURES</b>				
Nondepartmental	19,112	19,112	19,087	25
Total expenditures	19,112	19,112	19,087	25
Net change in fund balances	(721)	(721)	14,914	15,635
Fund balances at beginning of year	69,927	69,927	69,365	(562)
Fund balances at end of year	\$ 69,206	\$ 69,206	\$ 84,279	\$ 15,073



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## CAPITAL PROJECTS FUNDS

These funds account for expenditures on major construction projects, proceeds from certificates of participation issued to finance capital acquisitions, proceeds from sale of County property, revenue bond proceeds, and library and public safety general obligation bond proceeds. The modified accrual basis of accounting is used to record revenues and expenditures. Funds included are:

### Major Fund

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

### Nonmajor Funds

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



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**MULTNOMAH COUNTY, OREGON**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2015**  
**(amounts expressed in thousands)**

	<u>Downtown Courthouse</u>	<u>Equipment Acquisition</u>	<u>Financed Projects</u>	<u>Library Construction</u>
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ -	\$ 374	\$ 5,107	\$ 5
Receivables:				
Accounts	-	-	-	-
Inventories	-	-	-	-
Restricted:				
Restricted cash and investments	10,433	-	-	2,048
Total assets	<u>\$ 10,433</u>	<u>\$ 374</u>	<u>\$ 5,107</u>	<u>\$ 2,053</u>
<b>LIABILITIES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ -	\$ 157	\$ 5
Liabilities payable from restricted assets:				
Accounts payable	78	-	-	-
Total liabilities	<u>78</u>	<u>-</u>	<u>157</u>	<u>5</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	10,355	-	-	2,048
Committed	-	-	2,859	-
Assigned	-	374	2,091	-
Total fund balances	<u>10,355</u>	<u>374</u>	<u>4,950</u>	<u>2,048</u>
Total liabilities and fund balances	<u>\$ 10,433</u>	<u>\$ 374</u>	<u>\$ 5,107</u>	<u>\$ 2,053</u>

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<b>Capital Improvement</b>	<b>Asset Preservation</b>	<b>Health Headquarters Capital</b>	<b>Total</b>
\$ -	\$ 9,786	\$ -	\$ 15,272
120	-	-	120
28	-	-	28
6,799	-	15,018	34,298
<u>\$ 6,947</u>	<u>\$ 9,786</u>	<u>\$ 15,018</u>	<u>\$ 49,718</u>

\$ 120	\$ 596	\$ -	\$ 878
442	-	988	1,508
<u>562</u>	<u>596</u>	<u>988</u>	<u>2,386</u>
28	-	-	28
6,357	-	8,982	27,742
-	9,190	5,048	17,097
-	-	-	2,465
<u>6,385</u>	<u>9,190</u>	<u>14,030</u>	<u>47,332</u>
<u>\$ 6,947</u>	<u>\$ 9,786</u>	<u>\$ 15,018</u>	<u>\$ 49,718</u>

**MULTNOMAH COUNTY, OREGON**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Downtown Courthouse</b>	<b>Equipment Acquisition</b>	<b>Financed Projects</b>	<b>Library Construction</b>
<b>REVENUES</b>				
Intergovernmental	\$ 10	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest	40	3	19	6
Other:				
Service reimbursements	-	-	-	1,077
Miscellaneous	-	-	-	11
Total revenues	<u>50</u>	<u>3</u>	<u>19</u>	<u>1,094</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	2	-
Health services	-	-	-	-
Public safety and justice	1,596	-	-	-
Library services	-	-	-	119
Capital outlay	-	-	431	6
Total expenditures	<u>1,596</u>	<u>-</u>	<u>433</u>	<u>125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,546)</u>	<u>3</u>	<u>(414)</u>	<u>969</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	11,901	250	1,500	1,079
Transfers out	-	(105)	-	-
Net change in fund balances	<u>10,355</u>	<u>148</u>	<u>1,086</u>	<u>2,048</u>
Fund balances - beginning	-	226	3,864	-
Fund balances - ending	<u>\$ 10,355</u>	<u>\$ 374</u>	<u>\$ 4,950</u>	<u>\$ 2,048</u>



Capital Improvement	Asset Preservation	Health Headquarters Capital	Total
\$ -	\$ -	\$ -	\$ 10
628	21	-	649
59	40	41	208
3,506	3,216	-	7,799
4	316	-	331
4,197	3,593	41	8,997
4,223	1,718	-	5,943
-	-	72	72
-	-	-	1,596
-	-	-	119
2,824	2,083	1,300	6,644
7,047	3,801	1,372	14,374
(2,850)	(208)	(1,331)	(5,377)
260	-	-	260
1,168	289	15,361	31,548
(25,041)	-	-	(25,146)
(26,463)	81	14,030	1,285
32,848	9,109	-	46,047
\$ 6,385	\$ 9,190	\$ 14,030	\$ 47,332

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Downtown Courthouse Fund**  
**For the Year Ended June 30, 2015**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 10	\$ (14,990)
Interest	-	-	40	40
Total revenues	15,000	15,000	50	(14,950)
<b>EXPENDITURES</b>				
Public safety and justice	42,495	42,495	1,596	40,899
Total expenditures	42,495	42,495	1,596	40,899
Deficiency of revenues under expenditures	(27,495)	(27,495)	(1,546)	25,949
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	15,000	15,000	-	(15,000)
Transfers in	12,495	12,495	11,901	(594)
Total other financing sources (uses)	27,495	27,495	11,901	(15,594)
Net change in fund balance	-	-	10,355	10,355
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 10,355	\$ 10,355

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Equipment Acquisition Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
<b>EXPENDITURES</b>				
General government	301	301	-	301
Total expenditures	301	301	-	301
Deficiency of revenues under expenditures	(301)	(301)	3	304
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250	250	250	-
Transfers out	(175)	(175)	(105)	70
Total other financing sources (uses)	75	75	145	70
Net change in fund balance	(226)	(226)	148	374
Fund balances - beginning	226	226	226	-
Fund balances - ending	\$ -	\$ -	\$ 374	\$ 374

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Financed Projects Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 19	\$ 19
Total revenues	-	-	19	19
<b>EXPENDITURES</b>				
County management	5,400	5,400	433	4,967
Total expenditures	5,400	5,400	433	4,967
Deficiency of revenues under expenditures	(5,400)	(5,400)	(414)	4,986
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,500	1,500	1,500	-
Total other financing sources (uses)	1,500	1,500	1,500	-
Net change in fund balance	(3,900)	(3,900)	1,086	4,986
Fund balances - beginning	3,900	3,900	3,864	(36)
Fund balances - ending	\$ -	\$ -	\$ 4,950	\$ 4,950

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Library Construction Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 6	\$ 6
Service reimbursements	1,064	1,064	1,077	13
Miscellaneous	-	-	11	11
Total revenues	1,064	1,064	1,094	30
<b>EXPENDITURES</b>				
Library services	2,359	2,359	125	2,234
Total expenditures	2,359	2,359	125	2,234
Deficiency of revenues under expenditures	(1,295)	(1,295)	969	2,264
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,295	1,295	1,079	(216)
Total other financing sources (uses)	1,295	1,295	1,079	(216)
Net change in fund balance	-	-	2,048	2,048
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 2,048	\$ 2,048

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Improvement Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 400	\$ 400	\$ -	\$ (400)
Charges for services	1,220	1,220	628	(592)
Interest	110	110	59	(51)
Service reimbursements	3,536	3,536	3,506	(30)
Miscellaneous	-	-	4	4
Total revenues	<u>5,266</u>	<u>5,266</u>	<u>4,197</u>	<u>(1,069)</u>
<b>EXPENDITURES</b>				
County assets	18,233	18,233	7,047	11,186
Total expenditures	<u>18,233</u>	<u>18,233</u>	<u>7,047</u>	<u>11,186</u>
Deficiency of revenues under expenditures	<u>(12,967)</u>	<u>(12,967)</u>	<u>(2,850)</u>	<u>10,117</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	260	260
Transfers in	1,168	1,168	1,168	-
Transfers out	(16,359)	(26,359)	(25,041)	1,318
Total other financing sources (uses)	<u>(15,191)</u>	<u>(25,191)</u>	<u>(23,613)</u>	<u>1,578</u>
Net change in fund balance	<u>(28,158)</u>	<u>(38,158)</u>	<u>(26,463)</u>	<u>11,695</u>
Fund balances - beginning	28,158	38,158	32,848	(5,310)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,385</u>	<u>\$ 6,385</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, 2015**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 21	\$ 21
Interest	30	30	40	10
Service reimbursements	3,164	3,164	3,216	52
Miscellaneous	-	-	316	316
Total revenues	<u>3,194</u>	<u>3,194</u>	<u>3,593</u>	<u>399</u>
<b>EXPENDITURES</b>				
County assets	<u>10,584</u>	<u>10,584</u>	<u>3,801</u>	<u>6,783</u>
Total expenditures	<u>10,584</u>	<u>10,584</u>	<u>3,801</u>	<u>6,783</u>
Deficiency of revenues under expenditures	<u>(7,390)</u>	<u>(7,390)</u>	<u>(208)</u>	<u>7,182</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>289</u>	<u>289</u>	<u>289</u>	<u>-</u>
Total other financing sources (uses)	<u>289</u>	<u>289</u>	<u>289</u>	<u>-</u>
Net change in fund balance	<u>(7,101)</u>	<u>(7,101)</u>	<u>81</u>	<u>7,182</u>
Fund balances - beginning	<u>7,101</u>	<u>7,101</u>	<u>9,109</u>	<u>2,008</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,190</u>	<u>\$ 9,190</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, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 26,900	\$ 16,900	\$ -	\$ (16,900)
Interest	-	-	41	41
Total revenues	26,900	16,900	41	(16,859)
<b>EXPENDITURES</b>				
Health services	45,400	45,400	1,372	44,028
Total expenditures	45,400	45,400	1,372	44,028
Deficiency of revenues under expenditures	(18,500)	(28,500)	(1,331)	27,169
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	12,631	12,631	-	(12,631)
Transfers in	5,869	15,869	15,361	(508)
Total other financing sources (uses)	18,500	28,500	15,361	(13,139)
Net change in fund balance	-	-	14,030	14,030
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 14,030	\$ 14,030



**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Sellwood Bridge Replacement Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 36,219	\$ 36,219	\$ 37,976	\$ 1,757
Licenses and permits	10,830	10,830	11,602	772
Interest	100	100	256	156
Miscellaneous	-	-	9	9
Total revenues	47,149	47,149	49,843	2,694
<b>EXPENDITURES</b>				
Roads and bridges	117,569	117,569	63,996	53,573
Net change in fund balances	(70,420)	(70,420)	(14,153)	56,267
Fund balances - beginning	-	-	70,974	70,974
Fund balances - ending	\$ (70,420)	\$ (70,420)	\$ 56,821	\$ 127,241

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## ENTERPRISE FUNDS

The County's Enterprise Funds are listed below.

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



**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Dunthorpe-Riverdale Service District No. 1 Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
<b>REVENUES</b>				
Assessments - sewer:				
Current assessments	\$ 876	\$ 876	\$ 881	\$ 5
Charges for services	-	-	10	10
Experience ratings and other	3	3	8	5
Total revenues	<u>879</u>	<u>879</u>	<u>899</u>	<u>20</u>
<b>EXPENDITURES</b>				
Community services	<u>1,378</u>	<u>1,378</u>	<u>832</u>	<u>546</u>
Excess (deficiency) of revenues over (under) expenditures	(499)	(499)	67	566
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	<u>6</u>	<u>6</u>	<u>8</u>	<u>2</u>
Total other financing sources (uses)	<u>6</u>	<u>6</u>	<u>8</u>	<u>2</u>
<b>TRANSFERS</b>				
Contingency	<u>(930)</u>	<u>(930)</u>	<u>-</u>	<u>930</u>
Total transfers	<u>(930)</u>	<u>(930)</u>	<u>-</u>	<u>930</u>
Net change in fund balances	<u>(1,423)</u>	<u>(1,423)</u>	<u>75</u>	<u>1,498</u>
Fund balances - beginning	<u>1,423</u>	<u>1,423</u>	<u>1,476</u>	<u>53</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,551</u>	<u>\$ 1,551</u>
Reconciliation to GAAP Basis:				
Net investment in capital assets			2,509	
Deferred revenue on assessments			49	
Allowance for uncollectible accounts, assessments			(2)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 43.			<u>\$ 4,107</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, 2015**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
<b>REVENUES</b>				
Assessments - street lights:				
Current assessments	\$ 445	\$ 445	\$ 446	\$ 1
Prior assessments	5	5	7	2
Total revenues	<u>450</u>	<u>450</u>	<u>453</u>	<u>3</u>
<b>EXPENDITURES</b>				
Community services	<u>431</u>	<u>431</u>	<u>338</u>	<u>93</u>
Excess (deficiency) of revenues over (under) expenditures	19	19	115	96
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total other financing sources (uses)	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
<b>TRANSFERS</b>				
Contingency	<u>(428)</u>	<u>(428)</u>	<u>-</u>	<u>428</u>
Total transfers	<u>(428)</u>	<u>(428)</u>	<u>-</u>	<u>428</u>
Net change in fund balances	<u>(407)</u>	<u>(407)</u>	<u>117</u>	<u>524</u>
Fund balances - beginning	<u>407</u>	<u>407</u>	<u>430</u>	<u>23</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>547</u>	<u>\$ 547</u>
Reconciliation to GAAP Basis:				
Net investment in capital assets			1,266	
Deferred revenue on assessments			25	
Allowance for uncollectible accounts, assessments			(1)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 43.			<u>\$ 1,837</u>	

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Behavioral Health Managed Care Fund**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental:				
Charges for services	\$ 59,461	\$ 70,382	\$ 71,149	\$ 767
Experience ratings and other	-	-	93	93
Total revenues	<u>59,461</u>	<u>70,382</u>	<u>71,242</u>	<u>860</u>
<b>EXPENDITURES</b>				
Human services	60,421	71,342	70,307	1,035
Excess (deficiency) of revenues over (under) expenditures	(960)	(960)	935	1,895
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	109	109	109	-
Total other financing sources (uses)	<u>109</u>	<u>109</u>	<u>109</u>	<u>-</u>
<b>TRANSFERS</b>				
Contingency	(20,005)	(20,005)	-	20,005
Total transfers	<u>(20,005)</u>	<u>(20,005)</u>	<u>-</u>	<u>20,005</u>
Net change in fund balances	(20,856)	(20,856)	1,044	21,900
Fund balances - beginning	20,856	20,856	16,711	(4,145)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>17,755</u>	<u>\$ 17,755</u>
<b>Reconciliation to GAAP Basis:</b>				
Beginning Net Position Change-Cumulative effect to implement GASB#68 (See Note 1)			(1,439)	
Current Year Share of Pension Expense			705	
Deferred Current Year Contributions			360	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 43.			<u>\$ 17,381</u>	

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## INTERNAL SERVICE FUNDS

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



**MULTNOMAH COUNTY, OREGON**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2015**  
(amounts expressed in thousands)

**Government Activities - Internal Service Funds**

	<b>Risk Management</b>	<b>Fleet Management</b>	<b>Information Technology</b>	<b>Mail / Distribution</b>	<b>Facilities Management</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 68,916	\$ 4,155	\$ 9,238	\$ 912	\$ 6,620	\$ 89,841
Accounts receivable	10	207	61	8	315	601
Inventories	-	386	210	102	155	853
Prepaid items	313	-	1,346	-	53	1,712
Total current assets	69,239	4,748	10,855	1,022	7,143	93,007
Noncurrent assets:						
Construction in progress	-	170	3,531	-	-	3,701
Other capital assets (net of accumulated depreciation)	6	5,132	5,574	6	31	10,749
Net Pension Asset	938	192	3,473	133	1,759	6,495
Total noncurrent assets	944	5,494	12,578	139	1,790	20,945
Total assets	70,183	10,242	23,433	1,161	8,933	113,952
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Plan - Current year contributions	379	60	1,344	51	657	2,491
Total deferred outflows of resources	379	60	1,344	51	657	2,491
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	1,647	653	1,896	133	4,165	8,494
Claims and judgments payable	10,911	-	-	-	-	10,911
Payroll payable	109	18	394	17	203	741
Unearned revenue	48	-	-	-	-	48
Compensated absences	374	54	1,344	39	662	2,473
Total current liabilities	13,089	725	3,634	189	5,030	22,667
Noncurrent liabilities:						
Compensated absences	47	-	46	-	-	93
Incremental leases payable	-	-	-	-	1,500	1,500
Total noncurrent liabilities	47	-	46	-	1,500	1,593
Total liabilities	13,136	725	3,680	189	6,530	24,260
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension Plan - Earnings	1,810	370	6,701	257	3,393	12,531
Pension Plan - Share of contributions	31	6	115	4	58	214
Total deferred inflows of resources	1,841	376	6,816	261	3,451	12,745
<b>NET POSITION</b>						
Invested in capital assets	6	5,302	9,105	6	31	14,450
Unrestricted	55,580	3,900	5,176	756	(423)	64,989
Total net position	\$ 55,586	\$ 9,202	\$ 14,281	\$ 762	\$ (392)	\$ 79,439

**MULTNOMAH COUNTY, OREGON**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	<b>Government Activities - Internal Service Funds</b>					
	<b>Risk Management</b>	<b>Fleet Management</b>	<b>Information Technology</b>	<b>Mail / Distribution</b>	<b>Facilities Management</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>						
Charges for services	\$ 88,955	\$ 5,355	\$ 37,812	\$ 2,338	\$ 36,777	\$ 171,237
Insurance premiums	8,725	-	-	-	-	8,725
Experience ratings and other	3,700	37	3	-	74	3,814
Total revenues	101,380	5,392	37,815	2,338	36,851	183,776
<b>OPERATING EXPENSES</b>						
Cost of sales and services	97,642	3,645	29,368	2,233	32,749	165,637
Administration	1,216	232	2,105	118	1,641	5,312
Depreciation	4	1,146	993	5	11	2,159
Total operating expenses	98,862	5,023	32,466	2,356	34,401	173,108
Operating income (loss)	2,518	369	5,349	(18)	2,450	10,668
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest revenue	272	20	33	4	10	339
Gain on disposal of capital assets	-	733	15	-	-	748
Loss on disposal of capital assets	-	(6)	(43)	-	-	(49)
Total nonoperating revenues	272	747	5	4	10	1,038
Income (loss) before contributions and transfers	2,790	1,116	5,354	(14)	2,460	11,706
Transfers in	-	-	1,739	-	-	1,739
Transfers out	-	-	-	-	(657)	(657)
Change in net position	2,790	1,116	7,093	(14)	1,803	12,788
Total net position - beginning	54,566	8,448	13,744	1,028	1,125	78,911
Net impact of adoption of GASB No. 68 (Note 1)	(1,770)	(362)	(6,556)	(252)	(3,320)	(12,260)
Total net position - ending	\$ 55,586	\$ 9,202	\$ 14,281	\$ 762	\$ (392)	\$ 79,439

**MULTNOMAH COUNTY, OREGON**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

<b>Governmental Activities - Internal Service Funds</b>						
	<b>Risk Management</b>	<b>Fleet Management</b>	<b>Information Technology</b>	<b>Mail / Distribution</b>	<b>Facilities Management</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 12,495	\$ 4,762	\$ 321	\$ 82	\$ 3,443	\$ 21,103
Receipts connected with interfund activities	88,884	530	37,480	2,254	33,755	162,903
Payments to suppliers	(91,553)	(2,319)	(9,462)	(1,009)	(20,964)	(125,307)
Payments to employees	(7,640)	(1,089)	(21,755)	(892)	(9,180)	(40,556)
Payments connected with interfund activities	(1,026)	(750)	(4,149)	(569)	(4,859)	(11,353)
Net cash provided by (used in) operating activities	1,160	1,134	2,435	(134)	2,195	6,790
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers out	-	-	-	-	(657)	(657)
Net cash provided by (used in) noncapital and related financing activities	-	-	-	-	(657)	(657)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of capital assets	-	(3,564)	(2,766)	-	(7)	(6,337)
Transfers in	-	-	1,739	-	-	1,739
Proceeds on sales of capital assets	-	845	15	-	-	860
Net cash used in capital and related financing activities	-	(2,719)	(1,012)	-	(7)	(3,738)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	272	20	33	4	10	339
Net cash provided by investing activities	272	20	33	4	10	339
Net increase (decrease) in cash and cash equivalents	1,432	(1,565)	1,456	(130)	1,541	2,734
Balances at beginning of the year	67,484	5,720	7,782	1,042	5,079	87,107
Balances at the end of the year	\$ 68,916	\$ 4,155	\$ 9,238	\$ 912	\$ 6,620	\$ 89,841
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 2,518	\$ 369	\$ 5,349	\$ (18)	\$ 2,450	\$ 10,668
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	4	1,146	993	5	11	2,159
Changes in assets and liabilities:						
Receivables	(7)	(98)	(14)	(1)	347	227
Inventories	-	9	122	(12)	11	130
Prepaid items	(15)	-	221	-	12	218
Pension asset (liability), net	(1,247)	(238)	(4,557)	(174)	(2,284)	(8,500)
Accounts payable	(237)	(41)	155	58	1,972	1,907
Claims and judgments payable	119	-	-	-	-	119
Payroll payable	8	(7)	28	-	12	41
Unearned revenue	7	-	-	-	-	7
Compensated absences	10	(6)	138	8	(37)	113
Incremental leases payable	-	-	-	-	(299)	(299)
Total adjustments	(1,358)	765	(2,914)	(116)	(255)	(3,878)
Net cash provided by (used in) operating activities	\$ 1,160	\$ 1,134	\$ 2,435	\$ (134)	\$ 2,195	\$ 6,790
<b>Noncash financing activities:</b>						
Contributions of capital assets to governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**Risk Management**

**For the Year Ended June 30, 2015**

**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>REVENUES</b>				
Charges for services	\$ 91,067	\$ 93,257	\$ 88,955	\$ (4,302)
Insurance premiums	8,516	8,516	8,725	209
Experience ratings and other	716	716	3,700	2,984
Total revenues	<u>100,299</u>	<u>102,489</u>	<u>101,380</u>	<u>(1,109)</u>
<b>EXPENDITURES</b>				
County management	96,097	98,287	95,965	2,322
Nondepartmental	4,202	4,351	4,140	211
Total expenditures	<u>100,299</u>	<u>102,638</u>	<u>100,105</u>	<u>2,533</u>
Excess of revenues over expenditures	<u>-</u>	<u>(149)</u>	<u>1,275</u>	<u>1,424</u>
<b>OTHER FINANCING SOURCES</b>				
Interest revenue	-	-	272	272
Total other financing sources	<u>-</u>	<u>-</u>	<u>272</u>	<u>272</u>
<b>TRANSFERS</b>				
Contingency	(53,500)	(53,351)	-	53,351
Total transfers	<u>(53,500)</u>	<u>(53,351)</u>	<u>-</u>	<u>53,351</u>
Net change in fund balances	(53,500)	(53,500)	1,547	55,047
Fund balances - beginning	53,500	53,500	54,556	1,056
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>56,103</u>	<u>\$ 56,103</u>
Reconciliation to GAAP Basis:				
Beginning Net Position Change-Cumulative effect to implement GASB#68 (See Note 1)			(1,770)	
Current Year Share of Pension Expense			868	
Deferred Current Year Contributions			379	
Invested in capital assets			6	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 142.			<u>\$ 55,586</u>	

**MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**Fleet Management**

**For the Year Ended June 30, 2015**

**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Charges for services	\$ 5,384	\$ 5,384	\$ 5,355	\$ (29)
Experience ratings and other	75	75	37	(38)
Total revenues	5,459	5,459	5,392	(67)
<b>EXPENDITURES</b>				
County assets	11,013	11,013	7,678	3,335
Total expenditures	11,013	11,013	7,678	3,335
Excess of revenues over expenditures	(5,554)	(5,554)	(2,286)	3,268
<b>OTHER FINANCING SOURCES</b>				
Interest revenue	-	-	20	20
Gain on disposal of capital assets	130	130	845	715
Total other financing sources	130	130	865	735
<b>TRANSFERS</b>				
Contingency	(155)	(155)	-	155
Total transfers	(155)	(155)	-	155
Net change in fund balances	(5,579)	(5,579)	(1,421)	4,158
Fund balances - beginning	5,579	5,579	5,446	(133)
Fund balances - ending	\$ -	\$ -	4,025	\$ 4,025
Reconciliation to GAAP Basis:				
Beginning Net Position Change-Cumulative effect to implement GASB#68				
(See Note 1)			(362)	
Current Year Share of Pension Expense			177	
Deferred Current Year Contributions			60	
Invested in capital assets			5,302	
Net position as reported on the Statement of Revenues,				
Expenses and Changes in Fund Net Position, page 142.			\$ 9,202	

**MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**Information Technology**

**For the Year Ended June 30, 2015**

**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Charges for services	\$ 40,394	\$ 40,612	\$ 37,812	\$ (2,800)
Experience ratings and other	-	-	3	3
Total revenues	40,394	40,612	37,815	(2,797)
<b>EXPENDITURES</b>				
County assets	47,939	48,157	38,795	9,362
Total expenditures	47,939	48,157	38,795	9,362
Excess of revenues over expenditures	(7,545)	(7,545)	(980)	6,565
<b>OTHER FINANCING SOURCES</b>				
Interest revenue	-	-	33	33
Gain on disposal of capital assets	-	-	15	15
Total other financing sources	-	-	48	48
<b>TRANSFERS</b>				
Transfers in	1,739	1,739	1,739	-
Contingency	(870)	(870)	-	870
Total transfers	869	869	1,739	870
Net change in fund balances	(6,676)	(6,676)	807	7,483
Fund balances - beginning	6,676	6,676	6,368	(308)
Fund balances - ending	\$ -	\$ -	7,175	\$ 7,175
Reconciliation to GAAP Basis:				
Beginning Net Position Change-Cumulative effect to implement GASB#68				
(See Note 1)			(6,556)	
Current Year Share of Pension Expense			3,213	
Deferred Current Year Contributions			1,344	
Invested in capital assets			9,105	
Net position as reported on the Statement of Revenues,				
Expenses and Changes in Fund Net Position, page 142.			\$ 14,281	



**MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**Mail / Distribution**

**For the Year Ended June 30, 2015**

**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>REVENUES</b>				
Charges for services	\$ 2,321	\$ 2,321	\$ 2,338	\$ 17
Total revenues	<u>2,321</u>	<u>2,321</u>	<u>2,338</u>	<u>17</u>
<b>EXPENDITURES</b>				
County assets	2,649	2,649	2,525	124
Total expenditures	<u>2,649</u>	<u>2,649</u>	<u>2,525</u>	<u>124</u>
Excess of revenues over expenditures	<u>(328)</u>	<u>(328)</u>	<u>(187)</u>	<u>141</u>
<b>OTHER FINANCING SOURCES</b>				
Interest revenue	-	-	4	4
Total other financing sources	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>TRANSFERS</b>				
Contingency	(255)	(255)	-	255
Total transfers	<u>(255)</u>	<u>(255)</u>	<u>-</u>	<u>255</u>
Net change in fund balances	<u>(583)</u>	<u>(583)</u>	<u>(183)</u>	<u>400</u>
Fund balances - beginning	583	583	1,017	434
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>834</u>	<u>\$ 834</u>
Reconciliation to GAAP Basis:				
Beginning Net Position Change-Cumulative effect to implement GASB#68 (See Note 1)			(252)	
Current Year Share of Pension Expense			123	
Deferred Current Year Contributions			51	
Invested in capital assets			<u>6</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 142.			<u>\$ 762</u>	

**MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**Facilities Management**

**For the Year Ended June 30, 2015**

**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Variance</b>
<b>REVENUES</b>				
Charges for services	\$ 38,462	\$ 38,585	\$ 36,777	\$ (1,808)
Experience ratings and other	5,015	5,015	74	(4,941)
Total revenues	43,477	43,600	36,851	(6,749)
<b>EXPENDITURES</b>				
County assets	43,095	43,218	36,681	6,537
Total expenditures	43,095	43,218	36,681	6,537
Excess of revenues over expenditures	382	382	170	(212)
<b>OTHER FINANCING SOURCES</b>				
Interest revenue	25	25	10	(15)
Total other financing sources	25	25	10	(15)
<b>TRANSFERS</b>				
Transfers out	(657)	(657)	(657)	-
Contingency	(525)	(525)	-	525
Total transfers	(1,182)	(1,182)	(657)	525
Net change in fund balances	(775)	(775)	(477)	298
Fund balances - beginning	775	775	1,090	315
Fund balances - ending	\$ -	\$ -	613	\$ 613

Reconciliation to GAAP Basis:

Beginning Net Position Change-Cumulative effect to implement GASB#68 (See Note 1)	(3,320)
Current Year Share of Pension Expense	1,627
Deferred Current Year Contributions	657
Invested in capital assets	31
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 142.	\$ (392)

## AGENCY FUNDS

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

- **Sundry Taxing Bodies Fund** - accounts for the collection of property taxes for all governmental entities located in Multnomah County and the disbursement of the collections to such entities.
- **Department and Offices Agency Fund** - accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity
- **Public Guardian Fund** - accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- **Visitors' Facilities Trust Fund** - accounts for collection and disbursement of Motor Vehicle Rental Tax and Transient Lodging Tax used for visitor facilities.



**MULTNOMAH COUNTY, OREGON**  
**COMBINING BALANCE SHEET**  
**AGENCY FUNDS**  
**June 30, 2015**  
(amounts expressed in thousands)

	<b>Sundry Taxing Bodies</b>	<b>Department and Offices Agency</b>	<b>Public Guardian</b>	<b>Visitors Facilities Trust</b>	<b>Total</b>
<b>ASSETS</b>					
<b>Restricted assets</b>					
Cash and investments	\$ 6,698	\$ 7,617	\$ 748	\$ 13,333	\$ 28,396
Receivables - taxes	67,791	106	-	3,823	71,720
Total assets	<u>\$ 74,489</u>	<u>\$ 7,723</u>	<u>\$ 748</u>	<u>\$ 17,156</u>	<u>\$ 100,116</u>
<b>LIABILITIES</b>					
<b>Liabilities payable from restricted assets</b>					
Accounts payable	\$ 6,698	\$ 3,440	\$ 41	\$ 4,861	\$ 15,040
Due to other governmental units	67,320	-	-	-	67,320
Amounts held in trust	471	4,283	707	12,295	17,756
Total liabilities	<u>\$ 74,489</u>	<u>\$ 7,723</u>	<u>\$ 748</u>	<u>\$ 17,156</u>	<u>\$ 100,116</u>

**MULTNOMAH COUNTY, OREGON**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2015**  
**(amounts expressed in thousands)**

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<b>SUNDRY TAXING BODIES:</b>				
Restricted assets:				
Cash and investments	\$ 6,308	\$ 1,108,976	\$ 1,108,586	\$ 6,698
Taxes receivable	64,381	14,198,238	14,194,828	67,791
Total assets	\$ 70,689	\$ 15,307,214	\$ 15,303,414	\$ 74,489
Liabilities payable from restricted assets:				
Accounts payable	\$ 6,308	\$ 1,108,091	\$ 1,107,701	\$ 6,698
Due to other governmental units	63,655	2,197,117	2,193,452	67,320
Amounts held in trust	726	1,134,028	1,134,283	471
Total liabilities	\$ 70,689	\$ 4,439,236	\$ 4,435,436	\$ 74,489
<b>DEPARTMENT AND OFFICES AGENCY:</b>				
Restricted assets:				
Cash and investments	\$ 7,439	\$ 1,548,700	\$ 1,548,522	\$ 7,617
Taxes receivable	113	1,443,417	1,443,424	106
Total assets	\$ 7,552	\$ 2,992,117	\$ 2,991,946	\$ 7,723
Liabilities payable from restricted assets:				
Accounts payable	\$ 3,895	\$ 83,779	\$ 84,234	\$ 3,440
Amounts held in trust	3,657	1,533,734	1,533,108	4,283
Total liabilities	\$ 7,552	\$ 1,617,513	\$ 1,617,342	\$ 7,723
<b>PUBLIC GUARDIAN:</b>				
Restricted assets:				
Cash and investments	\$ 897	\$ 3,342	\$ 3,491	\$ 748
Accounts receivable	-	1,735	1,735	-
Total assets	\$ 897	\$ 5,077	\$ 5,226	\$ 748
Liabilities payable from restricted assets:				
Accounts payable	\$ 55	\$ 3,221	\$ 3,235	\$ 41
Amounts held in trust	842	1,536	1,671	707
Total liabilities	\$ 897	\$ 4,757	\$ 4,906	\$ 748
<b>VISITORS FACILITIES TRUST:</b>				
Restricted assets:				
Cash and investments	\$ 9,368	\$ 24,142	\$ 20,177	\$ 13,333
Taxes receivable	3,087	18,000	17,264	3,823
Total assets	\$ 12,455	\$ 42,142	\$ 37,441	\$ 17,156
Liabilities payable from restricted assets:				
Accounts payable	\$ 4,691	\$ 12,848	\$ 12,678	\$ 4,861
Amounts held in trust	7,764	18,019	13,488	12,295
Total liabilities	\$ 12,455	\$ 30,867	\$ 26,166	\$ 17,156
<b>TOTAL - ALL AGENCY FUNDS:</b>				
Restricted assets:				
Cash and investments	\$ 24,012	\$ 2,685,160	\$ 2,680,776	\$ 28,396
Taxes receivable	67,581	15,659,655	15,655,516	71,720
Accounts receivable	-	1,735	1,735	-
Total assets	\$ 91,593	\$ 18,346,550	\$ 18,338,027	\$ 100,116
Liabilities payable from restricted assets:				
Accounts payable	\$ 14,949	\$ 1,207,939	\$ 1,207,848	\$ 15,040
Due to other governmental units	63,655	2,197,117	2,193,452	67,320
Amounts held in trust	12,989	2,687,317	2,682,550	17,756
Total liabilities	\$ 91,593	\$ 6,092,373	\$ 6,083,850	\$ 100,116

## **CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

- **Schedule by Source**
- **Schedule by Function and Activity**
- **Schedule of Changes by Function and Activity**





**MULTNOMAH COUNTY, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Source**  
**June 30, 2015**  
**(amounts expressed in thousands)**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 15,027	\$ 15,173
Right-of-way	196,843	196,843
Construction in progress	290,939	239,982
Works of art	4,430	4,430
Buildings-not in service	46,164	47,109
Buildings	399,691	398,766
Improvements other than buildings	1,010	1,010
Machinery and equipment	107,525	110,421
Bridges	172,658	156,395
Infrastructure	370,476	370,476
Total governmental funds capital assets	<u>\$ 1,604,763</u>	<u>\$ 1,540,605</u>
<b>INVESTMENTS IN GOVERNMENTAL FUNDS</b>		
<b>CAPITAL ASSETS BY SOURCE</b>		
Beginning balance	\$ 1,540,605	\$ 1,446,717
General fund	(54,921)	(298)
Road fund	3,255	830
Bicycle Path Construction Fund	6	-
Federal and state program fund	749	1,217
Animal control fund	-	-
Willamette river bridges fund	(4,072)	2,045
Library fund	(61,028)	930
Land corner preservation fund	-	17
Justice services special operations	(72)	65
Library District Fund	126,571	-
Downtown Courthouse Capital	(7,577)	-
Financed projects fund	431	1
Library Construction Fund	(673)	-
Capital improvement fund	1,862	4,573
Capital Acquisition Fund	-	(75)
Asset preservation fund	10,822	1,277
Health Headquarters Capital	(9,104)	-
Sellwood bridge replacement fund	54,086	80,941
Risk management fund	-	(26)
Fleet management fund	1,184	(335)
Information technology fund	2,632	2,774
Mail distribution fund	-	(33)
Facilities management fund	7	(15)
Total governmental funds capital assets, ending balance	<u>\$ 1,604,763</u>	<u>\$ 1,540,605</u>

**MULTNOMAH COUNTY, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**June 30, 2015**  
**(amounts expressed in thousands)**

	<u>Land</u>	<u>Right of Way</u>	<u>Work in Progress</u>	<u>Works of Art</u>	<u>Buildings not in Service</u>
<b>FUNCTION AND ACTIVITY</b>					
General government:					
Legislative	\$ 248	\$ -	\$ -	\$ -	\$ -
Administrative	2,190	-	17,735	-	-
	<u>2,438</u>	<u>-</u>	<u>17,735</u>	<u>-</u>	<u>-</u>
Health and social services:					
Health	1,941	-	2,954	-	-
Social	827	-	264	-	-
	<u>2,768</u>	<u>-</u>	<u>3,218</u>	<u>-</u>	<u>-</u>
Public safety:					
Law enforcement	1,044	-	205	-	-
Justice services	1,201	-	469	-	46,164
	<u>2,245</u>	<u>-</u>	<u>674</u>	<u>-</u>	<u>46,164</u>
Community services:					
Community service development	-	-	980	-	-
Recreation	-	-	-	-	-
Library	3,159	-	7,419	4,430	-
	<u>3,159</u>	<u>-</u>	<u>8,399</u>	<u>4,430</u>	<u>-</u>
Roads and bridges:					
Roads and bridges	992	196,843	260,914	-	-
	<u>992</u>	<u>196,843</u>	<u>260,914</u>	<u>-</u>	<u>-</u>
External organizations:					
External use	3,425	-	-	-	-
	<u>\$ 15,027</u>	<u>\$ 196,843</u>	<u>\$ 290,940</u>	<u>\$ 4,430</u>	<u>\$ 46,164</u>

<b>Buildings</b>	<b>Improvements Other than Buildings</b>	<b>Machinery and Equipment</b>	<b>Bridges</b>	<b>Infrastructure</b>	<b>Total</b>
\$ 7,579	\$ -	\$ 280	\$ -	\$ -	\$ 8,106
82,699	54	25,515	-	-	128,193
90,278	54	25,795	-	-	136,299
33,301	1	2,920	-	-	41,118
18,170	316	3,197	-	-	22,775
51,471	317	6,117	-	-	63,893
97,147	99	10,629	-	-	109,124
10,737	2	3,277	-	-	61,849
107,884	101	13,906	-	-	170,973
-	108	776	-	-	1,864
-	-	25	-	-	25
64,689	426	56,296	-	-	136,420
64,689	534	57,097	-	-	138,309
-	-	4,610	172,657	370,476	1,006,491
-	-	4,610	172,657	370,476	1,006,491
85,369	4	-	-	-	88,798
\$ 399,691	\$ 1,010	\$ 107,525	\$ 172,657	\$ 370,476	\$ 1,604,763

**MULTNOMAH COUNTY, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**For the Year Ended June 30, 2015**  
(amounts expressed in thousands)

<b>FUNCTION AND ACTIVITY</b>	<b>Governmental Funds Capital Assets June 30, 2014</b>	<b>Additions</b>	<b>Deductions &amp; Reclassifications</b>	<b>Governmental Funds Capital Assets June 30, 2015</b>
General government:				
Legislative	\$ 7,726	\$ -	\$ 380	\$ 8,106
Administrative	128,018	6,882	(6,707)	128,193
	<u>135,744</u>	<u>6,882</u>	<u>(6,327)</u>	<u>136,299</u>
Health and social services:				
Health	40,520	2,133	(1,535)	41,118
Social	18,675	680	3,420	22,775
	<u>59,195</u>	<u>2,813</u>	<u>1,885</u>	<u>63,893</u>
Public safety:				
Law enforcement	105,733	2,105	1,286	109,124
Justice services	60,847	779	223	61,849
	<u>166,580</u>	<u>2,884</u>	<u>1,509</u>	<u>170,973</u>
Community services:				
Community service development	122	1,323	419	1,864
Recreation	25	-	-	25
Library	136,784	7,464	(7,828)	136,420
	<u>136,931</u>	<u>8,787</u>	<u>(7,409)</u>	<u>138,309</u>
Roads and bridges	952,568	60,395	(6,471)	1,006,492
External organizations:				
External use	89,587	-	(790)	88,797
	<u>\$ 1,540,605</u>	<u>\$ 81,761</u>	<u>\$ (17,603)</u>	<u>\$ 1,604,763</u>

## **OTHER SCHEDULES**

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



**MULTNOMAH COUNTY, OREGON**  
**Schedule of Property Tax Collections and Outstanding Balances**  
**For the Year Ended June 30, 2015**  
(amounts expressed in thousands)

<b>Tax Year</b>	<b>Taxes Receivable June 30, 2014</b>	<b>Current Levy</b>	<b>Add (Deduct) Corrections and Adjustments</b>	<b>Add Interest on Delinquent Taxes</b>	<b>Deduct Discounts Allowed</b>	<b>Deduct Collections Including Interest on Delinquent Taxes</b>	<b>Taxes Receivable June 30, 2015</b>
2014-15	\$ -	\$ 1,449,548	\$ (3,867)	\$ 625	\$ (37,178)	\$ (1,375,016)	\$ 34,112
2013-14	35,628	-	(2,067)	1,182	46	(15,172)	19,617
2012-13	18,511	-	(381)	1,007	7	(5,989)	13,155
2011-12	15,031	-	(316)	1,436	1	(5,999)	10,153
2010-11	7,579	-	(71)	839	-	(3,123)	5,224
2009-10							
and prior	6,303	-	(152)	314	-	(775)	5,690
	<u>\$ 83,052</u>	<u>\$ 1,449,548</u>	<u>\$ (6,854)</u>	<u>\$ 5,403</u>	<u>\$ (37,124)</u>	<u>\$ (1,406,074)</u>	<u>\$ 87,951</u>

**SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2015**

	<b>Current Years' Levy</b>	<b>Prior Years' Levies</b>	<b>Total Property Taxes</b>	<b>Other Taxes*</b>	<b>Total</b>
General fund	\$ 6,147	\$ 10,191	\$ 16,338	\$ 5,262	\$ 21,600
Special revenue funds:					
Library fund	-	993	993	-	993
OHS special levy fund	49	60	109	1	110
Land corner preservation fund	-	-	-	8	8
Special excise tax fund	-	-	-	3,536	3,536
Library District	1,663	950	2,613	33	2,646
Total special revenue funds	1,712	2,003	3,715	3,578	7,293
General obligation bond fund	147	347	494	3	497
Agency funds	26,074	41,246	67,320	4,401	71,721
Sub-total taxes receivable	34,080	53,787	87,867	13,244	101,111
Special assessments collected through taxes	31	52	83	-	83
Total receivables	<u>\$ 34,111</u>	<u>\$ 53,839</u>	<u>\$ 87,950</u>	<u>\$ 13,244</u>	<u>\$ 101,194</u>

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

**MULTNOMAH COUNTY, OREGON**  
**Schedule of General Obligation Bonds and Bond Interest Coupon Transactions**  
**For the Year Ended June 30, 2015**  
(amounts expressed in thousands)

**GENERAL OBLIGATION BONDS**

	<u>Outstanding</u> <u>June 30, 2014</u>		<u>2014-15</u> <u>Transactions</u>			<u>Outstanding</u> <u>June 30, 2015</u>	
	<u>Matured</u>	<u>Unmatured</u>	<u>Issued</u>	<u>Matured</u>	<u>Refunded or Paid</u>	<u>Matured</u>	<u>Unmatured</u>
Dated March 31, 2010	-	\$ 17,725	\$ -	\$ -	\$ 6,155	\$ -	\$ 11,570
	-	17,725	-	-	6,155	-	11,570

**GENERAL OBLIGATION BOND INTEREST COUPONS**

Dated March 31, 2010 \$ 617



**MULTNOMAH COUNTY, OREGON**  
**Schedule of General Obligation Bonds Outstanding**  
**June 30, 2015**  
(amounts expressed in thousands)

**GENERAL OBLIGATION BONDS**

<b>Fiscal Year of Maturity</b>	<b>Series 2010 Dated 3/31/10 3.00 to 5.00%</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2016	\$ 5,665	\$ 349	\$ 5,665	\$ 349
2017	5,905	118	5,905	118
	<u>\$ 11,570</u>	<u>\$ 467</u>	<u>\$ 11,570</u>	<u>\$ 467</u>

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Capitalized Lease Obligations**  
**June 30, 2015**  
(amounts expressed in thousands)

<b>Year of Maturity</b>	<b>Sellwood Lofts Dated 101/01/02 10.31%</b>		<b>Sheriff Warehouse Dated 07/01/10 4.00%</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2016	\$ 23	\$ 95	\$ 126	\$ 8	\$ 149	\$ 103
2017	25	93	131	3	156	96
2018	28	90	-	-	28	90
2019	31	87	-	-	31	87
2020	34	84	-	-	34	84
2021	38	80	-	-	38	80
2022	42	76	-	-	42	76
2023	47	71	-	-	47	71
2024	52	66	-	-	52	66
2025	57	61	-	-	57	61
2026	64	55	-	-	64	55
2027	70	48	-	-	70	48
2028	78	40	-	-	78	40
2029	86	32	-	-	86	32
2030	96	22	-	-	96	22
2031	106	12	-	-	106	12
2032	57	2	-	-	57	2
	<u>\$ 934</u>	<u>\$ 1,014</u>	<u>\$ 257</u>	<u>\$ 11</u>	<u>\$ 1,191</u>	<u>\$ 1,025</u>

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Loans Outstanding**  
**June 30, 2015**  
(amounts expressed in thousands)

Fiscal Year of Maturity	OTIB			
	Dated 09/04/08		Total	
	3.98%			
	Principal	Interest	Principal	Interest
2016	\$ 203	\$ 108	\$ 203	\$ 108
2017	212	100	212	100
2018	220	92	220	92
2019	229	83	229	83
2020	238	74	238	74
2021	247	65	247	65
2022	257	55	257	55
2023	267	44	267	44
2024	278	34	278	34
2025	289	23	289	23
2026	283	11	283	11
	<u>\$ 2,723</u>	<u>\$ 689</u>	<u>\$ 2,723</u>	<u>\$ 689</u>

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Full Faith and Credit Bonds Outstanding**  
**June 30, 2015**  
(amounts expressed in thousands)

**FULL FAITH AND CREDIT BONDS**

Fiscal Year of Maturity	Series 1999 Dated 12/01/99 6.49 to 7.74%		Series 2010A Dated 03/31/10 2.00 to 3.00%		Series 2010B Dated 12/14/10 4.00 to 4.70%	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 6,845	\$ 13,342	\$ 1,450	\$ 88	\$ -	\$ 713
2017	16,985	4,358	1,485	45	-	713
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	24,686	-	-	1,410	600
2024	4,881	26,444	-	-	1,440	537
2025	4,775	28,285	-	-	1,475	470
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	4,262	38,887	-	-	1,675	84
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
	<u>\$ 118,093</u>	<u>\$ 338,401</u>	<u>\$ 2,935</u>	<u>\$ 133</u>	<u>\$ 15,000</u>	<u>\$ 7,768</u>

Series 2012 Dated 12/13/12 3.00 to 5.00%		Series 2014 Dated 06/18/14 3.00 to 5.00%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 4,330	\$ 5,139	\$ 3,785	\$ 940	\$ 16,410	\$ 20,222
4,550	4,923	4,570	731	27,590	10,770
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	120	15,364	24,915
5,530	3,942	-	-	12,088	26,062
5,805	3,666	-	-	12,283	27,337
6,095	3,376	-	-	12,494	28,662
6,400	3,071	-	-	12,721	30,052
6,720	2,751	-	-	12,970	31,506
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	-	-	14,272	40,108
8,665	803	-	-	8,665	803
8,925	543	-	-	8,925	543
9,195	276	-	-	9,195	276
<u>\$ 119,790</u>	<u>\$ 50,685</u>	<u>\$ 22,530</u>	<u>\$ 2,596</u>	<u>\$ 278,348</u>	<u>\$ 399,583</u>

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## STATISTICAL INFORMATION SECTION (UNAUDITED)

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

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

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





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

	2015	Restated 2014	2013	Restated 2012
Governmental Activities:				
Net Investment in capital assets	\$ 768,977	\$ 705,519	\$ 670,483	\$ 686,874
Restricted	100,186	99,882	106,237	29,565
Unrestricted	1,360	(132,245)	24,375	74,009
Total governmental activities net position	<u>\$ 870,523</u>	<u>\$ 673,156</u>	<u>\$ 801,095</u>	<u>\$ 790,448</u>
Business-Type Activities:				
Net Investment in capital assets	\$ 3,775	\$ 3,631	\$ 3,672	\$ 3,752
Unrestricted	19,550	17,247	18,241	13,402
Total business-type activities net position	<u>\$ 23,325</u>	<u>\$ 20,878</u>	<u>\$ 21,913</u>	<u>\$ 17,154</u>
Primary Government:				
Net Investment in capital assets	\$ 772,752	\$ 709,150	\$ 674,155	\$ 690,626
Restricted	100,186	99,882	106,237	29,565
Unrestricted	20,910	(114,998)	42,616	87,411
Total primary government net position	<u>\$ 893,848</u>	<u>\$ 694,034</u>	<u>\$ 823,008</u>	<u>\$ 807,602</u>

Source: Current and prior years' financial statements

2011	2010	Restated 2009	2008	2007	2006
\$ 637,922	\$ 620,544	\$ 470,426	\$ 465,079	\$ 456,502	\$ 434,866
49,806	103,600	98,542	77,979	76,266	71,388
81,502	(8,728)	(10,907)	27,954	17,731	32,205
<u>\$ 769,230</u>	<u>\$ 715,416</u>	<u>\$ 558,061</u>	<u>\$ 571,012</u>	<u>\$ 550,499</u>	<u>\$ 538,459</u>
\$ 3,612	\$ 3,696	\$ 3,442	\$ 3,424	\$ 3,020	\$ 2,985
17,442	13,600	9,631	2,928	4,612	2,830
<u>\$ 21,054</u>	<u>\$ 17,296</u>	<u>\$ 13,073</u>	<u>\$ 6,352</u>	<u>\$ 7,632</u>	<u>\$ 5,815</u>
\$ 641,534	\$ 624,240	\$ 473,868	\$ 468,503	\$ 459,522	\$ 437,851
49,806	103,600	98,542	77,979	76,266	71,388
98,944	4,872	(1,276)	30,882	22,343	35,035
<u>\$ 790,284</u>	<u>\$ 732,712</u>	<u>\$ 571,134</u>	<u>\$ 577,364</u>	<u>\$ 558,131</u>	<u>\$ 544,274</u>

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

	2015	2014	2013	2012
<b>Program Revenues</b>				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$ 83,516	\$ 71,664	\$ 26,466	\$ 27,239
Health services	89,951	72,286	68,943	72,910
Social services	3,604	2,038	1,064	1,568
Public safety and justice	19,472	15,473	17,167	16,809
Community services	5,120	3,779	3,514	2,914
Library	3,126	1,652	1,639	1,747
Roads and bridges	13,401	13,011	12,853	11,866
Operating grants and contributions	350,767	340,367	318,956	308,392
Capital grants and contributions	20,455	60,776	68	839
Total governmental activities program revenues	589,412	581,046	450,670	444,284
Business-type activities:				
Charges for services:				
Dunthorpe	893	877	852	837
Mid County	454	452	377	380
Behavioral Health	71,149	53,112	42,857	44,712
Capital grants and contributions	-	-	10	6
Total business-type activities program revenues	72,496	54,441	44,096	45,935
Total primary government program revenues	661,908	635,487	494,766	490,219
<b>Expenses</b>				
Governmental activities:				
General government	101,137	97,325	72,049	65,813
Health services	147,909	152,854	148,528	150,421
Social services	244,858	245,233	233,990	224,975
Public safety and justice	200,669	228,463	221,744	217,842
Community services	53,731	39,182	36,895	34,511
Library	60,150	64,708	58,488	61,641
Roads and bridges	50,327	66,622	55,383	54,287
Interest on long-term debt	19,785	20,822	18,932	10,695
Total governmental activities expenses	878,566	915,209	846,009	820,185
Business-type activities:				
Dunthorpe	622	573	554	507
Mid County	404	420	389	411
Behavioral Health	69,242	53,156	38,586	49,014
Total business-type activities expenses	70,268	54,149	39,529	49,932
Total primary government expenses	948,834	969,358	885,538	870,117

2011	2010	2009	2008	2007	2006
\$ 27,789	\$ 22,843	\$ 21,936	\$ 21,721	\$ 23,703	\$ 25,531
77,276	70,455	60,340	52,241	45,765	44,406
1,321	1,902	1,125	1,615	1,309	1,210
16,056	17,490	17,597	17,765	17,904	16,600
2,325	-	10	10	31	8
1,759	1,757	1,754	1,855	1,745	1,641
9,131	1,107	1,227	2,141	1,962	1,784
316,218	299,735	291,018	265,271	257,810	247,933
16,415	2,885	3,831	10,505	5,594	5,272
468,290	418,174	398,838	373,124	355,823	344,385
816	809	713	627	574	455
363	341	264	268	306	294
46,110	42,931	39,027	36,072	34,879	34,519
36	133	80	10	76	82
47,325	44,214	40,084	36,977	35,835	35,350
515,615	462,388	438,922	410,101	391,658	379,735
58,642	59,572	64,660	75,547	87,472	114,378
151,327	137,615	133,751	125,355	118,380	112,201
222,515	224,928	210,590	196,537	185,672	177,891
216,403	210,079	217,215	208,253	199,850	196,167
26,683	22,796	24,320	26,069	24,136	23,336
60,343	56,548	55,181	52,087	47,872	43,530
51,772	49,571	53,462	56,716	53,701	54,256
11,774	12,800	14,041	16,443	16,954	21,822
799,459	773,909	773,220	757,007	734,037	743,581
486	516	458	476	405	407
427	403	420	377	354	328
43,640	39,207	32,720	37,803	34,221	33,640
44,553	40,126	33,598	38,656	34,980	34,375
844,012	814,035	806,818	795,663	769,017	777,956

(continued)

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

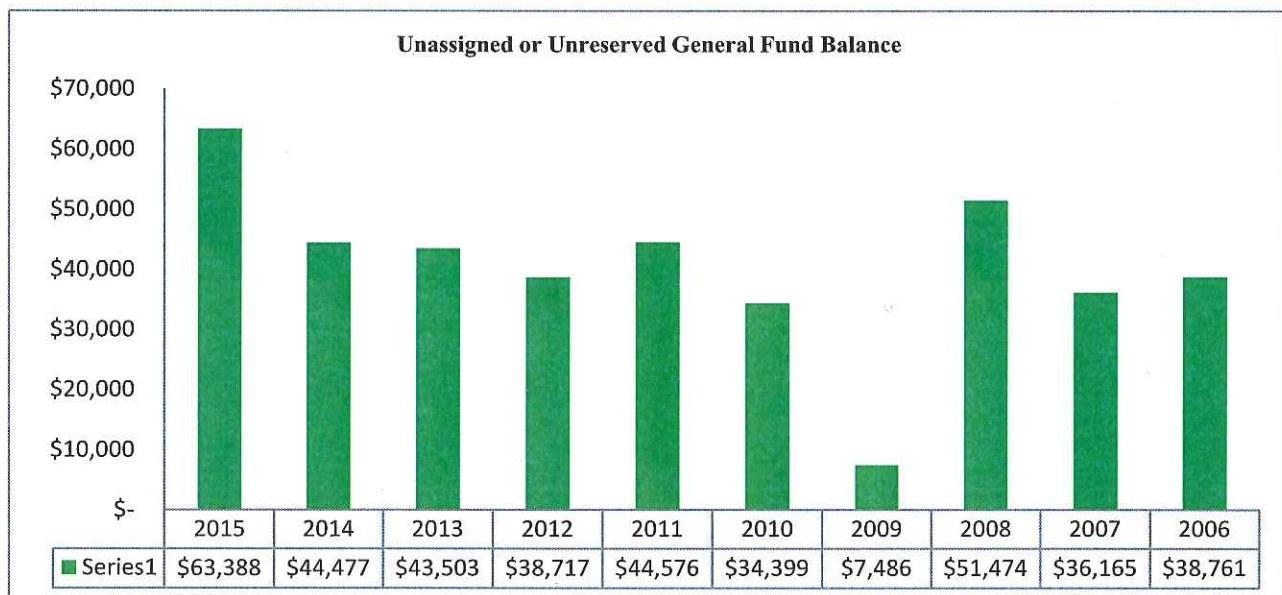
(continued)				
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Net Expense</b>				
Governmental activities	\$ (289,154)	\$ (334,163)	\$ (395,339)	\$ (375,901)
Business-type activities	2,228	292	4,567	(3,997)
Total primary government net expense	(286,926)	(333,871)	(390,772)	(379,898)
 <b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property and other local taxes levied for:				
General purposes	323,898	303,871	271,664	272,299
Debt service	6,116	6,999	8,067	8,842
Personal income taxes	32	16	77	235
Business income taxes	73,825	61,800	58,750	52,250
Selective excise and use taxes	67,192	58,456	52,934	48,777
Payments in lieu of taxes	659	821	1,019	697
State government shared revenues	9,534	9,198	9,090	10,108
Grants and contributions not restricted to specific programs	-	24	15	10
Interest and investment earnings	2,363	2,119	1,638	2,604
Miscellaneous	2,713	2,302	2,613	1,194
Gain on sale of capital assets	189	279	119	607
Special items:				
Loss on transfer of County roads	-	-	-	-
Total governmental activities	486,521	445,885	405,986	397,623
Business-type activities:				
Interest and investment earnings	119	102	95	97
Miscellaneous	100	10	97	-
Total business-type activities	219	112	192	97
Total primary government	486,740	445,997	406,178	397,720
 <b>Change in Net Position</b>				
Governmental activities	197,367	111,722	10,647	21,722
Cumulative effect of correction of error	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	(504)
Total governmental activities	197,367	111,722	10,647	21,218
Business-type activities	2,447	404	4,759	(3,900)
Total primary government change in net position	\$ 199,814	\$ 112,126	\$ 15,406	\$ 17,318

Source: Current and prior years' financial statements

2011	2010	2009	2008	2007	2006
\$ (331,169)	\$ (355,735)	\$ (374,382)	\$ (383,883)	\$ (378,214)	\$ (399,196)
2,772	4,088	6,486	(1,679)	855	975
(328,397)	(351,647)	(367,896)	(385,562)	(377,359)	(398,221)
268,605	266,294	258,200	249,446	231,073	219,854
8,246	9,001	8,227	9,077	9,249	9,373
683	-	(5,341)	2,748	21,237	59,764
48,570	44,150	42,900	65,650	57,399	50,980
46,167	42,692	39,161	42,812	39,582	36,914
1,500	1,305	1,516	1,537	1,738	2,249
7,423	7,768	8,562	9,613	9,517	8,692
1	27	14	10	6	2
2,946	2,589	5,767	11,887	13,454	10,094
667	1,665	1,797	1,410	6,771	4,007
175	228	628	10,206	228	1,607
-	-	-	-	-	(108,555)
384,983	375,719	361,431	404,396	390,254	294,981
115	128	235	398	495	251
871	7	-	1	467	-
986	135	235	399	962	251
385,969	375,854	361,666	404,795	391,216	295,232
53,814	19,984	(12,951)	20,513	12,040	(104,215)
-	-	137,371	-	-	-
-	-	-	-	-	-
53,814	19,984	124,420	20,513	12,040	(104,215)
3,758	4,223	6,721	(1,280)	1,817	1,226
\$ 57,572	\$ 24,207	\$ 131,141	\$ 19,233	\$ 13,857	\$ (102,989)

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

	2015	2014	2013	2012
General Fund (2)				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	781	622	576	364
Restricted	176	254	429	534
Committed	-	-	-	42
Unassigned	63,388	44,477	43,503	38,717
Total general fund	64,345	45,353	44,508	39,657
All Other Governmental Funds				
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	1,358	1,115	1,269	1,418
Restricted	106,261	104,838	105,341	28,506
Committed	104,004	99,651	86,123	86,457
Assigned	15,594	14,494	9,255	11,282
Unassigned	-	(207)	(446)	(396)
Total all other governmental funds	227,217	219,891	201,542	127,267
Total governmental funds	\$ 291,562	\$ 265,244	\$ 246,050	\$ 166,924



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

Source: Current and prior year's financial statements

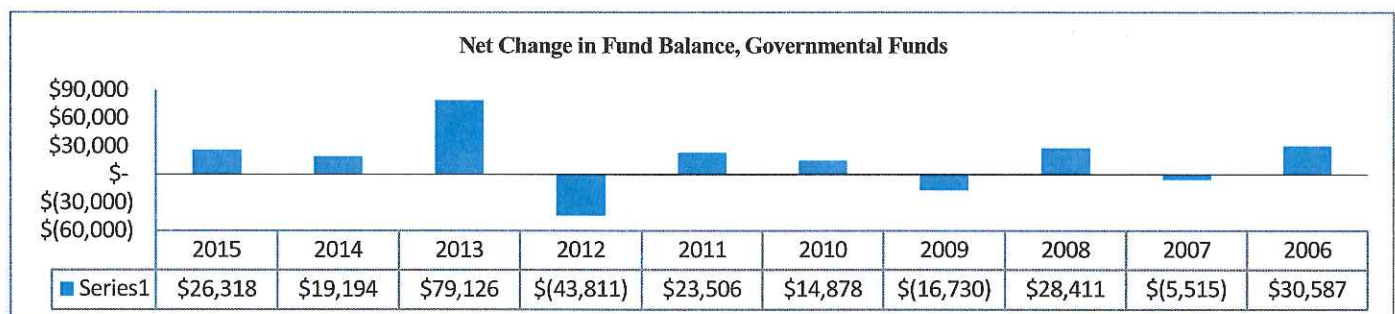


2011	2010	2009	2008	2007	2006
\$ -	\$ 25,016	\$ 23,891	\$ 20,139	\$ 24,053	\$ 16,203
-	34,399	7,486	51,474	36,165	38,761
654	-	-	-	-	-
487	-	-	-	-	-
487	-	-	-	-	-
44,576	-	-	-	-	-
46,204	59,415	31,377	71,613	60,218	54,964
-	97,220	91,256	70,605	51,317	53,964
-	30,594	49,718	46,863	49,135	57,257
1,237	-	-	-	-	-
48,942	-	-	-	-	-
94,237	-	-	-	-	-
20,914	-	-	-	-	-
(312)	-	-	-	-	-
165,018	127,814	140,974	117,468	100,452	111,221
\$ 211,222	\$ 187,229	\$ 172,351	\$ 189,081	\$ 160,670	\$ 166,185

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

	2015	2014	2013	2012
<b>Revenues</b>				
Taxes	\$ 470,486	\$ 429,539	\$ 391,722	\$ 379,334
Payments in lieu of taxes	659	858	1,019	697
Intergovernmental	369,654	401,312	318,878	312,588
Licenses and permits	29,113	27,244	27,685	27,727
Charges for services	86,212	85,153	87,307	80,001
Interest	2,024	1,796	1,315	1,180
Miscellaneous	98,031	86,706	64,816	56,823
Total revenues	1,056,179	1,032,608	892,742	858,350
<b>Expenditures</b>				
Current:				
General government	79,363	73,641	69,384	61,380
Health services	171,896	159,095	155,451	156,344
Social services	259,391	247,007	236,253	226,460
Public safety and justice	240,126	231,694	225,707	221,094
Community services	42,226	38,833	34,517	34,137
Library	62,673	58,193	52,438	55,088
Roads and bridges	53,269	55,419	44,704	43,623
Capital Outlay	74,973	100,355	79,769	80,888
Debt service:				
Principal	22,731	48,931	60,212	28,526
Interest	22,407	23,253	19,702	10,583
Total expenditures	1,029,055	1,036,421	978,137	918,123
Excess (deficiency) of revenues over (under) expenditures	27,124	(3,813)	(85,395)	(59,773)
<b>Other Financing Sources (Uses)</b>				
Proceeds from issuance of debt	-	22,530	153,262	15,101
Proceeds from issuance of refunding bonds		-	-	-
Premium on short-term debt		-	-	-
Premium on long-term debt		2,562	21,113	-
Issuance of capital lease		-	-	-
Proceeds from sale of capital assets	276	15	20	1,713
Payment to escrow agent - refunded debt		-	-	-
Transfers in	103,198	75,187	21,870	37,351
Transfers out	(104,280)	(77,287)	(31,744)	(38,203)
Total other financing sources (uses)	(806)	23,007	164,521	15,962
Net change in fund balances	\$ 26,318	\$ 19,194	\$ 79,126	\$ (43,811)
Debt service as a percentage of noncapital expenditures	4.7 %	7.7 %	8.9 %	4.7 %

Source: Current and prior year's financial statements



	2011	2010	2009	2008	2007	2006
\$	373,435	\$ 364,080	\$ 348,780	\$ 373,507	\$ 354,944	\$ 439,330
	1,500	1,305	1,516	1,537	1,738	2,249
	317,944	300,963	292,689	277,099	260,549	250,855
	23,535	14,722	14,806	15,441	15,934	16,025
	68,875	85,603	74,827	67,750	62,791	62,245
	1,486	1,796	4,391	9,557	10,837	8,347
	64,335	54,118	43,916	50,342	46,880	46,090
	851,110	822,587	780,925	795,233	753,673	825,141
	62,951	58,971	59,960	69,224	73,559	136,726
	158,283	145,555	138,941	128,914	122,029	115,778
	223,815	227,257	211,832	197,210	187,256	178,736
	220,279	215,442	219,797	209,119	202,477	198,774
	26,283	22,458	24,080	25,904	24,040	23,468
	54,223	52,118	50,872	48,051	44,411	46,228
	40,790	37,540	38,148	40,723	39,875	42,283
	32,804	21,481	20,783	27,367	31,589	22,150
	23,947	30,762	23,424	21,522	19,861	18,256
	11,759	12,997	13,989	16,394	16,958	18,235
	855,134	824,581	801,826	784,428	762,055	800,634
	(4,024)	(1,994)	(20,901)	10,805	(8,382)	24,507
	16,282	11,309	623	-	-	-
	-	45,175	-	-	-	-
	-	-	-	-	157	-
	-	5,443	-	-	-	-
	815	-	-	-	33	1,093
	24	10	-	14,219	35	1,988
	-	(49,710)	-	-	-	-
	33,521	47,360	61,978	29,266	26,996	47,004
	(23,112)	(42,715)	(58,430)	(25,879)	(24,354)	(44,005)
	27,530	16,872	4,171	17,606	2,867	6,080
\$	23,506	\$ 14,878	\$ (16,730)	\$ 28,411	\$ (5,515)	\$ 30,587
	4.3 %	5.4 %	4.8 %	5.0 %	5.0 %	4.7 %

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

	2015	2014	2013	2012
<b>Function/Program</b>				
Governmental activities:				
General government	\$ 87,840	\$ 76,839	\$ 31,273	\$ 32,200
Health services	126,335	116,869	100,994	107,371
Social services	205,639	185,991	194,176	172,360
Public safety and justice	63,252	61,636	57,886	57,705
Community services	6,684	5,389	5,104	5,898
Library	7,035	4,233	5,724	5,318
Roads and bridges	92,627	130,089	55,513	63,432
Total governmental activities	<u>589,412</u>	<u>581,046</u>	<u>450,670</u>	<u>444,284</u>
Business-type activities:				
Dunthorpe-Riverdale	893	877	852	837
Mid County	454	452	387	386
Behavioral Health	71,149	53,112	42,857	44,712
Total business-type activities	<u>72,496</u>	<u>54,441</u>	<u>44,096</u>	<u>45,935</u>
Total primary government	<u>\$ 661,908</u>	<u>\$ 635,487</u>	<u>\$ 494,766</u>	<u>\$ 490,219</u>

Source: Current and prior years' financial statements

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 34,230	\$ 27,142	\$ 26,142	\$ 35,044	\$ 28,530	\$ 32,587
113,591	104,070	91,457	81,507	74,024	74,003
180,874	180,656	171,782	152,905	142,100	134,894
60,451	60,818	61,855	57,364	58,188	54,278
7,184	3,636	3,943	3,196	3,278	4,712
4,948	5,178	5,306	5,359	5,302	4,106
67,012	36,674	38,353	37,749	44,401	39,805
<u>468,290</u>	<u>418,174</u>	<u>398,838</u>	<u>373,124</u>	<u>355,823</u>	<u>344,385</u>
822	877	713	627	574	455
393	406	344	278	382	376
<u>46,110</u>	<u>42,931</u>	<u>39,027</u>	<u>36,072</u>	<u>34,879</u>	<u>34,519</u>
<u>47,325</u>	<u>44,214</u>	<u>40,084</u>	<u>36,977</u>	<u>35,835</u>	<u>35,350</u>
<u>\$ 515,615</u>	<u>\$ 462,388</u>	<u>\$ 438,922</u>	<u>\$ 410,101</u>	<u>\$ 391,658</u>	<u>\$ 379,735</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)

<b>Year</b>	<b>Property Taxes</b>	<b>Business Income Taxes</b>	<b>Transient Lodging Taxes</b>	<b>Motor Vehicle Rental Taxes</b>	<b>County Gasoline Taxes</b>	<b>Personal Income Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2006	229,312	50,980	14,794	14,886	7,115	120,919	3,573	441,579
2007	240,710	57,399	16,726	15,644	7,110	16,038	3,055	356,682
2008	257,225	65,650	18,491	16,852	7,356	6,611	2,859	375,044
2009	263,630	42,900	16,115	16,101	6,878	2,122	2,550	350,296
2010	275,462	44,150	15,441	20,105	7,063	905	2,259	365,385
2011	277,258	48,570	18,208	20,842	7,052	657	2,348	374,935
2012	277,827	52,250	20,052	21,852	6,811	205	1,034	380,031
2013	279,697	58,750	21,464	24,764	6,707	76	1,283	392,741
2014	309,024	61,800	24,268	27,435	6,753	34	1,083	430,397
2015	329,437	73,825	29,692	30,450	6,822	63	886	471,175

Source: Current and prior years' financial statements

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

<b>Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Public Utility Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (1)</b>	<b>Estimated Real Market Value</b>
2006	\$ 27,361,638	\$ 14,456,811	\$ 2,262,162	\$ 2,269,165	\$ 46,349,776	\$ 5.10	\$ 78,109,995
2007	28,695,852	14,825,459	2,376,350	2,328,560	48,226,221	5.12	87,070,081
2008	30,569,475	15,426,621	2,355,692	2,319,890	50,671,678	5.25	100,302,763
2009	32,075,253	15,987,533	2,390,005	2,362,074	52,814,865	5.21	107,381,958
2010	33,268,838	16,437,414	2,545,964	2,297,087	54,549,303	5.20	105,010,710
2011	34,269,351	16,954,346	2,569,318	2,194,393	55,987,408	5.10	101,559,353
2012	35,156,964	17,653,597	2,641,653	2,089,271	57,541,485	5.01	95,354,432
2013	35,929,873	18,050,498	2,599,627	2,097,912	58,677,910	4.89	93,735,420
2014	37,261,960	18,518,408	2,718,961	2,123,276	60,622,604	5.27	98,078,710
2015	38,871,143	19,435,231	3,004,706	2,208,621	63,519,701	5.34	108,173,728

(1) See Property Tax Rates - Total Direct on page 177

Source: Multnomah County Division of Assessment and Taxation

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy			Total Collections to Date							
				Total Adjusted Levy			Collections in Subsequent Years							
					Amount	Percentage of Levy		Amount	Percentage of Levy					
2006	\$	236,631	\$	(7,479)	\$	229,152	\$	223,312	94.37 %	\$	5,797	\$	229,109	96.82 %
2007		246,944		(7,319)		239,625		233,608	94.60		5,983		239,591	97.02
2008		265,938		(8,394)		257,544		250,542	94.21		6,938		257,480	96.82
2009		275,133		(8,519)		266,614		257,497	93.59		9,005		266,502	96.86
2010		283,349		(8,894)		274,455		266,292	93.98		6,968		273,260	96.44
2011		285,605		(8,600)		277,005		269,609	94.40		6,005		275,614	96.50
2012		288,355		(8,686)		279,669		270,714	93.88		6,027		276,741	95.97
2013		287,384		(8,212)		279,172		271,302	94.40		4,485		275,787	95.96
2014		253,024		(7,092)		245,932		239,352	94.60		2,584		241,936	95.62
2015		269,118		(7,620)		261,498		255,164	94.81		-		255,164	94.81

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



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

Year	Multnomah County Direct Rates				Overlapping Rates						
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	Total
2006	\$ 4.27	0.62	0.21	5.10	6.66	0.58	6.25	0.01	0.08	1.44	20.1
2007	4.28	0.64	0.20	5.12	6.61	0.55	6.56	0.01	0.08	1.55	20.4
2008	4.29	0.78	0.18	5.25	6.70	0.72	7.25	-	0.08	1.72	21.7
2009	4.27	0.78	0.16	5.21	6.35	0.70	7.18	0.01	0.08	1.81	21.3
2010	4.27	0.76	0.17	5.20	6.62	0.75	7.25	0.01	0.07	2.00	21.9
2011	4.24	0.71	0.15	5.10	6.56	0.73	7.23	0.01	0.07	2.02	21.7
2012	4.21	0.64	0.16	5.01	6.39	0.62	7.45	0.01	0.08	1.97	21.5
2013	4.16	0.59	0.14	4.89	6.39	0.64	7.41	0.01	0.08	1.97	21.3
2014	4.03	1.12	0.12	5.27	6.30	0.67	8.24	0.01	0.08	2.05	22.6
2015	4.10	1.14	0.10	5.34	6.41	0.67	8.29	0.01	0.08	2.02	22.8

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

Source: Multnomah County Division of Assessment and Taxation

**MULTNOMAH COUNTY, OREGON**  
**Principal Taxpayers**  
**December 31, 2014 and December 31, 2005**  
(dollar amounts expressed in thousands)  
(unaudited)

Taxpayer	Tax	December 31, 2014		
		Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 11,291	\$ 525,774	1	0.83 %
Comcast Corporation	8,847	455,634	2	0.72
Portland General Electric Co	7,427	446,668	3	0.70
Pacificorp (PP&L)	5,565	329,198	4	0.52
Weston Investment Co LLC	5,682	255,154	5	0.40
Alaska Airlines Inc	4,210	254,800	6	0.40
Evrast Inc NA	3,885	219,673	7	0.35
Boeing Co	3,520	213,690	8	0.34
AT&T, Inc	3,174	187,934	9	0.30
Centurylink	2,980	176,446	10	0.28
	<u>\$ 56,581</u>	<u>\$ 3,064,971</u>		<u>4.83 %</u>

Total Assessed Valuation \$ 63,519,701

Taxpayer	Tax	December 31, 2005		
		Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Portland General Electric	N/A	\$ 368,267	1	0.47 %
QWEST Corporation	N/A	327,881	2	0.42
Port of Portland	N/A	277,482	3	0.36
Pacificorp (PP&L)	N/A	240,647	4	0.31
Wacker Siltronic Corp	N/A	178,238	5	0.23
Boeing Co	N/A	157,469	6	0.20
Northwest Natural Gas	N/A	156,249	7	0.20
Oregon Steel Mills	N/A	154,011	8	0.20
LC Portland LLC	N/A	139,252	9	0.18
United Airlines	N/A	132,867	10	0.17
		<u>\$ 2,132,363</u>		<u>2.73 %</u>

Total Assessed Valuation \$ 78,098,031

(1) Assessed valuation based on the valuation of property for tax collection years 2014-15 and 2005-06 respectively.  
Note: Tax amounts not available for year ended December 31, 2005

Source: Multnomah County Division of Assessment & Taxation

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capitalized Lease Obligations	Full Faith and Credit Bonds	Revenue Bonds	Loans Payable			
2006	\$ 75,340	\$ 19,444	\$ 256,833	\$ 6,420	\$ 449	\$ 358,486	1.33 %	\$ 511
2007	69,380	16,620	246,413	5,880	362	338,655	1.20	477
2008	63,125	13,604	234,688	5,320	242	316,979	1.07	442
2009	56,570	10,757	222,988	3,240	623	294,178	1.04	406
2010	45,175	1,020	219,018	2,845	2,132	270,190	0.92	367
2011	38,620	1,719	217,158	2,430	3,414	263,341	0.85	355
2012	31,795	1,597	198,353	-	18,164	249,909	0.76	334
2013	24,935	1,468	313,429	-	3,133	342,965	1.10	458
2014	17,725	1,333	294,587	-	2,919	316,564	0.97	418
2015	11,570	1,191	278,348	-	2,723	293,832	0.88	384

Source: Current year PBC debt schedules

Note: 2014 - 2015 percentages calculated using 2013 personal income data, which is the most recent available.

(1) See population and personal income data on page 185

Source: Current and prior year financial statements and US Department of Commerce-Bureau of Economic Analysis

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Restricted to Repaying Principal</b>	<b>Total</b>	<b>Percentage of Personal Income (2)</b>	<b>Percentage of Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2006	\$ 75,340	\$ (7,993)	\$ 67,347	0.25 %	0.15 %	\$ 96
2007	69,380	(8,433)	60,947	0.22	0.13	86
2008	63,125	(8,569)	54,556	0.18	0.11	76
2009	56,570	(7,643)	48,927	0.17	0.09	68
2010	45,175	(7,611)	37,564	0.13	0.07	51
2011	38,620	(7,454)	31,166	0.10	0.06	42
2012	31,795	(7,753)	24,042	0.08	0.04	32
2013	24,935	(7,714)	17,221	0.06	0.03	23
2014	17,725	(6,578)	11,147	0.03	0.02	15
2015	11,570	(5,894)	5,676	0.02	0.01	7

Note: 2014 and 2015 percentages calculated using 2013 personal income data, which is the most recent available.(1) See taxable assessed value schedule on page 175  
(2) See population and personal income data on page 185

Source: Current and prior year financial statements, Multnomah County Division of Assessment and Taxation, Center for Population Research and Census at Portland State University, and US Department of Commerce-Bureau of Economic Analysis

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

Fiscal Year	Revenue Bonds						Coverage
	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2006	\$ 1,152	\$ 5	\$ 1,147	\$ 515	\$ 315	1.38 %	
2007	335	12	323	540	292	0.39	
2008	80	-	80	560	268	0.10	
2009	33	8	25	2,080	208	0.01	
2010	35	-	35	395	152	0.06	
2011	36	5	31	415	133	0.06	
2012	39	1	38	2,430	78	0.02	
2013	-	-	-	-	-	-	
2014	-	-	-	-	-	-	
2015	-	-	-	-	-	-	

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 year 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% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.054.

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Real market value	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432
Debt limit rate	2.00%	2.00%	2.00%	2.00%
Debt limit	2,163,475	1,961,574	1,874,708	1,907,089
Less bonded debt at June 30	11,570	17,725	24,935	31,795
Legal debt margin	<u>\$ 2,151,905</u>	<u>\$ 1,943,849</u>	<u>\$ 1,849,773</u>	<u>\$ 1,875,294</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.53 %	0.90 %	1.33 %	1.67 %

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

Real market value	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432
Debt limit rate	1.00%	1.00%	1.00%	1.00%
Debt limit	1,081,737	980,787	937,354	953,544
Less bonded debt at June 30	160,255	172,025	186,395	198,353
Legal debt margin	<u>\$ 921,482</u>	<u>\$ 808,762</u>	<u>\$ 750,959</u>	<u>\$ 755,191</u>
Total net debt applicable to the limit as a percentage of debt limit.	14.81 %	17.54 %	19.89 %	20.80 %

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

Real market value	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432
Debt limit rate	5.00%	5.00%	5.00%	5.00%
Debt limit	5,408,686	4,903,936	4,686,771	4,767,722
Less bonded debt at June 30	118,093	122,562	127,034	131,513
Legal debt margin	<u>\$ 5,290,593</u>	<u>\$ 4,781,374</u>	<u>\$ 4,559,737</u>	<u>\$ 4,636,209</u>
Total net debt applicable to the limit as a percentage of debt limit.	2.18 %	2.50 %	2.71 %	2.76 %

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

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2011	2010	2009	2008	2007	2006
\$ 101,559,353	\$ 105,010,710	\$ 107,381,958	\$ 100,302,763	\$ 87,070,081	\$ 78,109,995
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2,031,187	2,100,214	2,147,639	2,006,055	1,741,402	1,562,200
38,620	45,175	56,570	63,125	69,380	75,340
\$ 1,992,567	\$ 2,055,039	\$ 2,091,069	\$ 1,942,930	\$ 1,672,022	\$ 1,486,860

1.90 %                      2.15 %                      2.63 %                      3.15 %                      3.98 %                      4.82 %

\$ 101,559,353	\$ 105,010,710	\$ 107,381,958	\$ 100,302,763	\$ 87,070,081	\$ 78,109,995
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1,015,594	1,050,107	1,073,820	1,003,028	870,701	781,100
217,158	219,018	222,988	234,688	246,413	256,833
\$ 798,436	\$ 831,089	\$ 850,832	\$ 768,340	\$ 624,288	\$ 524,267

21.38 %                      20.86 %                      20.77 %                      23.40 %                      28.30 %                      32.88 %

\$ 101,559,353	\$ 105,010,710	\$ 107,381,958	\$ 100,302,763	\$ 87,070,081	\$ 78,109,995
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5,077,968	5,250,536	5,369,098	5,015,138	4,353,504	3,905,500
142,223	151,373	159,113	165,583	170,908	175,203
\$ 4,935,745	\$ 5,099,163	\$ 5,209,985	\$ 4,849,555	\$ 4,182,596	\$ 3,730,297

2.80 %                      2.88 %                      2.96 %                      3.30 %                      3.93 %                      4.49 %

**MULTNOMAH COUNTY, OREGON**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2015**  
(dollar amounts expressed in thousands)  
(unaudited)

<b>Overlapping District (1)</b>	<b>Gross (2) Property-tax Backed Debt</b>	<b>Net (3) Property-tax Backed Debt</b>	<b>Percent (4) Overlapping</b>	<b>Total Direct and Overlapping</b>
City of Gresham	\$ 75,766	\$ 27,690	100.00 %	\$ 27,690
City of Lake Oswego	184,460	13,115	5.60	734
City of Milwaukie	8,393	4,543	0.86	39
City of Portland	615,362	126,830	99.65	126,384
City of Troutdale	10,470	10,470	100.00	10,470
Clackamas County ESD	23,405	-	0.06	-
Clackamas County RFPD #1	18,290	-	0.21	-
Clackamas County SD 7J (Lake Oswego)	101,025	101,025	0.32	326
Columbia County SD 1J (Scappoose)	30,190	30,190	19.92	6,015
Lusted Water District	795	795	100.00	795
Metro	223,625	193,205	50.22	97,026
Mt Hood Community College	65,483	24,445	82.99	20,287
Multnomah County Drainage Dist No 1	1,960	80	100.00	80
Multnomah County RFPD 10	4,085	4,085	100.00	4,085
Multnomah County SD 10J (Gresham-Barlow)	80,738	80,738	80.39	64,909
Multnomah County SD 1 (Portland)	757,114	757,114	99.37	752,340
Multnomah County SD 28J (Centennial)	26,837	26,837	93.23	25,019
Multnomah County SD 3 (Parkrose)	58,965	58,965	100.00	58,965
Multnomah County SD 39 (Corbett)	1,565	1,565	100.00	1,565
Multnomah County SD 40 (David Douglas)	97,152	97,152	100.00	97,152
Multnomah County SD 51J (Riverdale)	23,837	23,837	94.66	22,566
Multnomah County SD 7 (Reynolds)	101,836	101,836	100.00	101,836
Multnomah ESD	31,355	-	97.95	-
Northwest Regional ESD	4,740	-	0.52	-
Pleasant Home Water District	1,720	1,720	93.65	1,611
Port of Portland	65,303	-	46.57	-
Portland Community College	455,410	160,095	48.15	77,091
Rockwood Water PUD	5,670	-	100.00	-
Sauvie Island RFPD 30	25	25	96.06	24
Tualatin Valley Fire & Rescue Dist	57,020	55,020	1.67	919
Washington County SD 1J (Hillsboro)	297,100	297,100	-	14
Washington County SD 48J (Beaverton)	844,319	844,319	0.38	3,225
Subtotal, overlapping debt	4,274,015	3,042,796		\$ 1,501,167
Multnomah County direct debt	316,526	171,825	100.00	171,825
Total direct and overlapping debt				<u>\$ 1,672,992</u>

(1) The overlapping debt calculation was performed by Municipal Debt Advisory Commission as of June 30, 2015

(2) Gross Property-tax Backed Debt includes all General Obligation (GO) bonds and Full Faith & Credit bonds, including premiums.

(3) Net Property-tax Backed Debt is Gross Property-tax Backed Debt less Self-supporting Unlimited Tax GO and less Self-supporting Full Faith & Credit debt.

(4) Percent overlapping equals the RMV of the overlapping area of the overlapping district divided by the RMV of the County.

Source: Municipal Debt Advisory Commission, Oregon State Treasury



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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (thousands)</u>	<u>Per Capita Income (2)</u>	<u>PMSA* Unemployment Rate (3)</u>	
2006	701,545	\$ 27,043,127	\$ 39,550	5.1	%
2007	710,025	28,234,192	40,462	4.9	
2008	717,880	29,687,197	41,638	5.6	
2009	724,680	28,192,097	38,740	11.3	
2010	736,785	29,424,258	39,899	10.0	
2011	741,925	31,161,157	41,658	8.9	
2012	748,445	32,715,802	43,089	7.9	
2013	756,530	33,376,029	43,564	7.3	
2014	765,775	N/A	N/A	6.1	
2015	765,775 (4)	N/A	N/A	5.4	(5)

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

(1) Population Research Center, PSU

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

(3) OLMIS, Oregon Labor Market Information System

(4) Population data as of July 1, 2015 not available at this time

(5) As of June 30, 2015

\* Portland Metropolitan Statistical Area

Source: US Department of Commerce-Bureau of Economic Analysis, US Department of Labor-Bureau of Labor Statistics

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

<b>2014-15</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total PMSA* Employment</b>
Intel Corporation	17,500	1	1.57 %
U.S. Federal Government	17,500	2	1.57
Providence Health System	15,239	3	1.36
Oregon Health and Science University	14,616	4	1.31
State of Oregon	14,200	5	1.27
Kaiser Permanente Northwest	11,881	6	1.06
Legacy Health System	10,436	7	0.93
Fred Meyer Stores	10,237	8	0.92
City of Portland	8,558	9	0.77
Nike, Inc.	8,000	10	0.72
	<u>128,167</u>		<u>11.48 %</u>

Total PMSA\* employment 1,117,500 (1)

<b>2005-06</b>			
<b>Taxpayer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total PMSA* Employment</b>
Oregon Health and Science University	18,000	1	1.71 %
State of Oregon	17,004	2	1.62
U.S. Government	15,220	3	1.45
Intel Corporation	14,890	4	1.42
Providence Health System	13,496	5	1.28
Fred Meyer Stores	10,500	6	1.00
City of Portland	8,104	7	0.77
Kaiser Foundation Health Plan	8,000	8	0.76
Legacy Health System	7,972	9	0.76
Safeway Inc.	6,000	10	0.57
	<u>119,186</u>		<u>11.34 %</u>

Total PMSA\* employment 1,052,015

\* Portland Metropolitan Statistical Area

(1) As of June 30, 2015

Source: State of Oregon Employment Department, Portland Business Journal and Chamber of Commerce

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

	2015	2014	2013	2012
<b>Function/Program</b>				
Governmental activities:				
General government	654	653	618	614
Health services	1,039	973	969	955
Social services	846	760	672	660
Public safety and justice	1,532	1,443	1,424	1,445
Community services	73	69	69	62
Library	514	502	434	461
Roads and bridges	130	136	140	144
Total governmental activities	4,788	4,535	4,324	4,339
Business-type activities:				
Behavioral Health	3	5	5	8
Total business-type activities	3	5	5	8
Total primary government budgeted FTE	4,791	4,540	4,329	4,347
<b>MULTNOMAH COUNTY EMPLOYEES</b>				
Management and exempt	740	694	678	675
Bargaining units:				
General employees (Local 88)	3,013	2,893	2,729	2,750
Electricians (Local 48)	19	19	17	19
Operating engineers (Local 701)	13	14	13	12
Paint makers (Local 1094)	1	1	1	-
Corrections (Teamsters 223)	429	413	415	421
Deputy sheriffs association	89	92	90	88
Oregon nurses association	196	188	192	189
Juvenile group workers (Local 86)	70	58	51	54
Prosecuting attorneys association	78	74	69	73
Parole and Probation Officers	128	114	111	115
Total bargaining units	4,036	3,866	3,688	3,721
Temporary County employees	1,215	1,213	132	129
Total actual County employees	5,991	5,773	4,498	4,525

Source: Multnomah County payroll records

2,011	2,010	2,009	2,008	2,007	2,006
637.0	613.5	622.5	614.5	603.5	665.5
967	916	914	875	865	842
650	662	677	621	583	573
1,476.0	1,503.5	1,531.0	1,561.5	1,538.5	1,559.0
62.5	61.0	60.5	69.5	75.0	81.0
480.0	477.0	467.5	440.5	423.0	411.0
146.0	138.0	143.0	149.0	150.0	139.0
4,418.0	4,370.5	4,415.5	4,330.5	4,237.0	4,270.0
6.0	6.0	7.0	8.0	7.0	11.0
6.0	6.0	7.0	8.0	7.0	11.0
4,424.0	4,376.5	4,422.5	4,338.5	4,244.0	4,281.0
764	716	716	704	659	668
2,771	2,740	2,724	2,664	2,602	2,623
19	18	19	18	19	17
13	13	13	10	11	12
1	1	2	2	2	2
411	420	429	437	432	449
87	92	88	88	91	98
199	216	220	221	228	238
52	52	56	59	60	58
68	78	81	88	83	85
121	123	131	134	133	133
3,742	3,753	3,763	3,721	3,661	3,715
128	100	72	103	114	91
4,634	4,569	4,551	4,528	4,434	4,474

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

<b>FUNCTION/PROGRAM</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Governmental Activities:</b>			
<b>General Government</b>			
Number of property tax accounts - residential	243,036	242,721	242,566
Number of property tax accounts - personal	64,215	62,437	62,085
Number of property tax accounts - commercial	33,682	33,785	33,895
Number of marriage licenses issued	7,766	7,045	6,608
<b>Health Services</b>			
Total clinic visits	309,484	307,137	314,940
County residents who rate their health good or better	83%	84%	85%
Environmental health inspections	12,850	14,263	12,793
Women, infants, and children (WIC) served in the WIC program	28,400	29,072	30,424
Flu vaccinations at health clinics	25,127	26,154	24,755
<b>Social Services</b>			
Households that have received assistance with energy bills	17,340	16,286	17,249
Clients with developmental disabilities served	5,383	4,921	4,704
Senior and physically disabled clients served	60,753	62,877	61,602
Alcohol and drug treatment clients	2,266	3,638	4,576
Early childhood mental health clients	5,485	5,410	5,874
Families served in early childhood programs	1,218	801	504
Students enrolled in extended day school activities	24,270	21,108	19,529
<b>Public Safety and Justice</b>			
<b>Sheriff</b>			
Responses to calls for services (a)	54,350	48,975	49,105
Number of arrests (parts 1, 2 and 3 crimes)	N/A*	2,712	2,652
<b>Corrections</b>			
Number of inmates booked	35,952	39,731	39,162
Average daily jail population	1,145	1,220	1,264
Average length of jail stay in days	12	12	12
Inmates held for court at Courthouse	19,200	19,196	17,846
<b>Juvenile</b>			
Youth admitted to detention center	1,508	1,453	1,554
Average length of stay in days in youth detention center	13.4	10.3	10.2
Community service hours completed	4,446	3,107	3,766
Average number of youth on supervision/probation (b)	350	324	337

(continued)

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

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

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

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

2012	2011	2010	2009	2008	2007	2006
242,228	242,210	241,771	240,212	234,567	225,597	225,445
61,876	62,125	63,075	63,086	63,279	64,126	58,082
34,042	34,063	34,161	34,226	34,210	34,152	34,199
6,306	6,201	6,276	6,257	6,383	6,542	6,203
339,794	362,546	384,762	358,692	330,105	312,661	301,263
85%	85%	90%	89%	89%	87%	86%
13,109	13,371	12,572	11,873	11,672	10,130	9,126
31,277	32,107	31,542	31,179	30,850	30,339	30,672
22,687	20,982	15,597	13,140	9,600	6,148	5,084
17,160	17,383	19,292	22,129	14,606	13,676	12,482
4,485	4,336	4,465	4,270	3,950	3,780	3,613
N/A	39,136	37,470	N/A	N/A	N/A	44,664
4,255	N/A	6,824	4,617	10,503	10,829	9,391
5,327	4,025	4,511	4,869	4,726	7,700	7,737
472	505	615	693	718	768	887
19,958	19,127	17,669	14,773	15,041	17,052	16,315
46,749	40,655	40,835	36,848	N/A	41,601	43,327
2,812	2,776	2,850	3,037	2,938	2,708	3,204
37,166	36,557	38,634	32,992	35,533	37,113	38,726
1,240	1,187	1,274	1,378	1,559	1,641	1,612
13	13	13	17	18	18	17
18,280	17,536	16,748	10,898	11,737	11,632	13,905
1,566	1,638	1,758	2,112	2,021	1,992	2,161
9.8	8.7	7.8	7.9	8.3	11.7	9.0
2,180	3,277	4,353	6,521	6,623	10,894	5,531
339	378	478	567	533	523	582

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

FUNCTION/PROGRAM	2015	2014	2013
<b>Public Safety and Justice (continued)</b>			
Adult			
Community service hours completed	73,787	N/A	89,204
Adults participating in educational classes	450	689	689
Clients receiving GED's	14	125	93
Average no. adults on probation & post-prison supervision/month	8,823	9,351	8,300
District Attorney			
Cases of adult criminal activity prosecuted	16,273	25,880	26,932
Juvenile delinquency cases prosecuted	666	491	528
Hours of Community Court community service completed	7,471	11,930	10,380
<b>Community Services</b>			
Number of registered voters	441,157	434,898	437,729
Number of votes cast in last general election (a)	302,584	367,992	370,142
Percent of registered voters who voted in last general election	69 %	85 %	83%
Animal Control - Total Intake - Dogs and Cats	6,433	6,894	6,740
<b>Library</b>			
New library cards issued annually	66,884	60,715	57,592
Books circulated (Total circulation) (b)	20,268,163	19,486,176	21,984,923
Borrowers who used their cards in last three years	444,231	432,685	441,505
Library satisfaction (c)	96.8%	97.0%	96.9%
Web site visits/hits	N/A	N/A	N/A
Catalog visits	N/A	N/A	N/A
Website visits, including catalog	5,476,348	6,230,998	6,629,449
<b>Business-type activities:</b>			
<b>Dunthorpe-Riverdale Service Districts</b>			
Sewage disposal - number of accounts	563	563	595
<b>Mid County Service District</b>			
Lighting - number of accounts	7,952	7,942	7,944

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

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

(b) Total circulation as of 2012.

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



2012	2011	2010	2009	2008	2007	2006
98,240	101,392	141,732	123,442	82,429	80,131	84,818
801	710	705	639	588	481	584
85	78	79	60	38	62	67
8,284	8,278	7,896	8,793	9,261	9,619	9,763
26,137	24,241	25,932	27,149	27,377	21,415	22,563
550	476	651	869	1,064	817	946
14,295	13,869	17,552	17,004	16,742	15,477	16,984
451,659	408,126	407,541	426,567	380,298	380,298	430,693
284,104	284,104	367,540	367,540	262,628	262,628	365,530
70%	70%	86%	86%	69%	69%	85%
7,563	8,606	8,320	8,096	8,886	9,879	9,808
69,198	73,566	71,809	74,677	71,843	67,379	69,973
24,794,942	23,939,091	22,715,292	21,513,255	20,394,496	19,900,816	19,589,530
444,618	436,949	425,749	421,199	440,311	431,429	455,296
98.4%	91.5%	90.1%	90.4%	91.3%	92.4%	92.5%
N/A	N/A	N/A	N/A	N/A	N/A	6,410,053
N/A	N/A	6,710,594	5,709,967	5,366,879	5,313,210	N/A
6,888,701	7,158,805	N/A	N/A	N/A	N/A	N/A
593	592	591	590	583	582	579
7,986	7,993	7,985	7,987	7,885	7,800	7,392

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

<b>FUNCTION/PROGRAM</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Governmental Activities:</b>				
<b>General Government</b>				
Buildings owned	77	79	80	79
Buildings leased	48	48	48	55
Automobiles	321	294	297	308
Vehicles (excluding automobiles)	267	276	281	294
Heavy equipment	90	96	103	105
<b>Health Services</b>				
Health & dental centers	7	8	8	7
School based health centers	13	12	12	14
<b>Social Services</b>				
Aging & Disability offices	5	5	5	5
<b>Public Safety and Justice</b>				
<b>Sheriff</b>				
Vehicular patrol units	68	58	55	63
Number of employees (sworn and civilian)	781	759	762	766
River Patrol offices	2	3	3	3
<b>Corrections</b>				
Jails:				
Facilities	2	2	2	2
Population	1,310	1,310	1,310	1,310
<b>Community Justice</b>				
Adult probation & parole offices	5	7	7	7
Adult housing program offices	-	1	4	4
Juvenile counseling offices	1	3	4	4
<b>Library</b>				
Regional	3	2	2	2
Neighborhood	13	11	11	11
Leased	6	6	6	6
<b>Roads &amp; Bridges</b>				
<b>Miles of streets maintained by County</b>				
Paved	268	270	270	270
Unpaved	29	24	24	24
<b>Bridges</b>				
Major	6	6	6	6
Minor	21	19	19	19
<b>Business-type activities:</b>				
<b>Mid County</b>				
Street lighting - lights and poles	4,535	4,535	4,526	4,507
<b>Dunthorpe-Riverdale</b>				
Pump stations	1	1	1	1
Miles of sewer (approximate)	15	15	15	15

2011	2010	2009	2008	2007	2006
78	74	79	79	83	84
54	51	52	53	59	59
310	316	325	328	301	311
253	263	298	300	292	295
100	93	122	141	132	136
7	7	7	7	7	7
14	14	13	13	13	13
5	5	7	7	7	7
65	66	50	45	47	43
763	785	786	786	798	794
3	3	3	3	3	3
2	2	3	3	3	3
1,310	1,367	1,539	1,633	1,690	1,690
7	6	6	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	4	4	4	4
270	270	271	271	273	273
24	24	24	24	24	24
6	6	6	6	6	6
19	19	19	18	18	18
4,507	4,499	4,525	4,484	4,439	4,400
1	1	1	1	1	1
15	15	15	15	15	15

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## **AUDIT COMMENTS AND FEDERAL GRANT PROGRAMS SECTION**

### **AUDIT COMMENTS**

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

### **FEDERAL GRANT PROGRAMS**

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



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

Board of Commissioners  
Multnomah County, Oregon

We have audited the basic financial statements of Multnomah County ("the County") as of and for the year ended June 30, 2015 and have issued our report thereon dated December 23, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

**Compliance**

As part of obtaining reasonable assurance about whether the County's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

OAR	Section	Instances of Non-Compliance
		Identified?
162-010-0050 to	Financial Statements , Schedules, and Information	Yes
162-010-0190	Included in Financial Statements	
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
162-010-0315	State School Fund	Not applicable
162-010-0316	Public Charter Schools	Not applicable
162-010-0320	Other Comments and Disclosures	None Noted

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

- The County experienced a budgetary over-expenditure in the Special Excise Tax Fund which is disclosed in the notes to the financial statements.



**MOSS-ADAMS<sub>LLP</sub>****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.

**Purpose of this Report**

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



James C. Lanzarotta, Partner  
On behalf of Moss Adams LLP  
Certified Public Accountants  
Eugene, Oregon  
December 23, 2015



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

The Board of County Commissioners  
Multnomah County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Federal and State Program Fund of Multnomah County, Oregon (the County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 23, 2015. Our report includes a reference to other auditors who audited the financial statements of The Library Foundation, as described in our report on the County's financial statements. The financial statements of the Library Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with The Library Foundation.

### **Internal Control Over Financial Reporting**

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

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

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

**MOSS ADAMS<sub>LLP</sub>****Compliance and Other Matters**

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

**Purpose of this Report**

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

*Moss Adams, LLP*

Eugene, Oregon  
December 23, 2015



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

The Board of County Commissioners  
 Multnomah County, Oregon

### **Report on Compliance for Each Major Federal Program**

We have audited Multnomah County, Oregon's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

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

**MOSS ADAMS<sub>LLP</sub>**

*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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Moss Adams, LLP*

Eugene, Oregon  
December 23, 2015

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA */A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>					
10.170 Specialty Crop Block Grant Program - Farm Bill	Oregon Physicians for Social Responsibility	1213165	-	3,358	3,358
10.553 School Breakfast Program	Oregon State, Dept. of Education	2613007	-	61,212	61,212
10.555 National School Lunch Program	Oregon State, Dept. of Education	2613007	-	117,912	117,912
	<i>Total Child Nutrition Cluster</i>		-	179,124	179,124
10.557 * Special Supplemental Nutrition Program for Women, Infants, and Children	Oregon State, Health Division	142024	-	-	-
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Oregon State, Dept. of Human Services	146696	-	3,182,623	3,182,623
10.665 Schools and Roads - Grants to States	U.S. Forest Service		-	43,761	43,761
			243,108	-	243,108
	<b>TOTAL DEPARTMENT OF AGRICULTURE</b>		<b>243,108</b>	<b>3,408,866</b>	<b>3,651,974</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
14.218 Community Development Block Grants/ Entitlement Grants	City of Portland, OR	B-12-UC-41-003	-	231,700	231,700
14.218 Community Development Block Grants/ Entitlement Grants	U.S. Dept. of Housing & Urban Dev.		273,026	-	273,026
	<i>Total Community Development Block Grants/Entitlement Grants</i>		273,026	231,700	504,726
14.231 Emergency Solutions Grant Program	Oregon State, Dept. of Housing & Community Svc.	E-13-DC-41-0001	-	94,071	94,071
14.239 Home Investment Partnerships Program	Home Forward	7multn02	-	50	50
14.257 A Homelessness Prevention & Rapid Re-housing Program	Home Forward	ARRA	-	200	200
14.267 * Continuum of Care Program	U.S. Dept. of Housing & Urban Dev.		2,064,471	-	2,064,471
14.881 Moving to Work Demonstration Program	Home Forward	7multn02	-	67,297	67,297
	<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		<b>2,337,497</b>	<b>393,318</b>	<b>2,730,815</b>
<b>DEPARTMENT OF THE INTERIOR</b>					
15.226 Payment in Lieu of Taxes	U.S. Dept. of the Interior		14,435	-	14,435
15.227 Distribution of Receipts to State and Local Governments	U.S. Dept. of the Interior		228,678	-	228,678
	<b>TOTAL DEPARTMENT OF THE INTERIOR</b>		<b>243,113</b>	<b>-</b>	<b>243,113</b>

\* Indicates a Major Program

A Indicates inclusion of ARRA funding

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

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A	Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b>DEPARTMENT OF JUSTICE</b>						
16.021	Justice Systems Response to Families	U.S. Dept. of Justice		144,369	-	144,369
16.203	Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	U.S. Dept. of Justice				
16.523	Juvenile Accountability Block Grants	Oregon State, Commission on Children	2013-6362	96,701	-	96,701
16.527	Supervised Visitation, Safe Havens for Children	U.S. Dept. of Justice		-	50,240	50,240
16.543	Missing Children's Assistance	U.S. Dept. of Justice		46,367	-	46,367
16.575	Crime Victim Assistance	Oregon State, Dept. of Justice		800,387	-	800,387
16.585	Drug Court Discretionary Grant Program	U.S. Dept. of Justice	MCDAP00047	-	181,992	181,992
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	U.S. Dept. of Justice		32,172	-	32,172
16.606	State Criminal Alien Assistance Program	U.S. Dept. of Justice		265,022	-	265,022
16.730	Reduction and Prevention of Children's Exposure to Violence	U.S. Dept. of Justice		141,340	-	141,340
16.736	Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	U.S. Dept. of Justice		77,545	-	77,545
16.738 *	Edward Byrne Memorial Justice Assistance Grant Program	Oregon State, Dept. of Justice	BJ-13-011	106,342	-	106,342
16.738 *	Edward Byrne Memorial Justice Assistance Grant Program	City of Portland, OR, Bureau of Police	2015-DJ-BX- 1158	-	1,221,386	1,221,386
16.738 *	Edward Byrne Memorial Justice Assistance Grant Program	City of Portland, OR, Bureau of Police	2009-0552	-	123,448	123,448
<i>Total Edward Byrne Memorial Justice Assistance Grant Program</i>						
				-	61,692	61,692
16.754	Harold Rogers Prescription Drug Monitoring Program	Oregon State, Health Div.	142024	-	37,371	37,371
16.817	Byrne Criminal Justice Innovation Program	U.S. Dept. of Justice		206,817	-	206,817
16.922	Equitable Sharing Program	U.S. Dept. of Justice, U.S. Marshal Office		35,317	-	35,317
16.922	Equitable Sharing Program	Federal Bureau of Investigation		15,199	-	15,199
<i>Total Equitable Sharing Program</i>						
				50,516	-	50,516
<b>TOTAL DEPARTMENT OF JUSTICE</b>				<b>1,967,578</b>	<b>1,676,129</b>	<b>3,643,707</b>

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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b>DEPARTMENT OF TRANSPORTATION</b>					
20.205 Highway Planning and Construction	Oregon State, Dept. of Transportation	22858-03	-	768,687	768,687
20.218 National Motor Carrier Safety	Oregon State, Dept. of Transportation	20218	-	1,940	1,940
20.232 Commercial Driver's License Program Improvement Grant	Oregon State, Dept. of Transportation	20232	-	38,436	38,436
20.600 State and Community Highway Safety	Oregon State, Dept. of Transportation	22858-03	-	5,000	5,000
20.933 National Infrastructure Investments	Oregon State, Dept. of Transportation	22858-02	-	5,003,536	5,003,536
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			-	<b>5,817,599</b>	<b>5,817,599</b>
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>					
45.310 Grants to States	Oregon State, Library Division	ANSWERLAND 15	-	253,591	253,591
45.312 National Leadership Grants	Portland State University	204CAS472	-	6,978	6,978
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			-	<b>260,569</b>	<b>260,569</b>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
66.034 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	U.S., Environmental Protection Agency		7,489	-	7,489
66.432 State Public Water System Supervision	Oregon State, Health Div.	142024	-	9,723	9,723
66.468 Capitalization Grants for Drinking Water State Revolving Funds	Oregon State, Health Div.	142024	-	6,527	6,527
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<b>7,489</b>	<b>16,250</b>	<b>23,739</b>
<b>DEPARTMENT OF ENERGY</b>					
81.042 Weatherization Assistance for Low-Income Persons	Oregon State, Housing & Community Svc	DE-EE00006179	-	380,093	380,093
<b>TOTAL DEPARTMENT OF ENERGY</b>			-	<b>380,093</b>	<b>380,093</b>
<b>DEPARTMENT OF EDUCATION</b>					
84.002 Adult Education - Basic Grants to States	Portland Community College	045-09 # 6	-	23,080	23,080
84.010 Title I Grants to Local Educational Agencies	Centennial Schools, Dist. 28J	1213050	-	37,885	37,885

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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
84.184 Safe and Drug-Free Schools and Communities-National Programs	Reynolds Schools, Dist. No. 7	2015021	-	63,636	63,636
84.287 Twenty-First Century Community Learning Centers	Centennial Schools, Dist. 28J		-	515	515
84.287 Twenty-First Century Community Learning Centers	Gresham-Barlow Schools, Dist. 10J	1213049	-	98,283	98,283
	<i>Total Twenty-First Century Learning Centers</i>		-	98,798	98,798
	<b>TOTAL DEPARTMENT OF EDUCATION</b>		-	<b>223,399</b>	<b>223,399</b>

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

93.008 Medical Reserve Corps Small Grant Program	National Assoc. of City and County Health Officials	MRC090141	-	3,579	3,579
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 2015	-		
93.043 Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	Oregon State, Senior & Disabled Services	143130 2015	-	9,251	9,251
93.048 Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	Oregon State, Dept. of Consumer Affairs	138576 2015	-	40,877	40,877
93.051 Alzheimer's Disease Demonstration Grants to States	Oregon State, Senior & Disabled Services	146747 2015	-	10,000	10,000
93.052 National Family Caregiver Support, Title III, Part E	Oregon State, Senior & Disabled Services	143130 2015	-	18,089	18,089
93.044 Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	Oregon State, Senior & Disabled Services	143130 2015	-	288,025	288,025
93.045 Special Programs for the Aging-Title III, Part C-Nutrition Services	Oregon State, Senior & Disabled Services	143130 2015	-	650,912	650,912
93.053 Nutrition Services Incentive Program	Oregon State, Senior & Disabled Services	143130 2015	-	1,007,851	1,007,851
	<i>Total Aging Cluster</i>		-	2,123,291	2,123,291
93.069 Public Health Emergency Preparedness	Oregon State, Health Div.	142024	-	254,927	254,927
93.069 Public Health Emergency Preparedness	Washington State, Dept. of Health	MC #2014103	-	35,936	35,936
	<i>Total Public Health Emergency Preparedness</i>		-	290,863	290,863
93.071 Medicare Enrollment Assistance Program	Oregon State, Dept. of Consumer Affairs	147530 2015	-	187,608	187,608
93.086 Healthy Marriage Promotion and Responsible Fatherhood Grants	Northwest Family Svcs.	2014113	-		
			-	266,852	266,852

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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>					
93.092 Affordable Care Act (ACA) Personal Responsibility Education Program	Oregon State, Health Div.	142024	-	87,206	87,206
93.103 Food and Drug Administration Research	U.S. Dept. of Health & Human Svcs.		63,122	-	63,122
93.103 Food and Drug Administration Research	Assoc. of Food & Drug Officials	G-SP-1410-02100	-	2,216	2,216
	<i>Total Food and Drug Administration Research</i>		<u>63,122</u>	<u>2,216</u>	<u>65,338</u>
93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Oregon State, Health Div.	142024		60,729	60,729
93.136 Injury Prevention and Control Research and State and Community Based Programs	U.S. Dept. of Health & Human Svcs.				
93.136 Injury Prevention and Control Research and State and Community Based Programs	Oregon State, Health Div.	142024	177,340		177,340
	<i>Total Injury Prevention and Control Research and State and Community Based Programs</i>		<u>177,340</u>	<u>20,500</u>	<u>20,500</u>
93.137 Community Programs to Improve Minority Health Grant	Cascade AIDS Project	1213105	-	6,639	6,639
93.145 AIDS Education and Training Centers	University of Washington	762369	-	101,322	101,322
93.150 Projects for Assistance in Transition from Homelessness (PATH)	Oregon State, Dept. of Human Svcs.	141423	-	247,284	247,284
93.153 Coordinated Services and Access to Research for Women, Infants, Children, and Youth	U.S. Dept. of Health & Human Svcs.		334,362	-	334,362
93.161 Health Program for Toxic Substances and Disease Registry	Oregon State, Health Div.	142024			
93.217 Family Planning Services	Oregon State, Health Div.	142024	-	4,077	4,077
93.224 * Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	U.S. Dept. of Health & Human Svcs.		-	286,508	286,508
93.235 Affordable Care Act (ACA) Abstinence Education Program	Oregon State, Div. of Children & Families	143851	8,440,857	-	8,440,857
			-	15,652	15,652

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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>					
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance	U.S. Dept. of Health & Human Svcs.	2014114	179,540	-	179,540
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance	Lifeworks NW		-	10,421	10,421
	<i>Total S.A.M.H.S. Projects of Regional and National Significance</i>		<i>179,540</i>	<i>10,421</i>	<i>189,961</i>
93.268 Immunization Cooperative Agreements	Oregon State, Health Div.	142024	-	38,500	38,500
93.270 Adult Viral Hepatitis Prevention and Control	U.S. Dept. of Health & Human Svcs.		23,479	-	23,479
93.276 Drug-Free Communities Support Program Grants	U.S. Dept. of Health & Human Svcs.		84,599	-	84,599
93.283 The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance	Oregon State, Health Div.	142024	-	108,035	108,035
93.283 The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance	Project Access Now	MC 1112174	-	6,938	6,938
	<i>Total Affordable Care Act</i>		<i>-</i>	<i>114,973</i>	<i>114,973</i>
93.359 Nurse Education, Practice Quality and Retention Grants	U.S. Dept. of Health & Human Svcs.		359,200	-	359,200
93.501 Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	U.S. Dept. of Health & Human Svcs.		23,879	-	23,879
93.505 Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	Oregon State, Health Div.	201371-2	-	542,328	542,328
93.517 Affordable Care Act Aging and Disability Resource Center	Oregon State, Senior & Disabled Services	144217 2015	-	145,986	145,986
93.526 Affordable Care Act (ACA) Grants for Capital Development in Health Centers	U.S. Dept. of Health & Human Svcs.		28,366	-	28,366
93.556 Promoting Safe and Stable Families	United Way of the Columbia	201518-2	-	274,383	274,383
93.558 Temporary Assistance for Needy Families	Oregon State, Housing & Community Svcs.	G-15B1ORLJEA	-	106,424	106,424
93.563 Child Support Enforcement	Oregon State, Dept. of Justice	15435	-	1,942,518	1,942,518
93.568 Low-Income Home Energy Assistance	Oregon State, Housing & Community Svcs.	G-15B1ORLJEA	-	5,961,444	5,961,444
93.569 Community Services Block Grant	Oregon State, Housing & Community Svcs.	MGA# 3055	-	838,724	838,724

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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>					
93.576 Refugee and Entrant Assistance-Discretionary Grants	U.S. Dept. of Health & Human Svcs.		102,679	-	102,679
93.597 Grants to States for Access and Visitation Programs	Oregon State, Dept. of Justice	201500	-	74,255	74,255
93.601 Child Support Enforcement Demonstrations and Special Projects	Oregon State, Dept. of Justice	121030	-	-	-
93.610 Health Care Innovation Awards (HCIA)	Providence Hospital, Portland OR	1213093-4	-	951	951
93.610 Health Care Innovation Awards (HCIA)	Health Share of Oregon	MC 201400	-	618,936	618,936
	<i>Total Health Care Innovation Awards</i>		-	20,721	20,721
			-	639,657	639,657
93.624 ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	Oregon State, Health Div.	142024	-	-	-
93.658 Foster Care Title IV-E	Oregon State, Dept. of Human Svcs.	143574/ 147297	-	344,699	344,699
93.658 Foster Care Title IV-E	Oregon State, Dept. of Justice	148551	-	231,844	231,844
	<i>Total Foster Care Title IV-E</i>		-	272,960	272,960
			-	504,804	504,804
93.667 Social Services Block Grant	Oregon State, Dept. of Education	MUL0911	-	413,082	413,082
93.738 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	U.S. Dept. of Health & Human Svcs.		-	-	-
			470,061	-	470,061
93.757 State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	Oregon State, Health Div.	142024	-	47,390	47,390
93.779 Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Oregon State, Dept. of Consumer Svcs.	SHIBA1516-13	-	-	-
93.837 Cardiovascular Diseases Research	Kaiser Research Foundation Institute	R18HL095481-05	-	8,000	8,000
93.866 Aging Research	University of Washington	UW012715	-	48,414	48,414
93.889 National Bioterrorism Hospital Preparedness Program	Oregon State, Health Div.	1213162	-	4,056	4,056
93.914 * HIV Emergency Relief Project Grants	U.S. Dept. of Health & Human Svcs.		-	295,200	295,200
93.918 Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	U.S. Dept. of Health & Human Svcs.		4,142,521	-	4,142,521
			1,013,455	-	1,013,455
93.924 Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	Oregon Health Sciences University, Sponsored Prof. Admin.	H65HA00006	-	-	-
93.926 Healthy Start Initiative	U.S. Dept. of Health & Human Svcs.		650,889	12,973	12,973
			-	-	650,889

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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u></b>					
93.928 Special Projects of National Significance	U.S. Dept. of Health & Human Svcs.		326,772	-	326,772
93.940 HIV Prevention Activities- Health Dept. Based	Oregon State, Health Div.	142024	-	441,493	441,493
93.940 HIV Prevention Activities- Health Dept. Based	Oregon State, Housing & Community Svcs.	MGA# 3055	-	16,556	16,556
	<i>Total HIV Prevention Activities- Health Dept. Based</i>		-	458,049	458,049
93.944 Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Oregon State, Health Div.	142024			
93.945 Assistance Programs for Chronic Disease Prevention and Control	Nat'l Assoc. of Chronic Disease Directors	MCHD#080	-	392,697	392,697
93.945 Assistance Programs for Chronic Disease Prevention and Control	Oregon State, Health Div.	142024	-	376	376
	<i>Total Assistance Programs for Chronic Disease Prevention and Control</i>		-	33,860	33,860
	<i>Total Assistance Programs for Chronic Disease Prevention and Control</i>		-	34,236	34,236
93.958 Block Grants for Community Mental Health Services	Oregon State, Dept. of Health & Human Svcs	141423	-	82,415	82,415
93.959 Block Grants for Prevention and Treatment of Substance Abuse	Oregon State, Dept. of Human Svcs.	141423	-	3,083,067	3,083,067
93.959 Block Grants for Prevention and Treatment of Substance Abuse	Oregon State, Dept. of Human Svcs.	141423	-	907,709	907,709
	<i>Total Block Grants for Prevention and Treatment of Substance Abuse</i>		-	3,990,776	3,990,776
93.977 Preventive Health Services Sexually Transmitted Diseases Control Grants	U.S. Dept. of Health & Human Svcs.		195,802	-	195,802
93.994 Maternal and Child Health Services Block Grant to the States	Oregon State, Health Div.	142024	-	196,049	196,049
93.994 Maternal and Child Health Services Block Grant to the States	Oregon Health Sciences University	4 B04MC06604	-	101,513	101,513
	<i>Total Maternal and Child Health Services Block Grant to the States</i>		-	297,562	297,562
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<b>38,312,408</b>

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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2015**

CFDA #/A Program Title	Grantor	Pass-Through Entity Number	Direct Expenditures	Pass-through Expenditures	Total Federal Expenditures
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>					
94.011 Foster Grandparent Program	Corp. for National & Community Svc.		232,827	-	232,827
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>					
			232,827	-	232,827
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>					
95.001 High Intensity Drug Trafficking Areas Program	Oregon High Intensity Drug Trafficking Areas Prog.	G15OR0002A	-	100,723	100,723
<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</b>					
			-	100,723	100,723
<b>DEPARTMENT OF HOMELAND SECURITY</b>					
97.008 Non-Profit Security Program	Portland Bureau of Emergency Management	EMUASI12	-	-	-
97.012 Boating Safety Financial Assistance	Oregon State, Marine Board	201484	-	15,714	15,714
97.042 Emergency Management Performance Grants	Oregon State, Office of Emergency Management	14-526	-	372,559	372,559
97.073 State Homeland Security Program (SHSP)	Oregon State, Office of Emergency Management	14-241	-	443,278	443,278
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>					
			-	27,898	27,898
<b>TOTAL FEDERAL FUNDING</b>					
			21,648,535	859,449	859,449
			21,648,535	34,831,880	56,480,415

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**MULTNOMAH COUNTY, OREGON**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

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**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, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The County's reporting entity is defined in Note 1 to the County's June 30, 2015 basic financial statements.

**Note B – Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting, as described in Note 1 to the County's basic financial statements. Expenditures reported on this schedule are recognized following the cost principles in OMB Circular A-87, *Cost Principles for State, Local Governments and Indian Tribal Governments*, and 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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

**Note C – Relationship to Basic Financial Statements**

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

**Note D – Non-cash Awards**

The accompanying Schedule of Expenditures of Federal Awards includes 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; \$7,777. This amount is included in the total program value reported on the Schedule of Expenditures of Federal Awards of \$117,912.

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, 2015 is calculated on a proportionate basis; \$3,391,875. This amount is disclosed only and is not included in the cash value portion reported on the Schedule of Expenditures of Federal Awards of \$38,500.

**MULTNOMAH COUNTY, OREGON**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

**Note E - Subrecipients**

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

<b><u>Program Title</u></b>	<b><u>Federal CFDA number</u></b>	<b><u>Amount provided to subrecipients</u></b>
Schools and Roads - Grants to States	10.665	\$ 56,997
Community Development Block Grants/Entitlement Grants	14.218	452,715
Emergency Solutions Grant Program	14.231	91,719
Continuum of Care Program	14.267	1,948,575
Missing Children's Assistance	16.543	263,173
Drug Court Discretionary Grant Program	16.585	30,556
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	124,834
Transitional Housing Assistance for Victims of Domestic Violence, Stalking, or Sexual Assault	16.736	94,210
Edward Byrne Memorial Justice Assistance Grant Program	16.738	625,536
Byrne Criminal Justice Innovation Program	16.817	47,208
Grants to States	45.310	253,591
National Leadership Grants	45.312	4,959
Title I Grants to Local Educational Agencies	84.010	30,000
Twenty-First Century Community Learning Centers	84.287	98,283
Special Programs for the Aging Title III, Part D Disease Prevention and Promotion Services	93.043	30,094
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	112,290
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	937,398
National Family Caregiver Support, Title III, Part E	93.052	60,926
Nutrition Services Incentive Program	93.053	464,528
Projects for Assistance in Transition from Homelessness (PATH)	93.150	247,284
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	46,352
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	219,377
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	63,468
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	440,090
Promoting Safe and Stable Families	93.556	257,435
Low-Income Home Energy Assistance	93.568	382,570
Community Services Block Grant	93.569	688,992
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	93.624	10,329
Foster Care Title IV-E	93.658	8,094

**MULTNOMAH COUNTY, OREGON**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

**Note E - Subrecipients (continued)**

<u><b>Program Title</b></u>	<u><b>Federal CFDA number</b></u>	<u><b>Amount provided to subrecipients</b></u>
Social Services Block Grant	93.667	393,449
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738	173,013
HIV Emergency Relief Project Grants	93.914	2,459,939
Special Projects of National Significance	93.928	191,209
HIV Prevention Activities Health Department Based	93.940	269,847
Block Grants for Community Mental Health Services	93.958	82,415
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3,718,653
<b>Total Subrecipient pass-through</b>		<u><u><b>\$ 15,380,108</b></u></u>



**MULTNOMAH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

*Unmodified*

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major federal programs:

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

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

☐ Yes ☒ No

**Identification of Major Federal Programs**

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Program</i>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	<i>Unmodified</i>
14.267	Continuum of Care (COC) Program	<i>Unmodified</i>
16.738	Edward Byrne Memorial Justice Assistance Grant Program	<i>Unmodified</i>
93.224	Consolidated Health Centers	<i>Unmodified</i>
93.914	HIV Emergency Relief Project Grants	<i>Unmodified</i>

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

\$ 1,694,412

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

**Department of County Management**  
**MULTNOMAH COUNTY OREGON**

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(503) 988-3312 phone  
(503) 988-3292 fax



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**Summary Schedule of Prior Audit Findings and Questioned Costs  
For the Fiscal Year Ending June 30, 2014**

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

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

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

**Status of Finding:** The County's Health Department Business Services unit has reviewed the Occupational Health internal service charge process and implemented a system-controlled monitoring process effective October 2014. There were no instances of unallowable costs noted during the current year audit.

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

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

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

**Status of Finding:** The County's Central Finance unit, in coordination with the County's Information Technology Department, has identified the system problem that resulted in allocation errors for payroll-related benefits. A system fix has been developed and implemented within SAP to perform proper allocations when an employee's status changes mid pay period. There were no instances of unallowable costs noted during the current year audit.