

MULTNOMAH COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2020

About the Cover

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

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

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

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



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INTRODUCTORY SECTION

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Department of County Management

Finance & Risk Management Division



December 23, 2020

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

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

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

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Office of Management and Budget (OMB) 2 CFR Part 200 (Uniform Administrative Guidance) and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the OMB 2 CFR Part 200 will be included in a subsequent report. The County is waiting on an OMB compliance supplement for Coronavirus Aid, Relief, and Economic Security (CARES) funding.

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

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

County Profile

Multnomah County, incorporated in 1854, is located in northwestern Oregon at the confluence of the Columbia and Willamette rivers, approximately 110 river miles and 80 highway miles from the Pacific Ocean. The County covers 465 square miles, and serves an estimated population as of July 1, 2019 of 812,855 residents. The cities of Portland and Gresham are the largest incorporated cities in the County.

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

PROFILE OF MULTNOMAH COUNTY, OREGON

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

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

In November 2012, the voters of Multnomah County approved the creation of the Multnomah County Library District. The Library District formed in fiscal year 2014 and is supported by a dedicated Property Tax levy. It is legally separate from Multnomah County, although the Board of County Commissioners also serves as the Library District Board. The Library District is included in the County's financial statements, as is The Library Foundation, a tax-exempt foundation whose primary purpose is to support the County's libraries through raising, receiving, administering and disbursing funds, grants, bequests and gifts for the benefit of the County libraries.

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

Additional information on these legally separate entities can be found in Note I. *Summary of Significant Accounting Policies* of the *Notes to the Basic Financial Statements*.

Accounting System and Budget Control

This report consists of management's representations concerning the finances of the County. Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

PROFILE OF MULTNOMAH COUNTY, OREGON

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

Budget to actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. The General Fund and Federal/State Program Special Revenue Fund budget to actual comparisons are provided on pages 50-51 as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 137.

Economic Conditions and Financial Outlook

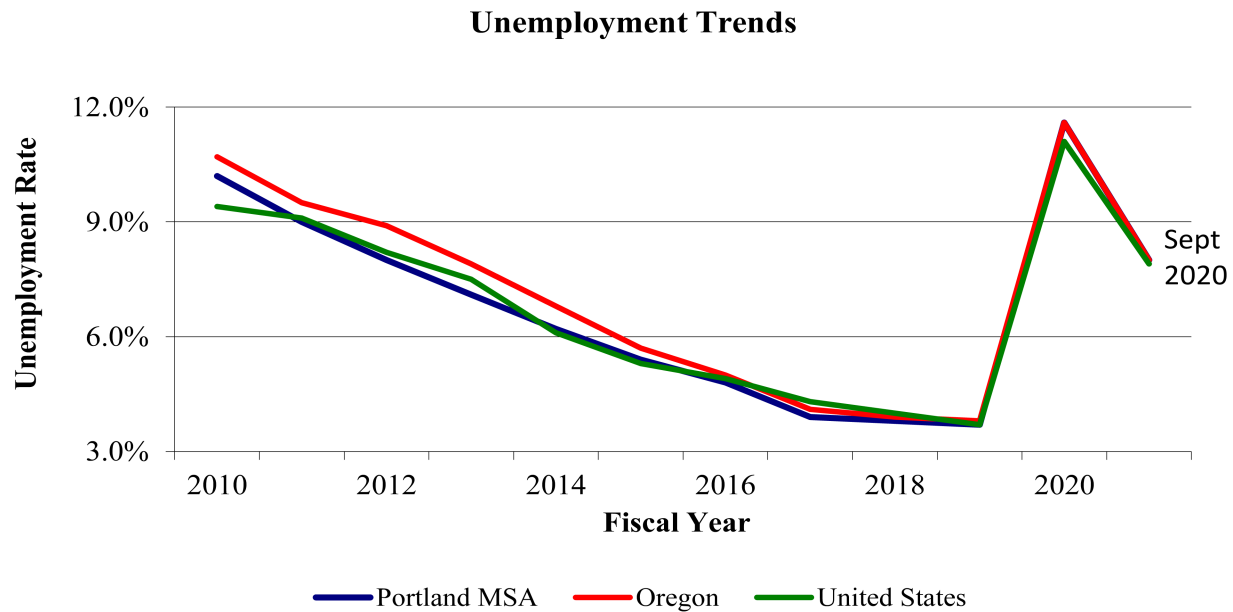
Local Economy: Multnomah County is in the “Greater Portland” metropolitan area, which include cities on both sides of the Columbia River. This metropolitan area is the financial, trade, transportation and service center for Oregon, southwest Washington and the Columbia River Basin. Its manufacturing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

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

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

PROFILE OF MULTNOMAH COUNTY, OREGON

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



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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Financial Outlook: A number of years ago the County’s Budget Office identified a “structural deficit” in the General Fund. This represents the ongoing gap that exists before any actions by the Board of County Commissioners to balance revenues and expenditures. It is an estimate that takes into account the rate of inflation, growth in employee benefits, and long-term fixed costs.

This gap is chiefly the result of property tax limitation measures passed by Oregon voters in 1990 and 1997. Property taxes on individual properties generally cannot grow by more than 3 percent a year. Since property taxes make up a significant percentage of General Fund revenues, the property tax limits have the effect of constraining overall revenue growth. The volatility of the Business Income Tax (BIT) is also a constraint on revenues, but the past few years have seen record levels of tax collections. On the expenditure side, the cost of providing benefits – healthcare and pension payments – to employees typically grows faster than revenues.

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

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

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

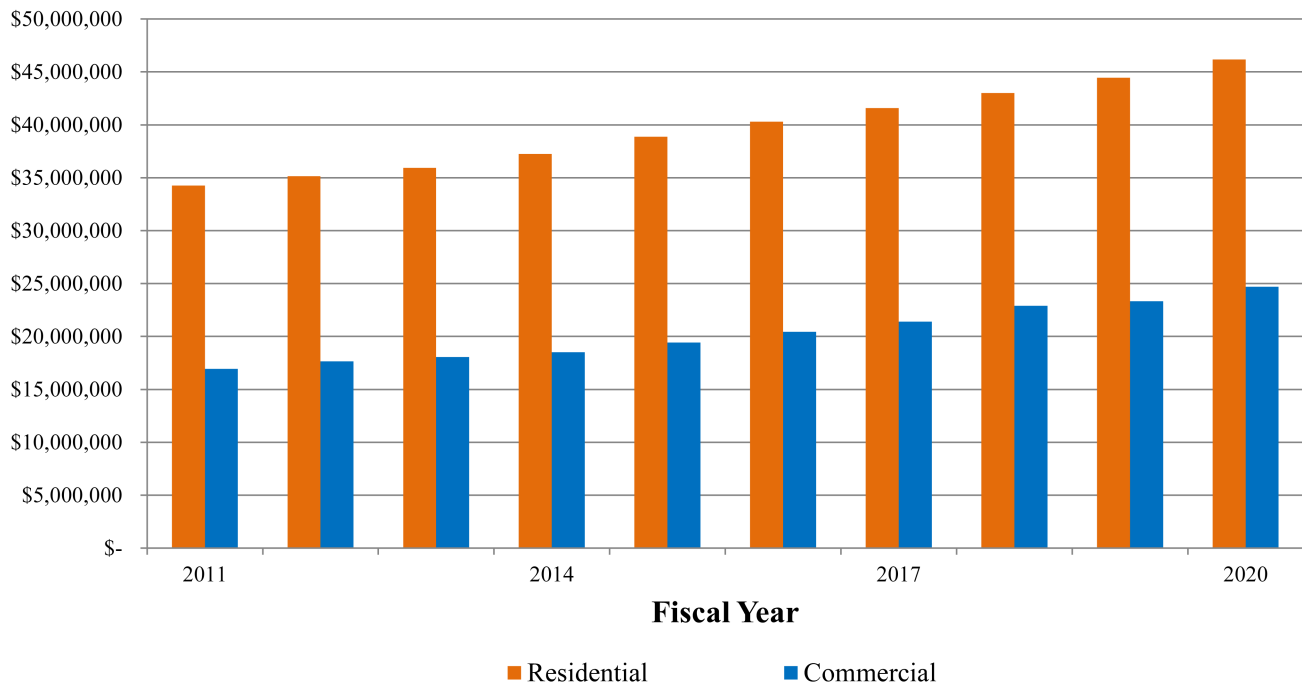
The financial outlook remains very uncertain during the pandemic but having identified the financial gap, the County has taken a very conservative approach in financial planning. The current forecast assumes slow but continued growth. Barring unexpected reductions in State or Federal funding, the General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

FACTORS AFFECTING FINANCIAL CONDITION

General Fund Revenues: As noted previously, property taxes are the largest single source of revenue in the County's General Fund. Property taxes account for approximately 60 percent of General Fund revenues and have seen a consistent, slow increase over the past ten years despite significant increases in real estate values. Property taxes are governed by two state constitutional measures, Measure 5 and Measure 50, which set limits on the amount of tax that can be collected. In fiscal 2020, property taxes collections were up 3.97 percent and the forecasted growth is expected to decrease to about 2.5 percent as a result of higher compression and expected higher delinquency in collections.

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

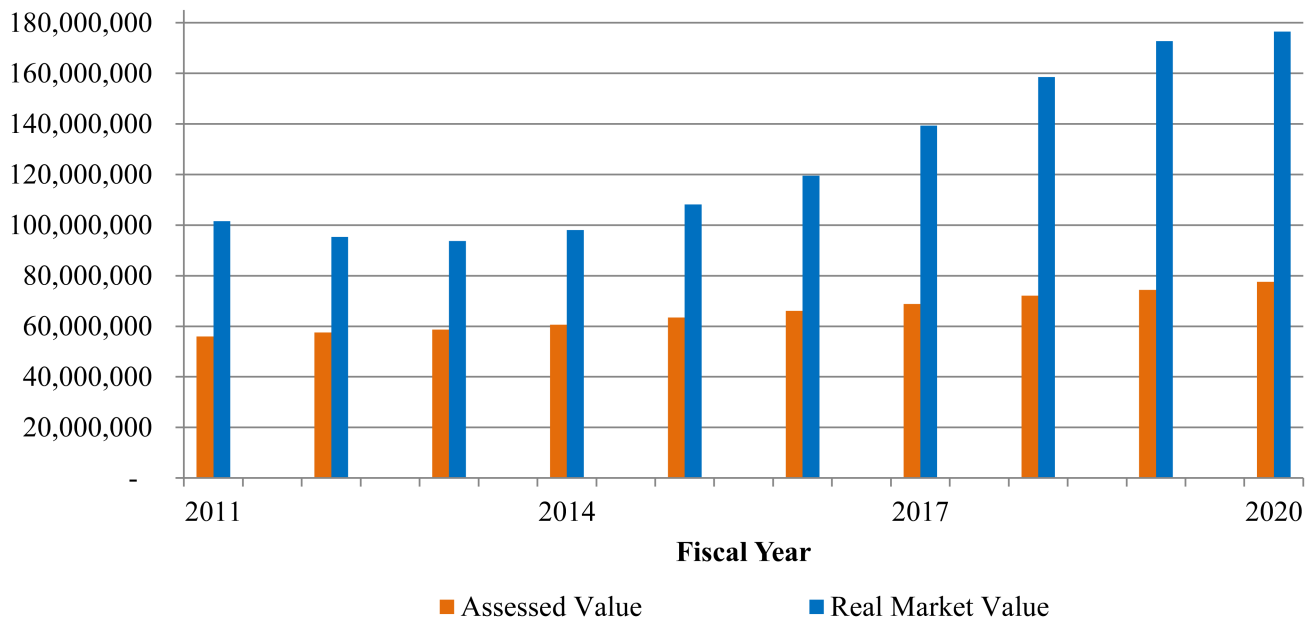
Assessed Values of Taxable Property



FACTORS AFFECTING FINANCIAL CONDITION

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

Assessed v. Real Market Value

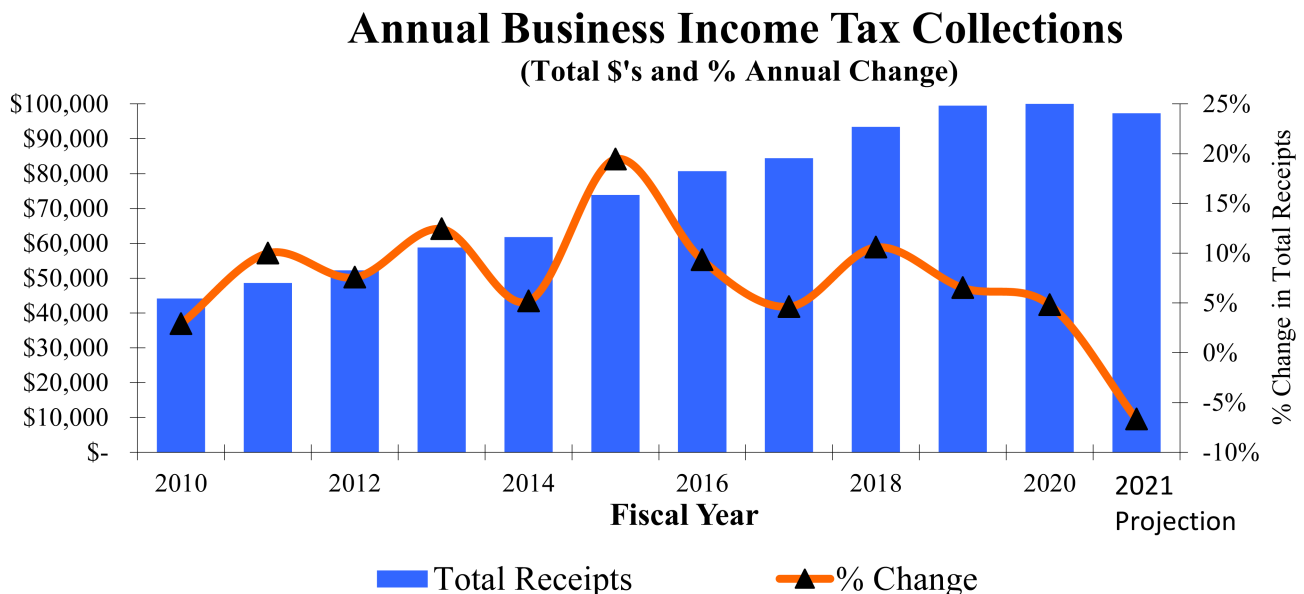


FACTORS AFFECTING FINANCIAL CONDITION

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

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

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



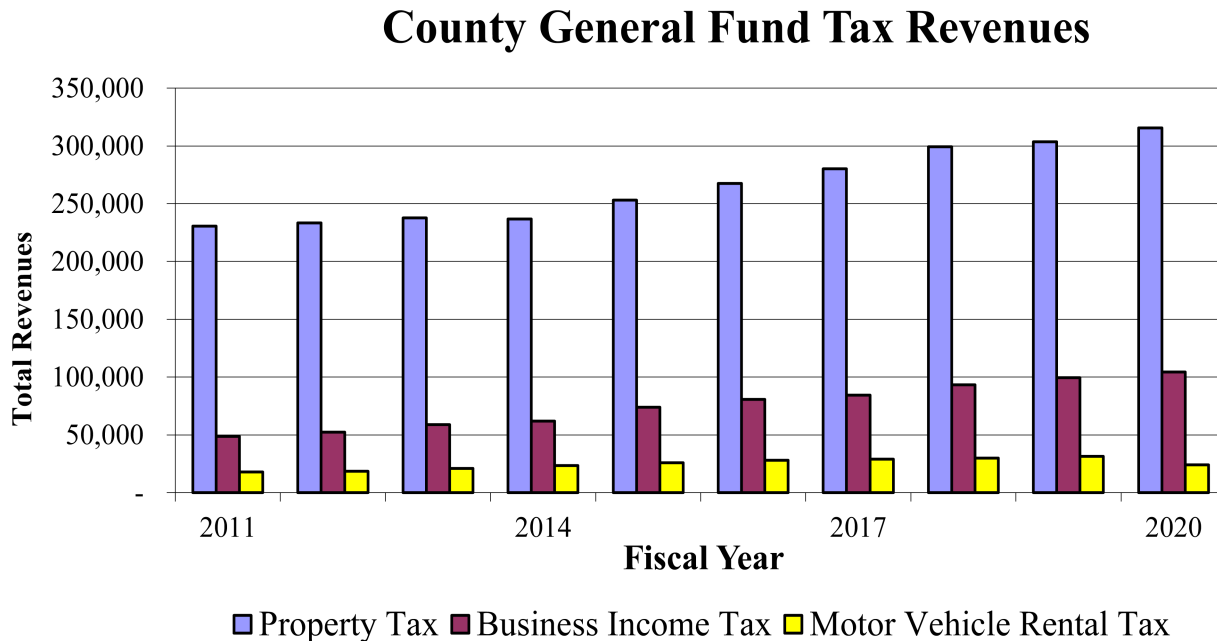
FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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



FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

By adopting the financial and budget policies, the Board of County Commissioners acknowledges that, to avoid financial instability, continuing requirements should be insulated from temporary fluctuations. Therefore, one of the goals of the Board of County Commissioners is to fund and maintain a reserve designated as unappropriated fund balance and set at 10 percent of budgeted “corporate” revenues (i.e., property taxes, business income taxes, and motor vehicle rental tax) of the General Fund. The reserve is to be used for periods where revenues experience significant declines or are used for non-recurring extreme emergencies such as disaster relief. Maintaining an appropriate reserve also helps the County achieve favorable bond ratings. Moody’s Investor Services currently rates the County as Aaa, and Standard & Poor’s recently upgraded the County to AAA, for general obligation debt and for full faith and credit debt indicating that the County’s financial capacity to repay its debt obligations is very strong.

Long-term financial planning: The County’s Chief Financial Officer and Budget Director work closely with the Board of County Commissioners and the Chair’s Chief Operating Officer to develop short-term and long-term financial goals and to address the financial stability of the County. The County’s Chief Financial Officer and Budget Director also meet with other local jurisdictions to confer on financial issues that either overlap or impact each entity.

Major initiatives: The County’s overall financial outlook has improved significantly since the end of the “great recession”. Prior to March 2020, the regional economy continued to perform at a high level for the fiscal year, as evidenced by the fact that receipts from the Business Income Tax reached a record high. As a result of improved economic conditions, the County has been able to focus on longer-term initiatives.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

AWARDS AND ACKNOWLEDGEMENTS

Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2019. The County has received this prestigious award for 35 consecutive years. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report satisfied both US GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements: The preparation of this report would not have been possible without the efficient and dedicated services of the employees in the Department of County Management who maintained the County's financial records and assisted in the preparation of this report. Special thanks are extended to the General Ledger Staff who were instrumental in preparing this report. Appreciation is also extended to the Chair of the Board, Board of County Commissioners, Department Directors, and other County personnel for their assistance and support in planning and conducting the financial operations of the County in a prudent manner.

Respectfully Submitted,



Eric J. Arellano
Chief Financial Officer



Cora Bell
Deputy Chief Financial Officer



Samina S. Gillum
Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to
Multnomah County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

Executive Director/CEO

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ELECTED OFFICIALS – MULTNOMAH COUNTY OREGON



Sharon Meieran
Commissioner, District 1



Deborah Kafoury
County Chair



Susheela Jayapal
Commissioner, District 2



Jessica Vega Pederson
Commissioner, District 3



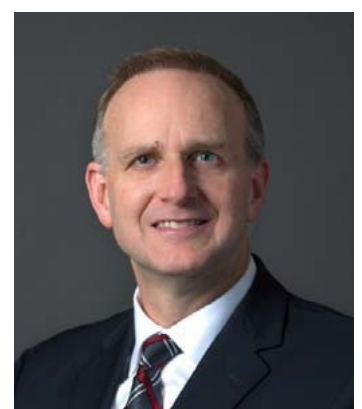
Lori Stegman
Commissioner, District 4



Jennifer McGuirk
Auditor



Michael Reese
Sheriff

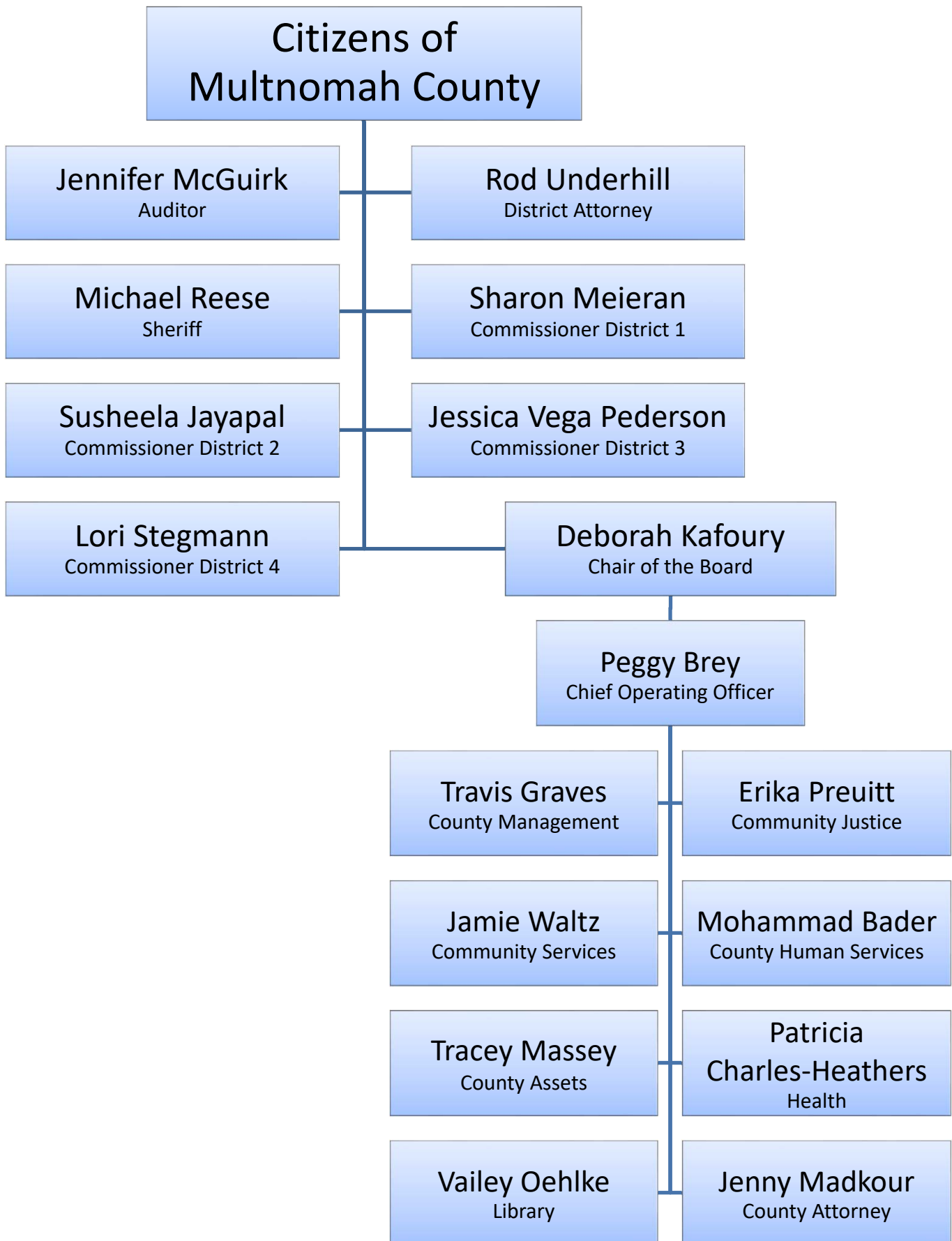


Rod Underhill
District Attorney

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

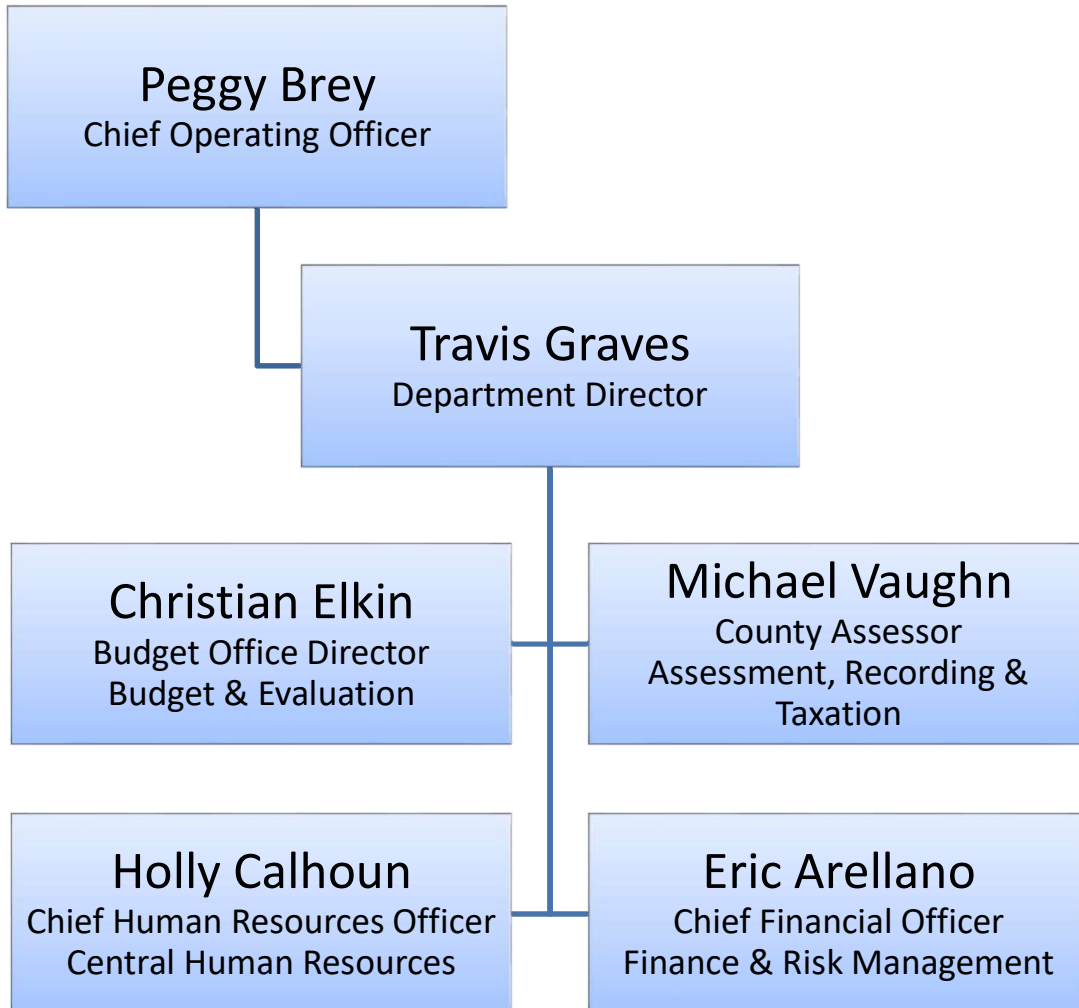
Title	Name	Term Expires
<u>Board of County Commissioners</u>		
Chair of Board	Deborah Kafoury 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2022
District No. 1	Sharon Meieran 501 SE Hawthorne Blvd, 6 th Floor Portland, OR 97214	12/31/2024
District No. 2	Susheela Jayapal 501 SE Hawthorne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

MULTNOMAH COUNTY, OREGON



MULTNOMAH COUNTY, OREGON

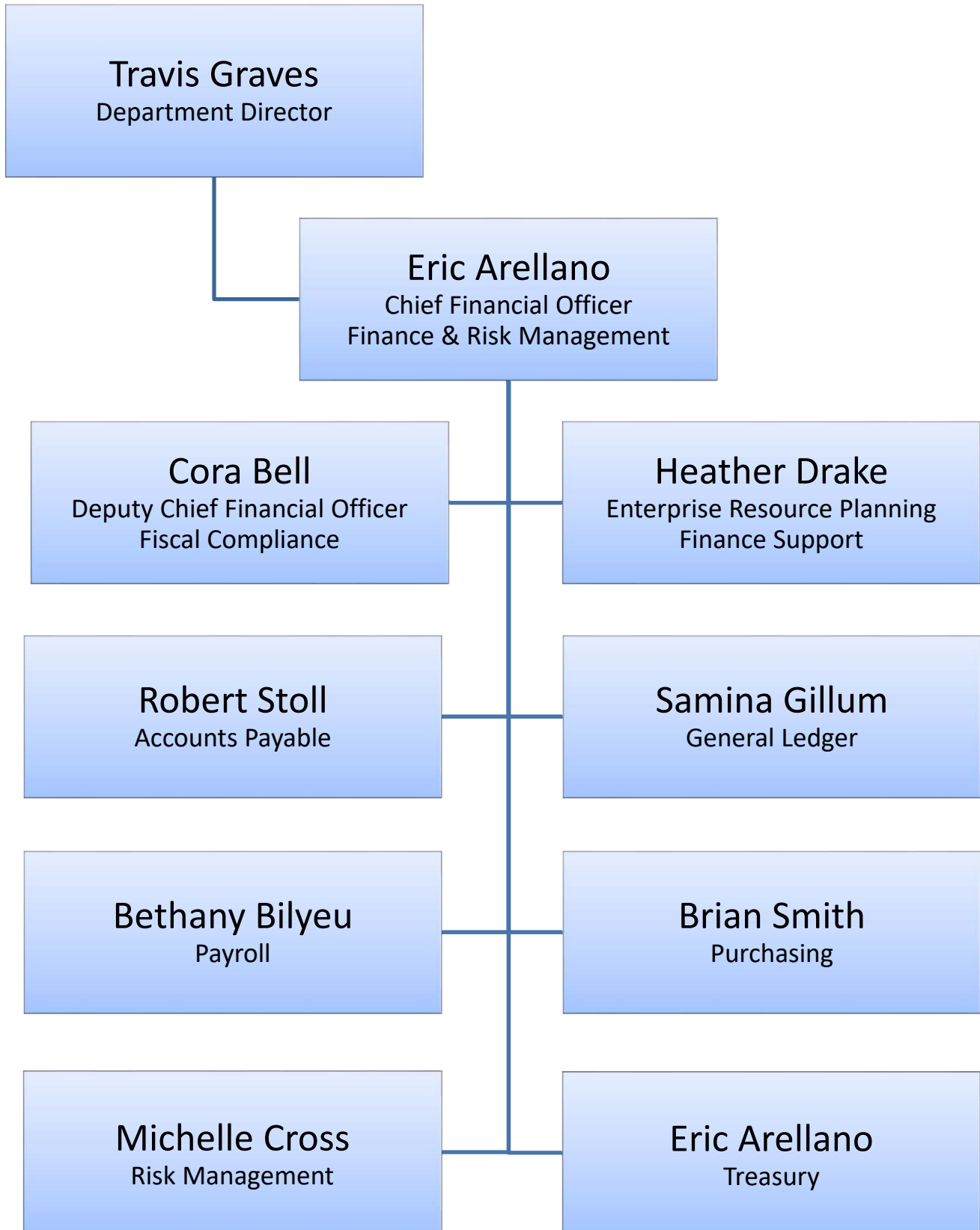
Department of County Management



MULTNOMAH COUNTY, OREGON

Department of County Management

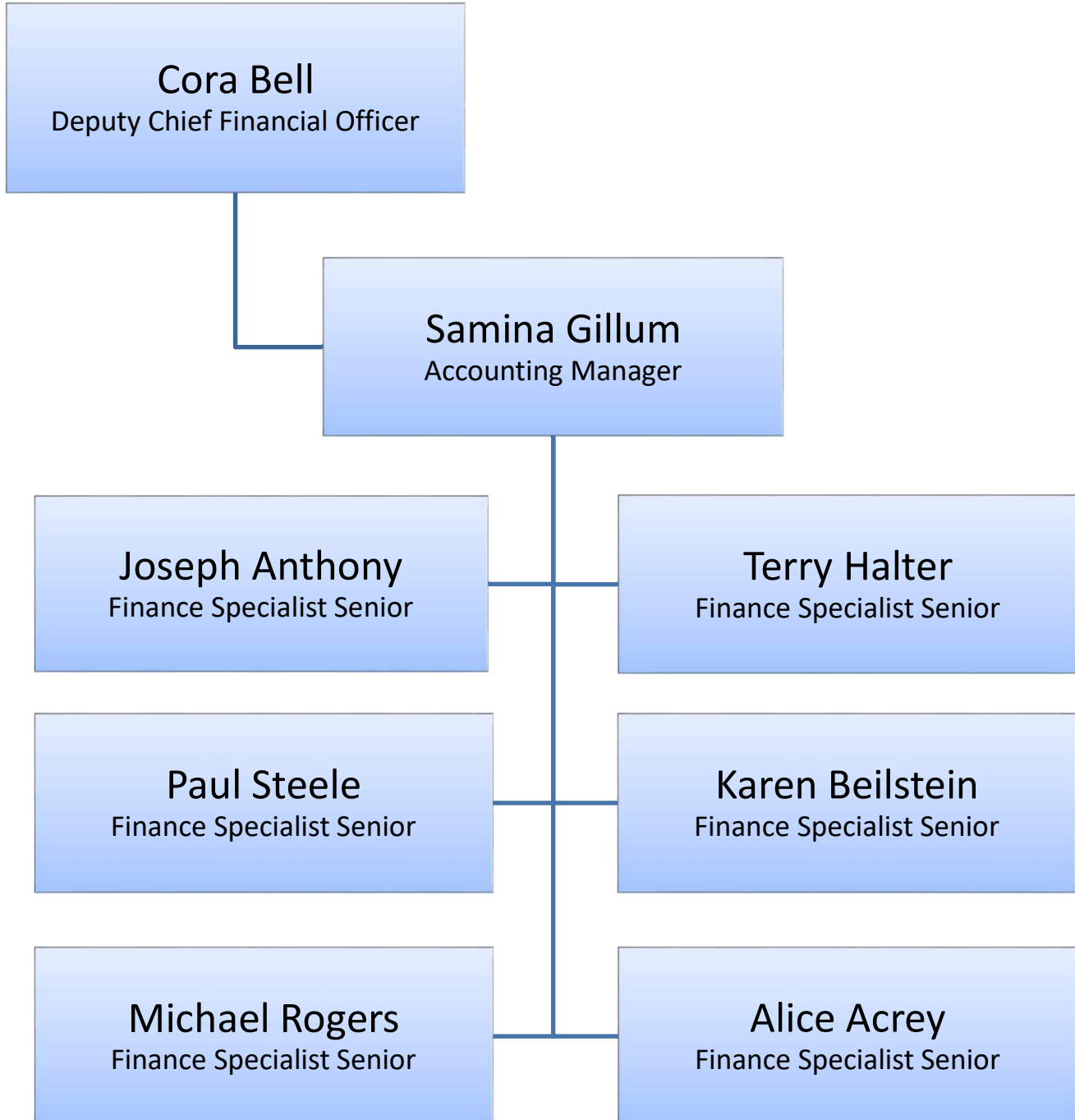
Finance & Risk Management



MULTNOMAH COUNTY, OREGON

Department of County Management

General Ledger



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FINANCIAL SECTION

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Report of Independent Auditors

The Board of Commissioners
Multnomah County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Federal/State Program Fund of Multnomah County, Oregon (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Library Foundation, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Library Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of The Library Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended, and the respective budgetary comparisons for the General Fund and the Federal/State Program Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the State of Oregon Public Employees Retirement System Retirement Health Insurance Account schedule of proportional share of net OPEB assets and schedule of contributions, the Multnomah County Postretirement Medical and Life Insurance Plan schedule of changes in OPEB liability and related ratios, the County's schedule of proportionate share of net pension liability, the schedule of pension contributions, and the notes to the required supplementary information as listed in the table of contents (collectively, the required supplementary information) on pages 26 through 42 and 132 through 136, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules; and other schedules; each as listed in the table of contents (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 23, 2020, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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

As management of Multnomah County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. The information presented here should be read in conjunction with the letter of transmittal, which can be found on pages 1-15 of this report.

Financial Highlights

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

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

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

Overview of the Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 43-45 of this report.

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

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

The County maintains 34 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Federal/State Program Fund and the Downtown Courthouse Capital Fund, which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

The basic governmental fund financial statements and respective reconciliations can be found on pages 46-51 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 52-54 of this report.

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

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

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 57 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 137 of this report.

Required Supplementary Information (RSI): In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its pension obligations and other postemployment healthcare benefits obligations. Required supplementary information can be found on pages 132-136.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$951,206 at the close of the most recent fiscal year.

Multnomah County's Net Position

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

The largest portion of the County's net position reflects investment in capital assets (land, work construction in progress, buildings, improvements, machinery and equipment, bridges and infrastructure), net of accumulated depreciation, and the outstanding debt used to acquire the assets in the amount of \$1,092,701 as compared to \$1,006,207 from the previous year.

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

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

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

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

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

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

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

Multnomah County's Change in Net Position

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

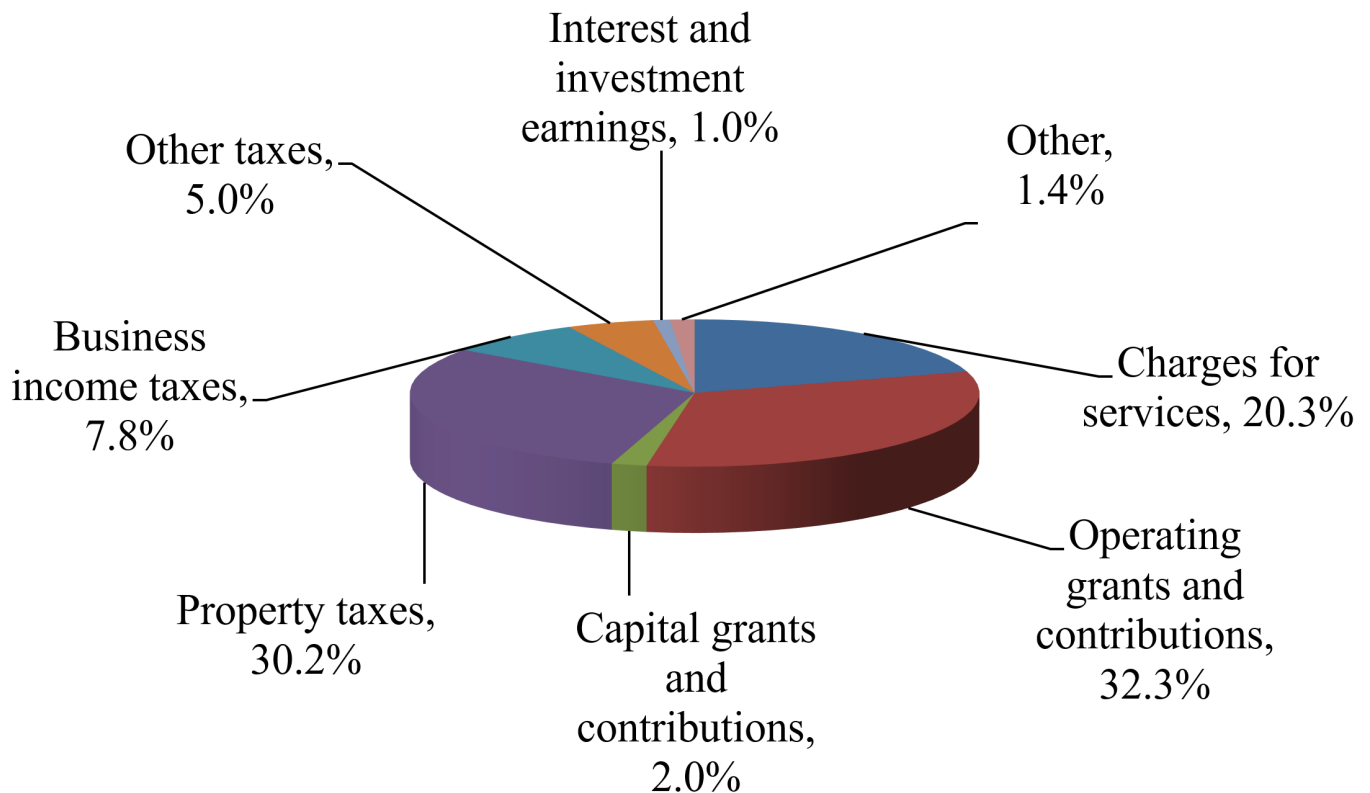
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
(dollar amounts expressed in thousands)

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

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

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

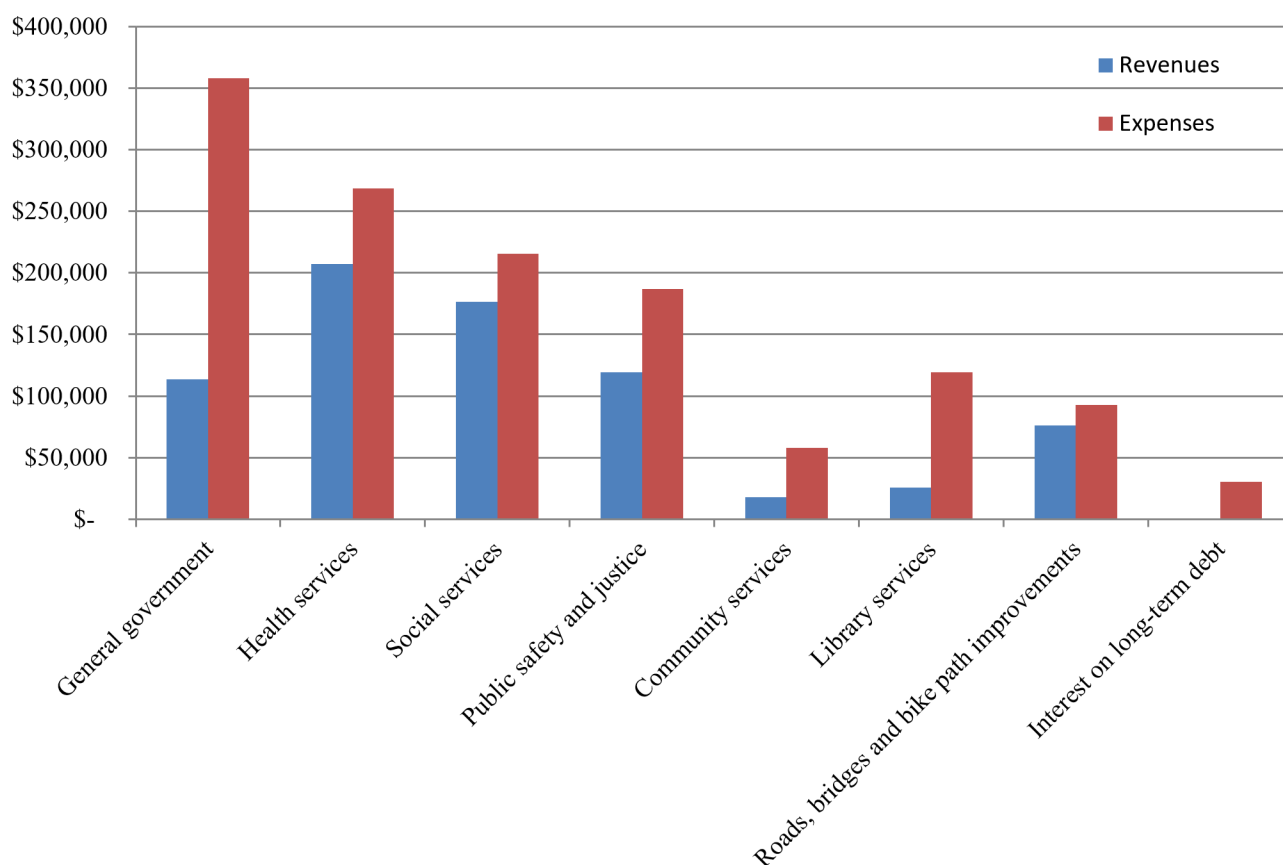
Revenues by Source - Governmental Activities



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

Expenses and Program Revenues - Governmental Activities

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



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

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

Financial Analysis of the Government's Funds

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

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

Other restricted resources include grant programs, improvements to roads or bike paths, various community support or future debt service. The remainder of fund balance is either *committed* for resources constrained on use by the Board of County Commissioners via a County Ordinance or Board resolution or is *nonspendable* to indicate that it is not available for discretionary spending because it has already been dedicated to prepaid items and inventories. Additional information on the County's fund balances can be found in *Note III.H. Fund balances, governmental funds* of this report.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$96,249 in the General Fund or approximately 85.8 percent of the total fund balance of \$112,175. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total General Fund expenditures of \$569,195. Unassigned fund balance of the General Fund represents 16.9 percent of total General Fund expenditures.

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

The Federal/State Program Special Revenue Fund has a total fund balance of \$11,645, of which only \$105 is nonspendable due to balances reported for prepaid items and inventories. The restricted balance of \$11,540 includes grants and other amounts received in advance that are restricted to specific purposes by external parties. In general, federal revenues are closely matched with federal expenditures.

The County has replaced the outdated Multnomah County Central Courthouse. The Downtown Courthouse Capital Fund is a capital project fund that was established to capture costs associated with this project. This fund ended with a total fund balance of \$3,471 in fiscal year 2020, a decrease of \$38,288 under the prior year's ending fund balance of \$41,759. This decrease represents spent debt proceeds used to finance construction of the new courthouse.

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

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

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

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

The total change in net position for all proprietary funds was a decrease of \$406. Other factors concerning the finances of these three funds have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The adjustments necessary to bring the expenditure budget into agreement with the revised revenue budget account for some of the differences between the original General Fund budget and the final adopted budget. Final budgeted revenues increased by \$5,572 and final budgeted expenditures increased by \$2,929 from the adopted budget.

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

- Final budgeted expenditures for the Sheriff's Office increased by \$1,529 primarily for patrol services. The Health Department also had an increase of \$5,276 in budgeted expenditures for emergency fund in Integrated Clinical Services.
- Contingency modifications accounted for increases in budgeted expenditures not were not anticipated at the time the budget was adopted and/or were not accompanied by increased revenues. Contingency may be used only when approved by the Board for a specific purpose and department. There was no effect on the ending General Fund budgetary fund balance as a result of these budget amendments. Contingency was reduced by \$4,340 from the original to the final budget and was attributed to:
 - Most of the contingency modifications include \$2,200 that was identified by the Department of County Assets for schematic, design development, pre-construction and early construction activities for the Behavioral Health Resource Center.
 - The Board of County Commissioners approved the use of \$1,278 of General Fund contingency to keep the Inverness Jail dorm open in fiscal year 2020 that would have otherwise been closed due to a reduction in State Community Corrections funding in the Federal/State Program Fund. This also had an impact on and reduced central indirect.
 - A contingency modification for \$880 was made for structural repairs for the SE Health Center.

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

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

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

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

Capital Assets and Debt Administration

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

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

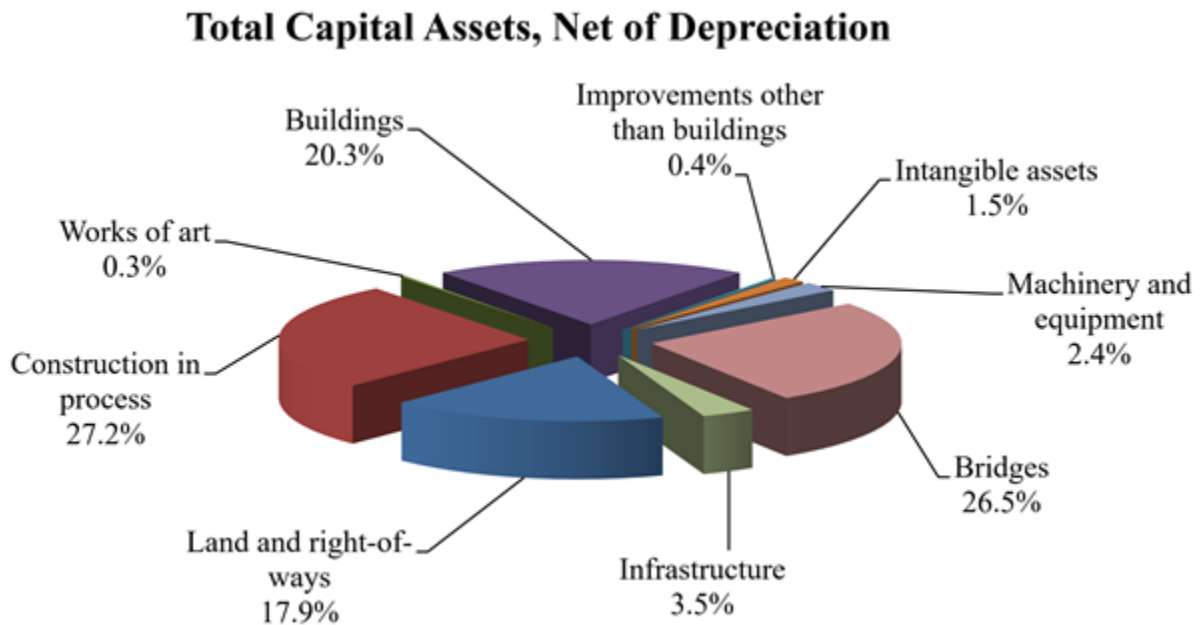
The increase in construction in process of \$14,288 is attributed to \$73,310 in additional project costs for the Downtown Courthouse, which is offset by the \$82,266 for the Health Department headquarters facility that was capitalized during the fiscal year.

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

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

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

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



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

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

Multnomah County's Outstanding Debt

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

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

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

State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of the real market value of all taxable property within the government's boundaries. The current debt limitation for the County for general obligation debt is \$3,531,419. The County is not currently using any of this debt limit.

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

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

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

Key Economic Factors and Budget Information for Next Year

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

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

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

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

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

MULTNOMAH COUNTY, OREGON
Statement of Activities
For the year ended June 30, 2020
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 358,021	\$ 90,752	\$ 22,116	\$ 670	\$ (244,483)	\$ -	\$ (244,483)	\$ -
Health services	268,679	107,636	99,288	-	(61,755)	-	(61,755)	-
Social services	215,204	7,321	167,523	1,654	(38,706)	-	(38,706)	-
Public safety and justice	186,941	34,103	85,032	-	(67,806)	-	(67,806)	-
Community services	57,867	14,503	3,556	3	(39,805)	-	(39,805)	-
Library	119,455	3,203	1,999	20,292	(93,961)	-	(93,961)	-
Roads, bridges, and bike path improvements	92,592	15,654	55,484	5,163	(16,291)	-	(16,291)	-
Interest on long-term debt	30,499	-	-	-	(30,499)	-	(30,499)	-
Total governmental activities	1,329,258	273,172	434,998	27,782	(593,306)	-	(593,306)	-
Business-type activities:								
Dunthorpe-Riverdale Service District No. 1	706	50	-	-	-	(656)	(656)	-
Mid County Service District No. 14	476	24	-	-	-	(452)	(452)	-
Behavioral health managed care	27,399	26,633	-	-	-	(766)	(766)	-
Total business-type activities	28,581	26,707	-	-	-	(1,874)	(1,874)	-
Total primary government	\$ 1,357,839	\$ 299,879	\$ 434,998	\$ 27,782	\$ (593,306)	\$ (1,874)	\$ (595,180)	\$ -
Component unit:								
The Library Foundation	\$ 2,438	\$ -	\$ 1,184	\$ -	\$ -	\$ -	\$ -	\$ (1,254)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					406,450	1,468	407,918	-
Personal income taxes					3	-	3	-
Business income taxes					104,300	-	104,300	-
Selective excise and use taxes					66,258	-	66,258	-
Payments in lieu of taxes					384	-	384	-
State government shared unrestricted revenues					12,399	-	12,399	-
Grants and contributions not restricted to specific programs					8	-	8	565
Interest and investment earnings					12,742	-	12,742	244
Gain/(loss) on investments					151	-	151	-
Miscellaneous					6,250	-	6,250	-
Gain on disposal of capital assets					4	-	4	-
Total general revenues					608,949	1,468	610,417	809
Change in net position					15,643	(406)	15,237	(445)
Net position - beginning					928,514	7,455	935,969	20,059
Net position - ending					\$ 944,157	\$ 7,049	\$ 951,206	\$ 19,614

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

FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

	General Fund	Federal/State Program Special Revenue Fund	Downtown Courthouse Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 444,011	\$ -	\$ -	\$ 133,036	\$ 577,047
Payments in lieu of taxes	239	-	-	145	384
Intergovernmental	16,327	300,695	35,693	70,688	423,403
Licenses and permits	14,873	750	-	14,107	29,730
Charges for services	58,827	61,093	10,721	9,097	139,738
Interest	4,005	16	846	4,263	9,130
Non-governmental grants	16,593	5,493	-	1,940	24,026
Service reimbursements	35,358	-	-	74,960	110,318
Miscellaneous	1,324	24	891	3,162	5,401
Total revenues	591,557	368,071	48,151	311,398	1,319,177
EXPENDITURES					
Current:					
General government	103,063	17,379	-	28,513	148,955
Health services	149,063	143,709	-	575	293,347
Social services	75,169	153,702	-	14,659	243,530
Public safety and justice	241,088	46,798	13,113	7,523	308,522
Community services	-	2,581	-	54,235	56,816
Library services	-	-	-	86,212	86,212
Roads, bridges, and bike path improvements	-	-	-	69,688	69,688
Capital outlay	801	293	73,326	33,552	107,972
Debt service:					
Principal	-	-	-	25,033	25,033
Interest	11	-	-	31,797	31,808
Total expenditures	569,195	364,462	86,439	351,787	1,371,883
Revenues over (under) expenditures	22,362	3,609	(38,288)	(40,389)	(52,706)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,764	-	-	112,518	114,282
Transfers out	(13,591)	-	-	(99,459)	(113,050)
Proceeds from sale of capital assets	-	-	-	24	24
Loan remittances	-	(67)	-	-	(67)
Proceeds from issuance of debt	-	54	-	16,075	16,129
Internal loan remittances	-	-	-	(3,000)	(3,000)
Total other financing sources (uses)	(11,827)	(13)	-	26,158	14,318
Net change in fund balances	10,535	3,596	(38,288)	(14,231)	(38,388)
Fund balances - beginning	101,640	8,049	41,759	160,444	311,892
Fund balances - ending	\$ 112,175	\$ 11,645	\$ 3,471	\$ 146,213	\$ 273,504

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

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

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

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

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MAJOR GOVERNMENTAL FUNDS

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

- **General Fund** - accounts for the financial operations of the County which are not accounted for in any other fund. The principal sources of revenues are property taxes, personal income taxes, and business income taxes. Primary expenditures in the General Fund are made for general government, public safety, health and social services.
- **Federal/State Program Fund** - accounts for the majority of grant restricted revenues and expenditures related to funding received from federal, state and local programs. This fund also includes some non-restricted operations revenues in the form of fees and licenses.
- **Downtown Courthouse Capital Fund** - accounts for the planning, land acquisitions, and construction of a new County courthouse. Construction will be funded by a combination of County General Fund and debt issuance proceeds. The *Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual* for the *Downtown Courthouse Capital Fund* can be found in the *Combining and Individual Statements and Schedules - Governmental Funds* section.

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

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

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

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

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

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

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PROPRIETARY FUNDS

The County utilizes eight proprietary funds made up of three enterprise funds and six internal service funds. See the *Combining and Individual Statements and Schedules - Proprietary Funds* section for the internal service funds; this section also includes the *Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual* for the enterprise funds.

Major Enterprise Funds:

These funds are used to finance and account for the acquisition, operation and maintenance of sewage treatment facilities, street lighting facilities and mental health claims administration, which are supported by user charges. The County accounts for certain expenditures of the enterprise funds for budgetary purposes on the modified accrual basis of accounting. For financial reporting purposes, the accrual basis of accounting is used. The difference in the accounting basis used relates primarily to the methods of accounting for depreciation and capital outlay. Funds included are:

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

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

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

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

MULTNOMAH COUNTY, OREGON
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

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

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

MULTNOMAH COUNTY, OREGON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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

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

FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Note I. Summary of significant accounting policies

A. Reporting entity

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

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

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

Blended component units, although legally separate entities, are in substance part of the County's operations. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or levying of taxes. Multnomah County has three blended component units, which are included in this report.

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

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

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

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

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

TLF is a private non-profit organization that reports under the Financial Accounting Standards Board (FASB) standards, including FASB Statement ASC 958, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to TLF's financial information in the County's financial reporting entity for these differences. TLF is an organization that is tax-exempt under Section 501(c) (3) of the Internal Revenue Code.

A complete copy of The Library Foundation's financial statements can be obtained by contacting: The Library Foundation, 620 SW Fifth Ave, Suite 1025, Portland, Oregon, 97204 or online at: <https://www.libraryfoundation.org/facts-and-financials>.

B. Government-wide and fund financial statements

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

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

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

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

Program revenues include:

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Custodial funds have no measurement focus, but do employ the *accrual basis of accounting* for purposes of asset and liability recognition. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) plan and additions to/deductions from OPERS' fiduciary net position have been determined using the accrual basis of accounting, same as the OPERS plan. Plan member contributions are recognized in the period in which contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are recognized at fair value as determined by OPERS.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

Specific fund changes

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

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

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

The County reports the following major governmental funds:

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

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

The *Downtown Courthouse Capital Fund* is a capital project fund that accounts for expenditures for the planning and construction of a new downtown County courthouse. Resources in the fund are derived from the State of Oregon, debt issuance, and other financing proceeds.

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

Capital projects funds account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of County-owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.

Internal service funds account for activities and services performed primarily for other organizational units within the County. The County reports five internal service funds: Risk Management Fund, Fleet Management Fund, Information Technology Fund, Mail Distribution Fund, and Facilities Management Fund.

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

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

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

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

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

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

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

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

Cash, cash equivalents, and investments

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

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

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

Accounts receivables

The activities between funds for which there are balances owing at year end for transactions occurring for which reimbursement has not yet been completed are referred to as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

Property tax receivables are deemed substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. All other receivables are shown net of an allowance for uncollectible accounts.

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

Inventories and prepaid items

Inventories of materials and supplies in the governmental funds are valued at average cost and are included in nonspendable classification of fund balances with the exception of vaccine inventories. Inventories of materials and supplies in the internal service funds are valued at the lower of average cost or market. All inventories are recorded as expenditures under the consumption method rather than when purchased.

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

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

Capital assets

Capital assets, which include land, right of ways, construction in progress, works of art, buildings, machinery and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and property improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the County as assets with an initial, individual cost of more than \$5 for equipment and \$100 for infrastructure and internally developed software with an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phases of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, the County incurred no interest expense for capital assets for business-type activities.

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

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

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

Deferred outflows / inflows of resources

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

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

Unearned revenues

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

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

Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. No liability has been recorded for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay and compensatory time is accrued as a long-term liability when incurred in the government-wide statements and proprietary funds statements. A short-term liability is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements at June 30. Employees can accumulate up to two years of vacation pay before losing any benefit. When employees separate from service and receive payment for accumulated leave benefits, liabilities for compensated absences are liquidated. All compensated absences are paid by the individual funds as they become due.

Pollution remediation obligations

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

In the County's government-wide and proprietary fund financial statements, pollution remediation costs would be reported in the *Statement of Revenues, Expenses, and Changes in Fund Net Position* as a program or operating expense (or as revenues for recoveries received after all remediation activities have been completed), special item or extraordinary item.

In the County's governmental fund financial statements, expenditures and liabilities are recognized upon receipt of goods and services. Estimated recoveries from insurers and other responsible parties reduce any associated pollution remediation expenditures when the recoveries are measurable and available.

Long-term obligations

In the government-wide financial statements and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type *Statement of Net Position*. When incurred, bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures when incurred.

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

Other postemployment benefits (OPEB)

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

Multnomah County Postretirement Medical and Life Insurance Plan - For purposes of measuring the total OPEB liability, deferred outflows and inflows of resources for OPEB, and OPEB expense, the County has relied on actuarial reports. County employees who are eligible to initiate a pension through OPERS at the time of separation from County employment may be eligible for a premium subsidy from the County. This liability is funded via internal service charges from the Risk Management internal service fund to all governmental funds that support personnel costs, via a rate charged to subject salary costs.

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

Pensions

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

Fund balances / net position

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

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

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

Fund balance is reported as ***Restricted*** when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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

Resources that are constrained by the County's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as ***Assigned*** fund balance. The Board expresses their intent to use a resource for a specific purpose by including that resource and associated appropriations in the adopted annual budget for funds outside of the General Fund. The Board may assign fund balances to cover a gap between estimated resources and expenditures in the subsequent year's appropriated budget. Assigned fund balances are not reported in the General Fund, as the County has not established a formal policy regarding the assignment of funds.

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

On the *Statement of Net Position* for government-wide reporting and for the proprietary funds and on the fiduciary funds' *Statement of Fiduciary Net Position*, net position is segregated into three categories: net investment in capital assets, restricted net position, and unrestricted net position.

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

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

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

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted assets. Such revenues include dedicated property taxes, state gas tax, intergovernmental grants, and charges for services, which are legally restricted to finance particular functions or activities. In addition, proceeds from general obligation bonds, revenue bonds, and full faith and credit bonds are restricted to support the specific purpose for which the debt was issued.

Contributions

Contributions of cash, property or equipment received from other governments are credited to contribution revenue and recorded in the government-wide financial statements. The County also receives financial gifts and gifts in-kind from The Library Foundation. These in-kind donations from The Library Foundation are recorded at acquisition value upon receipt, as contribution revenue in the government wide and fund financial statements.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

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

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

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E. Adoption of new accounting pronouncements and standards

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

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

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

F. Future adoption of accounting pronouncements and standards

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Note II. Stewardship, compliance, and accountability

A. Budgetary information

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

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

The adopted budget is prepared by fund and department levels. County department managers may make transfers of appropriations within a department and fund. Transfers and changes (increases) of appropriations between departments or funds require approval of the Board prior to the related expenditures.

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

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

B. Expenditures in excess of appropriations

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

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

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C. Deficit net position

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

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

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

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

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Note III. Detailed notes

A. Cash and investments

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

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

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

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

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

Deposit risk

Policies

Oregon Revised Statutes (ORS), Chapter 295 governs that the Office of the State Treasurer (OST) be given responsibility for overseeing collateralization of public funds held by depositories, banks and credit unions in Oregon. The Public Funds Collateralization Program (PFCP) requires well-capitalized depositories to pledge securities with a market value of at least 10 percent of their uninsured public deposits. The OST may require up to 110 percent be pledged for those banks that are poorly capitalized. A list of depositories that may accept public deposits over the insurance limits can be found at: <https://www.oregon.gov/treasury/public-financial-services/public-depository-information/pages/list-of-qualified-depositories.aspx>

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

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Custodial risk

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

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

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Investment risk

Policies

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

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

The County is authorized to invest in the LGIP, an open-ended, no-load diversified portfolio. The LGIP is commingled with other state funds in the Oregon Short-Term Fund (OSTF). These investments are governed by a written investment policy that is reviewed annually by the, Governor appointed, OSTF Board. The OSTF is not managed as a stable net asset value fund; therefore, preservation of principal is not assured. The OSTF financial statements and its portfolio rules can be obtained at www.ost.state.or.us. The LGIP is not rated by any national rating service.

Custodial risk

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

Credit risk

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

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Concentration of credit risk

Policies

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

1. Corporate indebtedness must be rated on the settlement date, AA- or better by Standard & Poor's Corporation, or Aa3 or better by Moody's Investors Service or the equivalent rating by any nationally recognized statistical rating organization.
2. Notwithstanding item one, corporate indebtedness must be rated AA-or better by Standard & Poor's or AA- by Moody's, or the equivalent rating by any nationally recognized statistical rating organization when issued by a business enterprise that has its headquarters in Oregon, employs more than 50 percent of its permanent workforce in Oregon, or has more than 50 percent of its tangible assets in Oregon.
3. Purchase of commercial paper and other corporate debt not insured by an agency of the U.S. Government up to 25 percent of the total investment portfolio is allowed, but may exceed that limit up to 30 percent for a period not to exceed ten consecutive business days.
4. U.S. Government agencies are limited to 75 percent of the investment portfolio.
5. Investments guaranteed by an agency of the U.S. Government (e.g., the U.S. Treasury or the FDIC) may be owned without limit.
6. Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term debt rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (2)]. Also, lawfully issued debt obligations of the States of California, Idaho, Washington, and their political subdivisions if such obligations have a long-term rating of AA- or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (3)]. For these latter obligations, they are allowable subject to ORS 294.040.

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

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

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

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

Interest rate risk

Policies

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

<u>Maturity</u>	<u>Cumulative Constraint</u>
Less than 30 days	10%
Less than 1 year	35%
Less than 5 years	100%

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

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

At June 30, 2020, the County had the following interest rate and concentration risk. Credit ratings are noted by Moody's and Standard & Poor's respectively:

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

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

Fair value measurement

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

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

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

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

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

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

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

* Amortized cost approximates fair value for the LGIP investment.

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

MULTNOMAH COUNTY, OREGON
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B. Receivables

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

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

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

MULTNOMAH COUNTY, OREGON
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C. Unearned revenue and deferred outflows and inflows of resources

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

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

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Various components of deferred inflows in the governmental funds are reported on the *Governmental Funds Balance Sheet*. Various components of deferred outflows and inflows in the government-wide statements are reported on the *Statement of Net Position*. For details regarding the County's deferred outflows of resources and deferred inflows of resources related to pensions see Note IV.C. *Postemployment benefits other than pensions* and Note IV.D. *Employee retirement systems, pension plans and deferred compensation plan*.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020
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D. Operating leases

Operating leases for certain land, buildings and equipment used in governmental operations that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2020, are as follows:

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

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

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

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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E. Interfund receivables, payables, and transfers

Interfund transfers

The primary purposes of significant transfers include the following:

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

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

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

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

Due from / Due to other funds

The County records "due from" and "due to" transactions in order that individual funds will be able to meet cash flow needs at year end and prevent a fund from reporting a negative cash balance. The amount payable to the General Fund from the Justice Services Special Operations Fund of \$169 is related to providing interim working capital financing. This balance is collected in the subsequent year.

Interfund loans

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

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F. Capital assets

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

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

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

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

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

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

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G. Long-term debt

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

Full faith and credit bonds

On December 1, 1999, the County issued \$184,548 in taxable Revenue Pension Obligation Bonds with interest rates from 6.49 to 7.74 percent to fund the County's unfunded accrued actuarial liability (UAAL). Bonds were rated Aa2 by Moody's. The County estimates that by funding the actuarial liability, the County will receive a present value savings of \$35,776 between the amount calculated by the Oregon Public Employees Retirement System (OPERS) to retire the UAAL and the amount of the debt repayment. Payment of principal and interest, except for a term bond, are guaranteed by National Public Finance Guarantee. At June 30, 2020, \$47,274 of these bonds were outstanding.

On December 14, 2010, the County issued \$15,000 in Full Faith and Credit Obligations, Series 2010B, with interest rates from 4 to 5.05 percent. Bonds were rated Aa1 by Moody's. The proceeds from the sale of the obligations were used to finance the construction costs for the East County Courthouse (ECC). At June 30, 2020, the entire debt issue was outstanding.

On December 4, 2012, the County issued \$128,000 in Full Faith and Credit Obligations, Series 2012, at a premium of \$21,113, with interest rates from 3 to 5 percent. Bonds were rated Aa1 by Moody's and AA by Standard & Poor's. The obligations were issued to finance and refinance construction of the Sellwood Bridge. The obligations were issued to support construction of a new Sellwood Bridge along with upgrades to the east and west end approaches. At June 30, 2020, the outstanding balance on the Series 2012 bonds was \$95,855 and the balance on the unamortized premium was \$13,723.

On June 18, 2014, the County issued \$22,530 in Full Faith and Credit Refunding Obligations, Series 2014, at a premium of \$2,562 with interest rates from 3 to 5 percent. Bonds were rated Aa1 by Moody's. This debt issue was all used as a current refunding during the 2015 fiscal year, which the proceeds of the obligations were used to refund debt (fiscal years 2016 through 2020 or \$24,395 in principal) on the Series 2004. During fiscal year ending June 30, 2020, the entire debt was repaid.

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

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

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.74-7.74%	\$ 317,297

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

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

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

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

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

MULTNOMAH COUNTY, OREGON
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Capital leases

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

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

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

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

Future minimum lease payments are as follows:

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

MULTNOMAH COUNTY, OREGON
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Loans payable

Levee Ready Columbia Project Financing

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

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

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

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

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

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

Transportation Improvements Financing

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.98%	<u>\$ 1,531</u>

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

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

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

Pollution remediation obligations

Pollution remediation obligations address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, including pre-cleanup activities, cleanup activities, government oversight and enforcement-related activities, and post remediation monitoring.

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

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

Compensated Absences

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

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

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

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

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Changes in long-term liabilities

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

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

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Conduit financing

Multnomah County Conduit Financing

On December 1, 1999, the County issued \$9,830 in Higher Education Variable Rate Demand Revenue Bonds. The proceeds of these bonds were used to provide funds to reimburse Concordia University for the costs of acquiring, constructing and improving the educational facilities of the University (the Project), fund a debt service reserve fund and pay the costs of issuing the bonds.

The Higher Education Revenue Bonds have not been recognized as a liability of the County because the bonds are secured solely by the provisions of the Bond indenture and payments are made by Concordia University. The County is not responsible for the repayment of conduit debt. As the County does not own any of the assets constructed or assume any liabilities associated with the Project, there is no balance sheet disclosure or recognition of revenues and expenditures within the County's financial statements.

As of June 30, 2020, \$4,850 of the Higher Education Variable Rate Demand Revenue Bonds remained outstanding.

Hospital Facilities Authority of Multnomah County Conduit Financing

On December 3, 1998, the County created a component unit, the Hospital Facilities Authority of Multnomah County, Oregon (the Authority). The Authority issues hospital revenue bonds for construction and improvements to health facilities in Multnomah County. The proceeds of these bonds were used by health care facilities to finance various capital projects and refund outstanding bonds.

The debt has not been recognized as a liability of the County or the Authority because the bonds are secured solely by the provisions of the bond indenture and payments are made by the health care facilities. The obligors have pledged the gross revenues of the health care facilities to secure payment of the bonds. The bonds shall not be payable from a charge upon any fund or asset, nor shall the County or the Authority be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County.

Upon completion of the project, the assets constructed or purchased are owned by the respective health care facility. Since neither the County nor the Authority own any assets or assume any liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County's financial statements.

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

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

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H. Fund balances, governmental funds

On the *Balance Sheet – Governmental Funds*, the fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances by classification for the year ended June 30, 2020, were as follows:

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

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Note IV. Other information

A. Risk management

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

The County purchases a large deductible policy for property loss and specific policies for specialty coverage to cover losses where insurance is afforded. Motor vehicle property loss insurance coverage is only offered with a large deductible that historically, the majority of our loss costs do not reach.

Premiums are calculated on payroll expenses in all funds and are paid into the risk management fund, an internal service fund. The funds are available to pay claims, claim reserves, loss prevention efforts, and administrative costs. These interfund premiums are used to offset the amount of claims expenditures reported in the risk management fund. As of June 30, 2020, interfund premiums exceeded reimbursable expenditures.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Discount factors of 0.904 and 0.93 were used to estimate the year-end workers' compensation component and the liability component, respectively. Annually, the County submits workers' compensation fund liabilities to the State as per ORS 436-050-0185; surety bond exemption requirements for counties.

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. The County's excess insurance coverage policies cover claims in excess of \$1,000 for workers' compensation and \$1,000 for all liability claims. Settlements have not exceeded coverages for each of the past three fiscal years. The County anticipates the balance in the claims liability account at year-end will be paid within the next fiscal year.

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

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

B. Commitments and contingent liabilities

Grants

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

Lawsuits

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

Construction contracts

The County has entered into various construction and non-construction contracts at fiscal year-end. The commitments noted below are evidenced by signed purchase orders or contracts that were entered into prior to June 30, 2020.

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

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Labor agreements

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

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

C. Postemployment benefits other than pensions

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

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

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

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Plan benefits

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

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

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

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

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

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

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

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

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

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

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

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Actuarial methods and assumptions used in developing total RHIA OPEB asset

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

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

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

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Discount rate

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

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

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

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

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

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Long-term expected rate of return

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

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60%	4.07%
Short-term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Real Estate (REITS)	2.50%	6.69%
Real Estate (Property)	10.00%	5.55%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Private Equity	17.50%	8.33%
Commodities	1.13%	3.79%
Hedge Fund of Funds – Diversified	1.50%	4.06%
Hedge Fund – Event-driven	0.38%	5.59%
Portfolio - Net of Investment Expenses	100.00%	6.91%
Assumed Inflation - Mean		2.50%

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Multnomah County Postretirement Retiree Medical and Life Insurance Plan

Plan description. The County also administers a single-employer defined benefit healthcare and life insurance plan (the Plan) per the requirements of collective bargaining agreements. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. The Plan states the County shall pay 50 percent of the monthly medical insurance premium on behalf of a County retiree and his/her eligible dependents from the retiree's 58th birthday or date of retirement, whichever is later, until the retiree's 65th birthday, death or eligibility for Medicare, whichever is earlier. Retirees must have five years of continuous County service immediately preceding retirement at or after age 58, or ten years of continuous County service immediately preceding retirement prior to age 58. The Plan does not issue a publicly available financial report.

Plan benefits

Funding policy. A trust fund has not been established to hold resources for the payment of benefits for the total OPEB obligation. Contribution requirements are negotiated between the County and union representatives. The Plan offers retirees a health benefit equal to half of their monthly premium; retirees are required to pay the other half. The County's regular health care benefit providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The County is contractually obligated by collective bargaining agreements to cover 50 percent of the annual premium costs, which are two percent of annual covered payroll to fund the Plan.

At the date of the last valuation, January 1, 2019, there were 518 retirees enrolled in the OPEB medical benefit and 2,205 retirees with life coverage. Retirees with medical insurance noted above excludes post-age 65 retirees who are not covering their pre-age 65 spouses and/or dependents, as the County does not incur any liability from those participants. In addition, retirees may enroll in dental insurance at their own cost; the County does not incur any liability for retiree dental coverage.

The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2020, the County contributed \$5,921 to the Plan, of which \$2,587 was explicitly contributed as part of the contractual obligation described above; the remaining \$3,334 represents the implicit subsidy derived from active employee contributions. Administrative expenses of \$373 are included in the explicit contributions.

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Actuarial methods and assumptions used in developing total OPEB liability

The total OPEB liability based on the January 1, 2019 valuation was determined using the following actuarial methods and assumptions:

Measurement date	January 1, 2020
Actuarial assumptions:	
Discount rate:	
As of January 1, 2019	4.10 percent
As of January 1, 2020	2.74 percent
	(Bond Buyer 20-Bond GO Index as of December 27, 2018, and December 26, 2019)
Healthcare cost trends	Ranges from 6.6 percent in 2020 decreasing to 4 percent in 2035
Wage inflation rate	3.50 percent per year
Salary merit increase rates	Rates used in 2016 OPERS experience study
Mortality	Rates used in 2016 OPERS experience study

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

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

In the January 1, 2019 actuarial valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each individual is allocated on a level basis over the earnings or service of the individual between date of hire and assumed retirement date.

Changes since the last valuation

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

Per-person health care cost trends from 2019 to 2020 were updated so that the projected 2020 premium amounts match the actual 2020 premiums.

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Any change in total OPEB liability due to benefit changes is recognized immediately. During fiscal year ending June 30, 2020, the change due to the repeal of the excise tax on "Cadillac" plans was treated as a benefit change. The "Cadillac Tax" in the Affordable Care Act (ACA) was repealed in the Further Consolidated Appropriations Act 2020 (Budget Bill) dated December 19, 2019. The repeal of the "Cadillac Tax" was reflected in the January 1, 2020 total OPEB liability by removing the previously assumed cost of the excise tax.

Changes in total OPEB liability

The table below shows the changes in the total OPEB liability during the measurement period ending on January 1, 2020.

<u>Changes in Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at January 1, 2019	\$ 109,250
Changes for the year:	
Service cost	5,965
Interest	4,480
Changes of benefits	(98)
Differences between expected and actual experience	(3,143)
Changes of assumptions	10,558
Benefit payments:	
Explicit subsidy	(2,587)
Implicit subsidy	(3,334)
Net changes	11,841
Balance at January 1, 2020	\$ 121,091

During the measurement year, the total OPEB liability increased by \$11,841. The service cost and interest cost increased the total OPEB liability by \$10,445 while benefit payments reduced the total OPEB liability by \$5,921.

There was a change in benefits during the measurement year due to the repeal of the excise tax, which decreased the total OPEB liability by approximately \$98. There was a change in assumptions during the measurement year decreasing the discount rate, which increased the total OPEB liability by approximately \$10,558. There was as liability gain during the year due to the actual health trend rates, which decreased the total OPEB liability by approximately \$3,143.

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Sensitivity analysis of the County's Plan for total OPEB liability to changes in the discount rate

Changes in the discount rate affect the measurement of the total OPEB liability. Lower discount rates produce a higher total OPEB liability and higher discount rates produce a lower total OPEB liability. The table below shows the sensitivity of the total OPEB liability to the discount rate.

	1% Decrease 1.74%	Current Discount Rate 2.74%	1% Increase 3.74%
Total OPEB liability	\$ 129,481	\$ 121,091	\$ 113,233

A one percent decrease in the discount rate increases the total OPEB liability by approximately 6.9 percent and a one percent increase in the discount rate decreases the total OPEB liability by approximately 6.5 percent.

Sensitivity analysis of the County's Plan for total OPEB liability to changes in the healthcare trends

Changes in the healthcare trends also affect the measurement of the total OPEB liability. Lower healthcare trends produce a lower total OPEB liability and higher healthcare trends produce a higher total OPEB liability. The table below shows the sensitivity of the total OPEB liability to the health care trends.

	1% Decrease	Healthcare Trend	1% Increase
Total OPEB liability	\$ 108,635	\$ 121,091	\$ 135,664

A one percent decrease in the healthcare trends decreases the total OPEB liability by approximately 10.3 percent and a one percent increase in the healthcare trends increases the total OPEB liability by approximately 12 percent.

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OPEB deferred inflows and outflows of resources

The table below summarizes the current balances of deferred outflows of resources related to the Plan along with the net recognition over the next five years and the total recognition thereafter, if any.

Schedule of Deferred Outflows / (Inflows) of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows / (Inflows) of Resources
Differences between expected and actual experience	\$ 475	\$ (13,556)	\$ (13,081)
Changes in assumptions	10,702	(4,752)	5,950
Subtotal	11,177	(18,308)	(7,131)
Contributions subsequent to the measurement date:			
Explicit subsidy	1,341	-	1,341
Implicit subsidy	1,688	-	1,688
Administrative expenses	195	-	195
Total contributions subsequent to measurement date	3,224	-	3,224
Net deferred outflows / (inflows) of resources	<u>\$ 14,401</u>	<u>\$ (18,308)</u>	<u>\$ (3,907)</u>

Amounts reported as deferred outflows due to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Future Recognition of OPEB Expense
2021	\$ (1,532)
2022	(1,532)
2023	(1,532)
2024	(1,532)
2025	(2,063)
Thereafter	1,060
Total	<u>\$ (7,131)</u>

The impacts of experience gains or losses and assumption changes on the total OPEB liability are recognized in expense over the average expected remaining service life of all active and inactive members of the Plan. As of the measurement date, this recognition period was seven years.

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During the year, actual experience differed from assumed experience decreasing the total OPEB liability by \$3,142. Approximately \$523 is recognized in the current year and an identical amount will be recognized in each of the next six years. Unrecognized experience gains from prior years were \$13,556, of which \$475 is recognized in the current year.

Unrecognized experience losses from prior years was \$600, of which \$100 is recognized in the current year. As of January 1, 2020 unrecognized experience gains and losses from the current and prior years result in deferred inflows of resources of approximately \$13,556 and a deferred outflow of resources of approximately \$475.

In addition, changes in assumptions increased the total OPEB liability by approximately \$10,700. Approximately \$1,783 is recognized in the current year and an identical amount will be recognized in each of the next six years. Unrecognized assumption changes from the prior year that increased the total OPEB liability by \$3,600, of which \$500 is recognized in the current year. As of January 1, 2020, unrecognized assumption changes from the current and prior years result in a deferred outflow of resources of approximately \$10,701 and a deferred inflow of resources of approximately \$4,751.

Aggregated information on OPEB plans

For the year ended June 30, 2020, the County recognized a net OPEB expense of \$1,892. The aggregate balance of the County's total OPEB liability, deferred outflows, deferred inflows, and expense related to other postemployment benefits for the County Plan and OPERS RHIA as of June 30, 2020 is as follows:

	County Plan	OPERS RHIA	Totals
Governmental activities:			
Net OPEB asset (liability)	\$ (119,110)	\$ 3,856	\$ (115,254)
Deferred outflows	14,165	1,575	15,740
Deferred inflows	(18,008)	(758)	(18,766)
OPEB Expense (Income)	3,235	(1,015)	2,220
Total governmental activities	(119,718)	3,658	(116,060)
Business-type activities:			
Net OPEB asset (liability)	(1,981)	64	(1,917)
Deferred outflows	236	26	262
Deferred inflows	(300)	(13)	(313)
OPEB Expense (Income)	(323)	(5)	(328)
Total business-type activities	(2,368)	72	(2,296)
Totals:			
Net OPEB asset (liability)	(121,091)	3,920	(117,171)
Deferred outflows	14,401	1,601	16,002
Deferred inflows	(18,308)	(771)	(19,079)
Expense related to OPEB	2,912	(1,020)	1,892
Totals	<u>\$ (122,086)</u>	<u>\$ 3,730</u>	<u>\$ (118,356)</u>

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

State of Oregon Public Employees Retirement System

Plan description. The County is a participating employer in the Oregon Public Employee Retirement System (OPERS), a cost-sharing multiple-employer defined benefit public employee pension plan. The County also maintains a defined contribution plan for the purpose of individual retirement savings through OPERS: the Individual Account Program (IAP). Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS is administered under Oregon Revised Statutes Chapter 238 and Internal Revenue Service 401(a) by the Public Employees Retirement Board (OPERS Board).

OPERS, a fiduciary fund of the State of Oregon, issues a comprehensive annual financial report that can be obtained from Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281, or at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Summary of significant accounting policies – basis of accounting and valuation of investments. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS plan and additions to/deductions from OPERS' fiduciary net position have been determined using the accrual basis of accounting, same as the OPERS plan. Plan member contributions are recognized in the period in which contributions are due, pursuant to legal (or statutory) requirements. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are recognized at fair value as determined by OPERS.

Plan Benefits

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

Tier One/Tier Two Retirement Benefits

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

Pension benefits. The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by an OPERS employer at the time of death,
- The member died within 120 days after termination of OPERS-covered employment,
- The member died as a result of injury sustained while employed in an OPERS-covered job, or
- The member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit changes after retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on COLA is 2 percent, blended based on service, and graded (1.25 percent/0.5 percent).

OPSRP Pension Program

Pension benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age.

- For general service members, 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8 percent is multiplied by the number of years of service and the final average salary.

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- Normal retirement age for police and fire members are age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70-1/2 years.

Disability benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on COLA is 2 percent, blended based on service, and graded (1.25 percent/0.5 percent).

Contributions

Funding policy. OPERS funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS defined benefit plan and the other postemployment plan.

Covered employees are required to contribute 6 percent of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The County has elected to contribute the 6 percent "pick-up" or \$32,626 of the employees' contribution for the year ended June 30, 2020. This "pick-up" is allocated to each employee's Individual Account Program (IAP).

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The County's employer contribution rates for the year ended June 30, 2020 were 23.25 percent for Tier One/Tier Two members, 15.23 percent for OPSRP General Service members, and 19.86 percent for OPSRP Police and Fire members. The County's total contributions, excluding the IAP 6 percent "pick-up," for the year ended June 30, 2020 were:

	<u>Contributions</u>
Pension Benefits	\$ 64,155
OPSRP Defined Benefit	<u>38,224</u>
Subtotal	<u>102,379</u>
Side Account	31,250
Side Account Amortization	<u>(10,697)</u>
Side Account subtotal	<u>20,553</u>
Total Defined Benefit Pension	<u><u>\$ 122,932</u></u>
OPSRP IAP Benefits	\$ 32,626
RHIA Benefits	\$ 856

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

For the fiscal year ended June 30, 2020, the County reported a liability of \$581,413 for its proportionate share of the collective OPERS net pension liability. The collective net pension asset/liability was measured as of June 30, 2019, using the actuarial valuation of December 31, 2017. The County's proportion of the collective net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share at June 30, 2020 and June 30, 2019 was 3.361 and 3.352 percent respectively, resulting in an increase of 0.009 percent.

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For the year ended June 30, 2020, the County recognized a total pension expense of \$37,018. The balance of the County's net pension liability, deferred outflows, deferred inflows, and expense related to other postemployment benefits for the pension as of June 30, 2020 is as follows:

	<u>Pension</u>
Governmental activities:	
Net pension asset (liability)	\$ (571,703)
Deferred outflows	261,071
Deferred inflows	(28,996)
Expense related to pension	<u>37,096</u>
Total governmental activities	<u>(302,532)</u>
Business-type activities:	
Net pension asset (liability)	(9,710)
Deferred outflows	4,434
Deferred inflows	(492)
Expense related to pension	<u>(78)</u>
Total business-type activities	<u>(5,846)</u>
Totals:	
Net pension asset (liability)	(581,413)
Deferred outflows	265,505
Deferred inflows	(29,488)
Expense related to pension	<u>37,018</u>
Totals	<u><u>\$ (308,378)</u></u>

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

<u>Schedule of Deferred Outflows / (Inflows) of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 32,063	\$ -	\$ 32,063
Changes of assumptions	78,875	-	78,875
Net difference between projected and actual earnings on investments	-	(16,482)	(16,482)
Changes in proportionate share	1,178	(10,774)	(9,596)
Differences between employer contributions and proportionate share of contributions	<u>30,457</u>	<u>(2,232)</u>	<u>28,225</u>
Total (prior to post-measurement date (MD) contributions)	142,573	(29,488)	113,085
Contributions subsequent to the MD	<u>122,932</u>	<u>-</u>	<u>122,932</u>
Net deferred outflows / (inflows) of resources	<u><u>\$ 265,505</u></u>	<u><u>\$ (29,488)</u></u>	<u><u>\$ 236,017</u></u>

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The total deferred outflows of resources of \$122,932 were reported related to pension contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

In addition to these deferred outflows, the County made an additional side account payment for \$25,000. This side account will be treated as a deferred outflow for contributions in excess of the County's proportionate share of contributions in subsequent years and amortized. The County received an allotment from the Employer Incentive Fund for \$6,250 for their participation in OPERS. There was an amortization of OPERS side accounts for a reduction of \$10,697.

Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense and a reduction of the net pension liability/collective net pension liability in subsequent years as follows:

Fiscal Year Ending June 30,	Differences between expected and actual experience	Changes in Assumptions	Net Difference Between Projected and Actual Earnings on Investments	Changes in Proportionate Share	Difference between Employer Contributions and Proportionate Share of Contributions	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ 10,868	\$ 39,509	\$ 5,685	\$ (3,560)	\$ 10,249	\$ 62,751
2022	8,514	21,989	(24,524)	(3,117)	10,614	13,476
2023	6,348	14,481	(3,497)	(2,626)	6,699	21,405
2024	5,294	2,896	5,854	(336)	734	14,442
2025	1,039	-	-	43	(71)	1,011
Thereafter	-	-	-	-	-	-
Total	<u>\$ 32,063</u>	<u>\$ 78,875</u>	<u>\$ (16,482)</u>	<u>\$ (9,596)</u>	<u>\$ 28,225</u>	<u>\$ 113,085</u>

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Actuarial methods and assumptions used in developing total pension liability

The total pension liability based on the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

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

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study, which reviewed experience for the four-year period ended on December 31, 2016.

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Discount rate

The discount rate used to measure the total pension liability of the Plan was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

GASB 67 generally requires that a blended discount rate be used to measure the total pension liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where fiduciary net position is not projected to cover benefit payments and administrative costs.

Sensitivity analysis of the County's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
County's proportionate share of the net pension liability	\$ 931,081	\$ 581,413	\$ 288,789

MULTNOMAH COUNTY, OREGON
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Long-term expected rate of return

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

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Real Estate (REITS)	2.50%	6.69%
Real Estate (Property)	10.00%	5.55%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Private Equity	17.50%	8.33%
Commodities	1.13%	3.79%
Hedge Fund of Funds – Diversified	1.50%	4.06%
Hedge Fund – Event-driven	0.38%	5.59%
Portfolio - Net of Investment Expenses	100.00%	6.91%
Assumed Inflation - Mean		2.50%

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OPSRP Individual Account Program

The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are OPERS or OPSRP eligible. State statutes require covered employees to contribute 6 percent of their annual covered salary to the IAP plan effective January 1, 2004. Multnomah County has elected to pay all of the employees' required IAP contributions. Although OPERS members retain their existing OPERS account, all current member contributions are deposited into the member's IAP account. The liability outstanding at June 30, 2020 was \$1,009 for the amount associated with the final year-end payroll and is included in the net pension liability in the *Statement of Net Position*.

Pension benefits. The IAP member becomes vested on the date the employee account is established or on the date when the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

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

Recordkeeping. OPERS contracts with VOYA Financial to maintain IAP participant records.

Deferred Compensation Plan

Plan description. The County offers employees a voluntary deferred compensation plan (the Plan) administered by the County. The Plan is a defined contribution plan created in accordance with Internal Revenue Code Section 457. The County's deferred compensation committee has the authority to establish or amend the plan provisions. The Plan is available to any individual who is an elected official of the County or who is employed by the County in a regular position after completing 30 days of service, and permits them to defer a portion of their salary until future years.

Participation in the plan is voluntary. Contributions are made through salary withholdings from participating employees up to the amounts specified in the code. No contributions are required from the County.

MULTNOMAH COUNTY, OREGON
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Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. No Plan assets have been used for purposes other than the payment of benefits. At June 30, 2020, the amount deferred and investment earnings thereon, adjusted to fair value, amount to \$493,050. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

E. Tax abatements

Tax abatements granted by other governments

Seven tax abatement programs administered by outside municipalities impact the County's property tax revenues.

Low Income Rental Housing Program (ORS 307.540 to 307.548)

The State of Oregon's Low Income Rental Housing program (LIRH) provides property tax abatements to encourage nonprofit organizations to help fill the need for low-income housing. The LIRH program allows a city or county to abate property taxes for low-income rental housing owned or being purchased by a nonprofit corporation. The property must be in use as housing or must be held for that purpose. Qualifying nonprofit corporations must be exempt from federal income tax [Section 501(c)(3) or (4) of the Internal Revenue Code] and upon liquidation distribute remaining assets to other tax-exempt charitable organizations or the State of Oregon. The nonprofit corporation must certify that the income level of each renter is at or below sixty percent of area median income, which is determined by the State Housing Council based on information from the U.S. Department of Housing and Urban Development. In addition, the nonprofit corporation must describe how the abatement will benefit project residents. This program will sunset as of June 30, 2027 (ORS 307.541).

Enterprise Zone Programs (ORS 285C.050-.255)

The State of Oregon's Enterprise Zone Programs (EZ) allow for property tax abatements on qualified real and personal property owned or leased and newly placed into service by a qualified business in an enterprise zone. Property taxes on qualified property are abated for three years; however, the abatement period may be increased to a total of four or five consecutive years.

In order to qualify for the abatement, the business must meet all of the conditions outlined in ORS 285C.135 and 285C.200, such as engaging in eligible business operations and increasing zone employment by the greater of one additional job or 10 percent. In order to be eligible, property of the business must satisfy applicable timing, lease, location and minimal cost requirements, described in ORS 285C.180. Property is disqualified if it is used for an ineligible activity, such as retail operations, or if the business substantially curtails operations or closes during the abatement period. If property becomes disqualified, prior abated taxes are billed for payment.

MULTNOMAH COUNTY, OREGON
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New Housing Homebuyer Opportunity Limited Tax Exemption (ORS 307.651 to 307.687)

The City of Portland, Oregon's Homebuyer Opportunity Limited Tax Exemption (HOLTE) program abates the real property taxes billed on the residential improvement value for a 10-year period, while the land remains taxable. At the end of the 10-year abatement period, the taxes due will reflect the full assessed value of the property. Homes approved for the HOLTE program must sell for less than the annually established price cap to homebuyers who will live in the homes and meet program income requirements. There is a 100-unit cap on the number of new applications approved each year, although the cap does not apply to applications for properties including long-term affordability covenants.

Core Area Multi-Unit & Transit Oriented Development-GR/PDX (ORS 307.600 to 307.637)

This State of Oregon's Core Area Multi-Unit program (CAMU) provides property tax abatements to stimulate the construction of rental housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas. The CAMU program also encourages city programs emphasizing the development of vacant or underused sites in the core areas with rental rates accessible to a broad range of the general public. The CAMU program provides property tax abatements for multiple family rental housing (excluding land) in core, light rail station, and transit oriented areas for up to ten successive years. The abatement does not include the land or any improvements not part of the multiple unit housing, but may include parking constructed as part of the multiple unit housing construction, addition or conversion. In the case of a structure to which improvements are added or the structure is converted, only the addition or conversion value is abated. Construction is to be completed by January 1, 2022, but an extension is possible. This program will sunset as of January 1, 2022 (ORS 307.612).

Residential Rehabilitation Property (ORS 308.450 to 308.481)

The Residential Rehabilitation Housing Program (RRH) encourages the rehabilitation of existing units in substandard condition and the conversion of transient accommodations to permanent residential units. The RRH program also supports the conversion of nonresidential structures to permanent residential units in order to make these units sound additions to the housing stock of the state.

A city or county may abate property taxes on any value that is attributed to the rehabilitation of housing or conversion of buildings for housing (single or multifamily) for 10 years. If the housing is at least 25 years old at the time of application, it may qualify if it has undergone rehabilitation during or after September 13, 1975, and before January 1, 2017. The rehabilitation must have cost at least five percent of the assessed value of the property before rehabilitation. Regardless of the age of the housing, it may qualify if it has undergone rehabilitations (after October 3, 1989 and before January 1, 2017) that cost at least 50 percent of the assessed value of the property before rehabilitation.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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In addition, the property must satisfy these four conditions:

- Before rehabilitation, fail to comply with one or more standards of applicable building or housing codes
- Be residential units of which at least 50 percent are for non-transient occupants
- If owner-occupied, be in a distressed area as designated by the city or county
- Approved for abatement by the city or county.

A property's value is frozen at its value before rehabilitation for 10 years. However, if the owners of the property enter into a low-income rental assistance contract with a government agency during this time, and if the contract expires after the ten-year period, the property value remains frozen through the term of the contract. Generally, only city or county taxes on qualified property are abated. However, if districts representing at least 51 percent of the taxes on the property pass resolutions supporting the abatement, then the abatement applies to the taxes of all districts.

Historic Property (ORS 358.505)

The Historic Property Program allows qualified historic property to be specially assessed at a frozen value for 10 years. The specially assessed value is the assessed value at the time of application for abatement. The assessed value cannot exceed the assessed value at the time of application; increased value from improvements or inflation is exempt for 10 years. Applications for special assessment must be approved by the State Historical Preservation Officer. Applicants must pay a fee and file a plan for proposed rehabilitation and maintenance. Property may not be classified and specially assessed if the application is filed after June 30, 2020.

Property is dropped from this special assessment at the end of the 10-year period, but can qualify for a second 10-year period if reapplication is approved and the local government (city, or county if not located in a city) does not prohibit it (by resolution). Approval of reapplication requires plans for significant investment in seismic upgrades, energy conservation, or disability access. Following the second 10-year period, the property can no longer qualify.

If, during the course of a special assessment term, the historic property is disqualified, either at the owner's request or from failure to meet the requirements, the tax savings from having a frozen value must be repaid. The additional tax and interest is equal to the sum of the tax benefit received for each year of special assessment as historic property. In addition, a penalty of 15 percent of the back taxes and interest owed is levied upon the disqualified property owner. However, if the property is destroyed or substantially altered by acts of nature or other events for which the owner is not responsible, or transferred to a tax-exempt owner, or transferred to a new owner who expressly assents to and continues to implement the preservation plan in effect, no additional tax or penalty is charged.

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

Senate Bill 192, passed in 2009, made several changes to the historic property tax special assessment program including:

- Special assessment period reduced from 15 years to 10
- As part of a submitted preservation plan, applicants must commit to expending ten percent of the property's real market value (at time of first year's special assessment) within the first five years of special assessment
- Property owners must now submit progress reports concerning the original preservation plan to the State Historic Preservation Officer in the third, sixth, and ninth years of special assessment
- The application fee was reduced from one-third of one percent of real market value to one-tenth of one percent of the assessed value of the property at time of application
- Qualifying properties no longer have to be open to public sight-seeing at least one day per year
- Restricted tax benefits for converting historic property to condominium use

Riparian Habitat Land (ORS 308A.350 to 308A.383)

The State of Oregon Riparian Habitat Land program specifies that property taxation for property designated as riparian land by the State Department of Fish and Wildlife is abated. Designated riparian land must be privately owned streambeds, and the land under adjacent vegetation influenced by the proximity to water, but which does not extend more than 100 feet from the stream bank.

The following types of designated riparian land qualify for the abatement:

- Lands located outside urban growth boundaries (UGB) and zoned as forest or agricultural (including range land) in compliance with statewide planning goals.
- Lands that were outside a UGB and zoned as forest or agricultural (including range land) as of July 1, 1997, but are no longer outside a UGB or so zoned, qualify. The landowner must apply for riparian designation within five years of the change.
- Lands within city and urban growth boundaries may qualify if the city and county authorize the abatement (ORS 308A.360).

The Department of Fish and Wildlife can designate land as riparian habitat land if the owner has developed and implemented a plan for continued protection of the land using approved rehabilitation techniques. The department cannot approve more than 200 miles (increased from 100 miles in 1997) of private stream bank in any one county per year.

The abatement continues until withdrawn by the owner or use is incompatible with riparian use. Upon withdrawal or disqualification, an additional tax equal to the sum of the tax benefit for each year abated (up to five years) is due.

The abatement value is based on farm use assessed value as the alternative to riparian abatement. When land is specially assessed as farm, forest, or open space before riparian designation, any additional tax for a change in designation to riparian is abated.

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

For the fiscal year ended June 30, 2020, Multnomah County abated property taxes totaling \$8,921 under these programs:

Tax Abatement Programs	Taxes Abated Fiscal Year Ended June 30, 2020
Tax abatements granted by other governments:	
Low Income Rental Housing Program	\$ 2,557
Enterprise Loan Programs	3,400
New Housing Homebuyer Opportunity Limited Tax Exemptions	407
Core Area Multi-Unit and Transit Oriented Development	448
Historic Property (2 Term, 10 Year, and 15 Year)	2,106
Riparian Habitat Land	3
Total property taxes abated	<u>\$ 8,921</u>

F. Subsequent events

Changes in Oregon Public Employees Retirement System Plan Provision

On June 11, 2019, Senate Bill 1049 was enacted by the People of the State of Oregon. The elements of the bill include a variety of policy and program changes which will affect the County's pension plan. Most prominent are a one-time 22-year re-amortization of the unamortized actuarial liability for Tier One and Tier Two employees and contribution rate adjustments. The effect of SB 1049 could reduce the County's pension liability. In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The Oregon Supreme Court upheld the legislation on August 6, 2020.

Salary Limit. Beginning January 1, 2020, SB 1049 changed the definition of "salary" for OPERS purposes and created new limitations on annual and monthly "subject salaries." With OPERS, an employee's subject salary is used to determine member Individual Account Program (IAP) contributions, employer contributions to fund the pension program, and the final average salary used in calculating retirement benefits under formula methods. The 2020 limits are \$195 per year or \$16.25 per month, and are indexed to inflation. The monthly limit is used in certain situations when members work fewer than 12 months in a calendar year.

IAP Redirect. Starting July 1, 2020, SB 1049 requires that members earning more than \$2.5 per month have a portion of their 6 percent IAP contributions redirected to a new Employee Pension Stability Account (EPSA) for each member. Funds from the EPSA will be used to pay for part of pension benefits at retirement. The IAP Redirect is in effect when the PERS system is less than 90% funded per the latest official actuarial valuation. The portion of the 6 percent redirected to EPSA depends on the membership type: for Tier One and Tier Two members, 2.5 percent will go to EPSA; for OPSRP members, 0.75 percent is redirected to EPSA. The remainder of the 6 percent IAP contributions will be contributed to each member's IAP accounts as usual.

MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
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IAP Member Choice. In September 2020, members will have the option to invest their IAP balance in an IAP Target-Date Fund (TDF) that better reflects their retirement savings goals. If the choice is made by September 30, 2020, it will take effect as of January 1, 2021. IAP amounts are currently invested in a TDF based on a member's birth year. With Member Choice, members can stay in the fund assigned to their birth year or voluntarily choose a different TDF for the upcoming year, based on their personal risk tolerance.

Work After Retirement. If members decide to return to work for an OPERS-participating employers after retirement, simplified rules apply.

OPSRP Withdrawal. Withdrawal rules for OPSRP members may impact members after they leave OPERS-participating employment and become an inactive member.

Additional details may be found at: <https://www.oregon.gov/pers>.

Vehicle Registration Fee increase

On December 5, 2019, the Board of County Commissioners amended Multnomah County Code 11.250-11.256 to increase the two-year vehicle registration fee from \$19.00 (nineteen dollars) to \$56.00 (fifty-six dollars). The new fee amount is effective in January of 2021. The revenues from the fee increase will be used for the Earthquake Ready Burnside Bridge Project, specifically for project phases: design, right of way, and construction. Providing a seismically resilient Burnside Bridge crossing of the Willamette River is a priority in the County's Capital Improvement Plan.

Early Childhood Education Ballot Measure - Preschool for All Program

On November 3, 2020, Multnomah County voters approved Ballot Measure 26-214. This program will provide tuition-free preschool for children 3 and 4 years of age at enrollment and increase the pay of preschool teachers. This program will be paid for by a 1.5 percent tax on taxable income over \$125 for single filers and \$200 for joint filers, increasing to 2.3 percent tax on January 1, 2026; additional 1.5 percent tax on taxable income over \$250 for single filers and \$400 for joint filers.

Library Bond Measure

On November 3, 2020, Multnomah County voters approved Ballot Measure 26-211, a capital bond measure to expand and modernize library spaces and balance library services more fairly across Multnomah County. The Library bond authorizes the County to issue up to \$387,000 in general obligation bonds. The measure allows the County to impose a property tax at a rate of \$0.61 on every \$1 of assessed value. It will also establish an independent bond oversight committee to audit the usage of the funds.

MULTNOMAH COUNTY, OREGON
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For the Year Ended June 30, 2020
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The measure will fund the following projects:

- Enlarge and update seven branch libraries, including Albina Library, Belmont Library, Holgate Library, Midland Library, North Portland Library, Northwest Library, and St. Johns Library.
- Build a library in East Multnomah County, similar in size to the Central Library in downtown Portland. This would be the first proposed public project, planned to open in early 2025.
- Add gigabit speed internet to all libraries.
- Create a central materials handling and distributions center to increase efficiency and cost effectiveness.

Refunding of Series 2012 Bonds

On October 22, 2020, the Multnomah County Board of County Commissioners approved a resolution authorizing the County's Chief Financial Officer to enter into a financing agreement to refund the principal balance of the County's Series 2012 Full Faith and Credit Obligations. The original Full Faith and Credit bonds were issued in December 2012 for \$128,000 to finance the construction of the Sellwood Bridge. Net present value (NPV) savings are estimated to be 9 percent. Refinancing is expected to close in early January 2021.

Impact on County Finances

The COVID-19 pandemic has had adverse effects on the County General Fund tax revenues, although these impacts are not expected to be material in the short term. They include the following:

- Property Tax delinquencies may slightly increase. Property taxes account for approximately 60 percent of County General Fund revenues. Statutory limits on assessed value growth restrict growth in tax revenues but create some level of stability during an economic recession. The County's November General Fund forecast reduced its fiscal year 2021 budgeted property tax revenues by \$1.08 million anticipating slightly higher delinquency and compression.
- Business Income Tax (BIT) is highly susceptible to economic recessions. In fiscal year 2020, BIT collections were at their highest historical level but the County is forecasting a decline of 3 percent in fiscal year 2021 net of a recent tax rate increase. To safeguard against BIT volatility the County has a policy requirement to maintain an annual contingency reserve of 10 percent.
- Motor Vehicle Rental Tax (MVRT) collections have declined significantly. Tax collections were down 23 percent in Fiscal Year 2020 and the County expects an additional decline of 31 percent in Fiscal Year 2021. MVRT accounts for about 5 percent of County General Fund revenues.

The County continues to monitor the State of Oregon budget process in preparation for potential reductions in the County's Federal/State Program Fund. To this point, the County has not seen significant cuts from the State of Oregon but remains an area of concern.

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REQUIRED SUPPLEMENTARY INFORMATION

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MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

I. Postemployment benefits other than pensions:

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

Schedule of Proportionate Share of Net OPEB - RHIA (Asset) Liability
Other Post Employment Benefits
Last Four Fiscal Years*

Year Ended June 30,	(a) County's Proportion of the Net OPEB Liability (Asset)	(b) County's Proportionate Share of the Net OPEB Liability (Asset)	(c) County's Covered Payroll**	(b/c) County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	2.02880%	\$ (3,920)	\$ 382,776	-1.02%	86.82%
2019	3.38934%	(3,783)	362,524	-1.04%	86.82%
2018	3.34736%	(1,397)	352,909	-0.40%	80.53%
2017	3.41600%	928	335,282	0.28%	91.88%

**This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.*

***As of the measurement date, which is one year in arrears.*

Schedule of OPEB - RHIA Contributions
Other Post Employment Benefits
Last Four Fiscal Years*

Year Ended June 30,	(a) Statutorily Required Contributions	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	(c) County's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
2020	\$ 856	\$ 856	\$ -	\$ 396,481	0.22%
2019	1,006	1,006	-	382,776	0.26%
2018	1,641	1,641	-	362,524	0.45%
2017	1,678	1,678	-	352,909	0.48%

**This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.*

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Multnomah County Postretirement Medical and Life Insurance Plan:

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

	2020	2019	2018
Service cost	\$ 5,965	\$ 7,519	\$ 6,815
Interest	4,480	4,338	4,419
Changes of benefit terms	(98)	-	-
Differences between expected and actual experience	(3,143)	(15,208)	831
Changes of assumptions	10,558	(6,651)	2,889
Benefit payments	(5,921)	(6,221)	(5,993)
Net changes in total OPEB liability	11,841	(16,223)	8,961
 Total OPEB liability - beginning	 109,250	 125,473	 116,512
Total OPEB liability - ending	<u>\$ 121,091</u>	<u>\$ 109,250</u>	<u>\$ 125,473</u>
 Covered payroll**	 \$ 411,321	 \$ 375,508	 \$ 356,084
Total OPEB liability as a percentage of employee payroll	29.44%	29.09%	35.24%

**This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend had been compiled, information is presented only for years for which the required supplementary information is available.*

***As of the measurement date, which is one year in arrears.*

Notes to the Schedule:

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

Per-person health care cost trends from 2019 to 2020 were updated so that the projected 2020 premium amounts match the actual 2020 premiums.

On December 19, 2019, Congress repealed the "Cadillac Tax." The repeal of the "Cadillac Tax" was reflected in the January 1, 2020 total OPEB liability by removing the previously assumed cost of the excise tax.

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

II . Employee retirement systems, pension plan:

State of Oregon Public Employees Retirement System:

Schedule of Proportionate Share of Net Pension Liability (Asset)
Oregon Public Employees Retirement System
Last Seven Fiscal Years*

Fiscal Year Ended June 30,	(a) County's Proportion of the Net Pension Liability (Asset)	(b) County's Proportionate Share of the Net Pension Liability (Asset)	(c) County's Covered Payroll**	(b/c) County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	3.36%	\$ 581,413	\$ 371,464	156.52%	83.10%
2019	3.35%	507,736	355,893	142.67%	86.82%
2018	3.49%	470,736	312,572	150.60%	86.09%
2017	3.51%	526,781	304,993	172.72%	80.53%
2016	3.59%	206,128	303,774	67.86%	91.88%
2015	3.42%	(77,474)	284,960	(27.19)%	103.59%
2014	3.42%	174,421	268,327	65.00%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

**This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.*

***As of the measurement date, which is one year in arrears.*

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

Year Ended June 30,	(a) Statutorily Required Contributions	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)**	(c) County's Covered Payroll	(b/c) Contributions as a Percent of Covered Payroll
2020	\$ 91,682	\$ 122,932	\$ (31,250)	\$ 392,149	31.35%
2019	30,347	55,347	(25,000)	371,464	14.90%
2018	50,244	75,244	(25,000)	355,893	21.14%
2017	37,962	62,962	(25,000)	312,572	20.14%
2016	36,661	36,661	-	304,993	12.02%
2015	29,772	29,772	-	303,774	9.80%
2014	28,158	28,158	-	284,960	9.88%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

**The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.*

***Excess contributions represent contributions to side accounts which provide rate relief.*

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

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

State of Oregon Public Employees Retirement System:

Changes in Plan Provision Subsequent to Measurement Date

Senate Bill 1049, signed into law in June 2019, made a number of changes to the Oregon Public Employees Retirement System (OPERS), including:

- Effective with the calendar year 2020, annual salary included in the calculation of Final Average Salary will be limited to \$195 (as indexed for inflation in future years).
- The OPERS Board was required to implement a one-time re-amortization of Tier One/Tier UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.
- For years 2020 through 2024, the limitation on the hours that can be worked by a rehired retiree is eliminated. Effective January 1, 2020, contributions will also be charged on the payroll of rehired retirees.
- Effective July 1, 2020, a portion of the 6 percent of salary member contribution to the Individual Account Program (IAP) will be redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount will be 2.5 percent of salary, and for OPSRP members the amount will be 0.75 percent of salary. The redirection will only apply to members earning \$2,500 dollars per month or more (indexed for inflation).

In August 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The Oregon Supreme Court upheld the legislation on August 6, 2020.

Changes in Actuarial Methods and Assumptions

A summary of key changes implemented since the December 31, 2017 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 2019, and can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

MULTNOMAH COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Allocation of liability for service segments -

For purposes of allocating Tier One/Tier Two member's actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by OPERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier One/Tier Two population. For the December 31, 2016 and December 31, 2017 valuations, the Money Match was weighted 15 percent for General Service members and zero percent for Police and Fire members. For the December 31, 2018 and December 31, 2019 valuations, this weighting has been adjusted to 10 percent for General Service members and zero percent for Police and Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

Changes in economic assumptions -

Tier One/Tier Two Administrative Expenses. The administrative expense assumptions were updated to \$32.5 million for Tier One/Tier Two and \$8.0 million per year for OPSRP. Previously these were assumed to be \$37.5 million per year and \$6.5 million per year, respectively.

Healthcare Cost Inflation. The healthcare cost inflation for the maximum RHIPA subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2020 by the Patient Protection and Affordable Care Act.

Changes in Demographic Assumptions -

Healthy Annuitant Mortality Base Tables. The healthy annuitant mortality base tables were updated to Pub-2010 generational Healthy Retiree mortality tables with group-specific job category and setback adjustments. Previously they were based on RP-2014 generational Healthy Annuitant mortality tables with group-specific class and setback adjustments.

Disabled Mortality Base Tables. The disabled mortality base tables were updated to Pub-2010 generational Disabled Retiree mortality tables with group-specific job category and setback adjustments. Previously they were based on RP-2014 generational Disabled Retiree mortality tables.

Non-Annuitant Mortality Base Tables. Non-annuitant mortality base tables were updated to Pub-2010 generational mortality tables with same group-specific job category and setback adjustments as for healthy annuitants, and with an additional scaling factor adjustment for certain subgroups. Previously they were based on RP-2014 generational Employee mortality tables with the same group-specific collar and setback adjustments as for healthy annuitants.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES GOVERNMENTAL FUNDS

General Fund*

Special Revenue Funds

- Federal/State Program Fund (Major)*
- Road Fund
- Bicycle Path Construction Fund
- Recreation Fund
- County School Fund
- Animal Control Fund
- Willamette River Bridges Fund
- Library Fund
- Special Excise Tax Fund
- Land Corner Preservation Fund
- Inmate Welfare Fund
- CARES Act Local Government Fund
- Justice Services Special Operations Fund
- Oregon Historical Society Levy Fund
- Video Lottery Fund
- Library District Fund
- Supportive Housing Fund

Debt Service Funds

- Capital Debt Retirement Fund
- PERS Bond Sinking Fund

Capital Projects Funds

- Downtown Courthouse Capital Fund (Major)*
- Asset Replacement Revolving Fund
- Financed Projects Fund
- Library Capital Construction Fund
- Capital Improvement Fund
- Information Technology Capital Fund
- Asset Preservation Fund
- Health Headquarters Capital Fund
- Sellwood Bridge Replacement Fund
- Hansen Building Replacement Fund
- Enterprise Resource Planning Project Fund
- Library District Capital Fund
- Burnside Bridge Fund
- Behavioral Health Resource Center Capital Fund

* Major funds are reported in Fund Financial Statements

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

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
ASSETS				
Unrestricted:				
Cash and investments	\$ 20,991	\$ 25,550	\$ 51,491	\$ 98,032
Receivables:				
Taxes	702	-	-	702
Accounts, net	2,069	151	613	2,833
Loans	-	-	375	375
Inventories	265	-	-	265
Prepays and deposits	691	-	233	924
Restricted:				
Cash and investments	35,919	-	49,490	85,409
Receivables:				
Taxes	4,462	-	-	4,462
Accounts, net	3,403	-	699	4,102
Total assets	<u>\$ 68,502</u>	<u>\$ 25,701</u>	<u>\$ 102,901</u>	<u>\$ 197,104</u>
LIABILITIES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 11,616	\$ -	\$ 5,097	\$ 16,713
Payroll payable	940	-	26	966
Due to other funds	169	-	-	169
Unearned revenue	1,305	-	375	1,680
Liabilities payable from restricted assets:				
Accounts payable	7,160	-	1,806	8,966
Payroll payable	213	-	7	220
Unearned revenue restricted	20,140	-	-	20,140
Total liabilities	<u>41,543</u>	<u>-</u>	<u>7,311</u>	<u>48,854</u>
DEFERRED INFLOWS OF RESOURCES				
Unrestricted:				
Resources not yet available:				
Property taxes	86	-	-	86
Restricted:				
Resources not yet available:				
Property taxes	1,951	-	-	1,951
Total deferred inflows of resources	<u>2,037</u>	<u>-</u>	<u>-</u>	<u>2,037</u>
FUND BALANCES				
Nonspendable	746	-	233	979
Restricted	14,318	-	48,375	62,693
Committed	1,111	25,701	46,373	73,185
Assigned	8,747	-	609	9,356
Total fund balances	<u>24,922</u>	<u>25,701</u>	<u>95,590</u>	<u>146,213</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 68,502</u>	<u>\$ 25,701</u>	<u>\$ 102,901</u>	<u>\$ 197,104</u>

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

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
REVENUES				
Taxes	\$ 133,036	\$ -	\$ -	\$ 133,036
Payments in lieu of taxes	145	-	-	145
Intergovernmental	68,542	302	1,844	70,688
Licenses and permits	4,407	-	9,700	14,107
Charges for services	7,317	1,069	711	9,097
Interest	1,269	720	2,274	4,263
Non-governmental grants	1,940	-	-	1,940
Service reimbursements	350	59,720	14,890	74,960
Miscellaneous	3,088	-	74	3,162
Total revenues	<u>220,094</u>	<u>61,811</u>	<u>29,493</u>	<u>311,398</u>
EXPENDITURES				
Current:				
General government	-	25,003	3,510	28,513
Health services	-	-	575	575
Social services	14,659	-	-	14,659
Public safety and justice	7,515	-	8	7,523
Community services	41,911	-	12,324	54,235
Library services	84,274	-	1,938	86,212
Roads, bridges, and bike path improvements	56,680	-	13,008	69,688
Capital outlay	12,516	-	21,036	33,552
Debt service:				
Principal	-	25,033	-	25,033
Interest	-	31,797	-	31,797
Total expenditures	<u>217,555</u>	<u>81,833</u>	<u>52,399</u>	<u>351,787</u>
Revenues over (under) expenditures	<u>2,539</u>	<u>(20,022)</u>	<u>(22,906)</u>	<u>(40,389)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	86,014	10,056	16,448	112,518
Transfers out	(98,659)	-	(800)	(99,459)
Proceeds from sale of capital assets	24	-	-	24
Proceeds from issuance of debt	-	-	16,075	16,075
Internal loan remittances	-	-	(3,000)	(3,000)
Total other financing sources (uses)	<u>(12,621)</u>	<u>10,056</u>	<u>28,723</u>	<u>26,158</u>
Net change in fund balances	(10,082)	(9,966)	5,817	(14,231)
Fund balances - beginning	<u>35,004</u>	<u>35,667</u>	<u>89,773</u>	<u>160,444</u>
Fund balances - ending	<u>\$ 24,922</u>	<u>\$ 25,701</u>	<u>\$ 95,590</u>	<u>\$ 146,213</u>

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NONMAJOR SPECIAL REVENUE FUNDS

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

- **Road Fund** - accounts for revenues primarily from State motor vehicle fees and County gasoline taxes. Expenditures consist of construction, repair, maintenance, and operation of County highways and roads.
- **Bicycle Path Construction Fund** - accounts for revenue and expenditures for bicycle paths. Revenue is one percent of State motor vehicle fees.
- **Recreation Fund** - accounts for State revenues and the pass through disbursements to Metro for the operation of parks.
- **County School Fund** - accounts for forest reserve yield revenues from the State of Oregon which are apportioned to the County school districts.
- **Animal Control Fund** - accounts for revenues from dog and cat licenses, control fees and transfers to the General Fund which are utilized for animal control activities.
- **Willamette River Bridges Fund** - accounts for capital grants and contributions for County bridges, motor vehicle fees, and gasoline tax proceeds transferred from the Road Fund for bridge inspections and maintenance.
- **Library Fund** - accounts for the public library operations. Principal source of revenue is reimbursement from library district.
- **Special Excise Tax Fund** - accounts for transient lodging tax and motor vehicle tax collections to be used for convention center expenditures.
- **Land Corner Preservation Fund** - accounts for the collection of fees on all recordings of real property transactions and surveying activity. The fund makes expenditures to maintain public land corners.
- **Inmate Welfare Fund** - accounts for the proceeds from the sale of commissary items. Expenditures are made for supplies for inmates in County jails.
- **CARES Act Local Government Fund** - accounts for revenues and expenditures associated with the County's COVID-19 public health emergency response. Expenditures are restricted to public health services, medical services, human services, and measures taken to facilitate COVID-19 public health measures (e.g. care for homeless population). Revenues are primarily from CARES Act: Coronavirus Relief Fund, FEMA, and COVID-specific grant funds..
- **Justice Services Special Operations Fund** - accounts for revenues and expenditures dedicated to justice services in the community justice department, district attorney's office, and sheriff's office.
- **Oregon Historical Society Levy Fund** - accounts for the five year local option levy revenues collected on behalf of the Oregon Historical Society and four East County Historical Societies. The funding is passed through to support the history library, museum and educational programs.
- **Video Lottery Fund** - accounts for revenues received from the Oregon State Lottery. Expenditures are restricted to furthering economic development per House Bill 3188 passed during the Regular Session of the 76th Oregon Legislative Assembly.
- **Library District Fund** - accounts for the revenues and expenditures of the Multnomah Library District. The primary source of revenue is property tax collections related to the permanent rate passed by the voters of Multnomah County for the creation of the Multnomah County Library District on July 1, 2013. Additional sources of revenue include fines and grants. The expenditures are made pursuant to an intergovernmental agreement for library services provided to Multnomah County Library. Library operations will continue out of the Library Fund, with periodic reimbursements from the Library District Fund to the Library operations fund per the intergovernmental agreement.
- **Supportive Housing Fund** - accounts for proceeds from the disposition of the Wapato Facility. Funds are earmarked for use in providing housing services and funding comprehensive housing stabilization strategies.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020
(amounts expressed in thousands)

	<u>Road</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>	<u>Animal Control</u>
ASSETS					
Unrestricted:					
Cash and investments	\$ 3,507	\$ -	\$ -	\$ -	\$ 232
Receivables:					
Taxes	41	-	-	-	-
Accounts, net	52	-	-	-	1
Inventories	265	-	-	-	-
Prepays and deposits	61	-	-	-	-
Restricted:					
Cash and investments	1,200	468	-	-	1,373
Receivables:					
Taxes	1,984	-	-	-	-
Accounts, net	2,525	-	-	-	-
Total assets	<u>\$ 9,635</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,606</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 3,755	\$ -	\$ -	\$ -	\$ -
Payroll payable	54	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	1	-	-	-	-
Liabilities payable from restricted assets:					
Accounts payable	5,626	-	-	-	38
Payroll payable	82	-	-	-	-
Unearned revenue restricted	1	-	-	-	-
Total liabilities	<u>9,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>
DEFERRED INFLOWS OF RESOURCES					
Unrestricted:					
Resources not yet available:					
Property taxes	-	-	-	-	-
Restricted:					
Resources not yet available:					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	116	-	-	-	-
Restricted	-	468	-	-	1,335
Committed	-	-	-	-	-
Assigned	-	-	-	-	233
Total fund balances	<u>116</u>	<u>468</u>	<u>-</u>	<u>-</u>	<u>1,568</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,635</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,606</u>

Willamette River Bridges	Library	Special Excise Tax	Land Corner Preservation	Inmate Welfare	CARES Act Local Government	Justice Services Special Operations
\$ 2,086	\$ 6,764	\$ 1,324	\$ -	\$ 184	\$ -	\$ -
-	87	574	-	-	-	-
-	1,500	-	-	-	-	220
-	-	-	-	-	-	-
49	581	-	-	-	-	-
-	-	-	2,740	-	20,143	-
-	-	-	15	-	-	-
379	-	-	-	-	-	109
<u>\$ 2,514</u>	<u>\$ 8,932</u>	<u>\$ 1,898</u>	<u>\$ 2,755</u>	<u>\$ 184</u>	<u>\$ 20,143</u>	<u>\$ 329</u>

\$ -	\$ 5,878	\$ 1,810	\$ -	\$ 155	\$ -	\$ 18
-	846	-	-	6	-	34
-	-	-	-	-	-	169
-	1,304	-	-	-	-	-
227	-	-	280	-	4	25
86	-	-	23	-	-	22
-	-	-	-	-	20,139	-
<u>313</u>	<u>8,028</u>	<u>1,810</u>	<u>303</u>	<u>161</u>	<u>20,143</u>	<u>268</u>

-	86	-	-	-	-	-
-	-	-	-	-	-	-
-	86	-	-	-	-	-

49	581	-	-	-	-	-
65	-	-	2,452	-	-	61
-	-	88	-	23	-	-
2,087	237	-	-	-	-	-
<u>2,201</u>	<u>818</u>	<u>88</u>	<u>2,452</u>	<u>23</u>	<u>-</u>	<u>61</u>
<u>\$ 2,514</u>	<u>\$ 8,932</u>	<u>\$ 1,898</u>	<u>\$ 2,755</u>	<u>\$ 184</u>	<u>\$ 20,143</u>	<u>\$ 329</u>

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020
(amounts expressed in thousands)

	Oregon Historical Society Levy	Video Lottery	Library District	Supportive Housing Fund	Total
ASSETS					
Unrestricted:					
Cash and investments	\$ -	\$ -	\$ 5,894	\$ 1,000	\$ 20,991
Receivables:					
Taxes	-	-	-	-	702
Accounts, net	-	-	296	-	2,069
Inventories	-	-	-	-	265
Prepays and deposits	-	-	-	-	691
Restricted:					
Cash and investments	16	1,115	5,890	2,974	35,919
Receivables:					
Taxes	95	-	2,368	-	4,462
Accounts, net	-	390	-	-	3,403
Total assets	<u>\$ 111</u>	<u>\$ 1,505</u>	<u>\$ 14,448</u>	<u>\$ 3,974</u>	<u>\$ 68,502</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 11,616
Payroll payable	-	-	-	-	940
Due to other funds	-	-	-	-	169
Unearned revenue	-	-	-	-	1,305
Liabilities payable from restricted assets:					
Accounts payable	-	932	-	28	7,160
Payroll payable	-	-	-	-	213
Unearned revenue restricted	-	-	-	-	20,140
Total liabilities	<u>-</u>	<u>932</u>	<u>-</u>	<u>28</u>	<u>41,543</u>
DEFERRED INFLOWS OF RESOURCES					
Unrestricted:					
Resources not yet available:					
Property taxes	-	-	-	-	86
Restricted:					
Resources not yet available:					
Property taxes	76	-	1,875	-	1,951
Total deferred inflows of resources	<u>76</u>	<u>-</u>	<u>1,875</u>	<u>-</u>	<u>2,037</u>
FUND BALANCES					
Nonspendable	-	-	-	-	746
Restricted	35	573	6,383	2,946	14,318
Committed	-	-	-	1,000	1,111
Assigned	-	-	6,190	-	8,747
Total fund balances	<u>35</u>	<u>573</u>	<u>12,573</u>	<u>3,946</u>	<u>24,922</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 111</u>	<u>\$ 1,505</u>	<u>\$ 14,448</u>	<u>\$ 3,974</u>	<u>\$ 68,502</u>

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

	<u>Road</u>	<u>Bicycle Path Construction</u>	<u>Recreation</u>	<u>County School</u>	<u>Animal Control</u>
REVENUES					
Taxes	\$ 6,157	\$ -	\$ 35	\$ -	\$ -
Payments in lieu of taxes	109	-	-	36	-
Intergovernmental	45,868	98	-	13	-
Licenses and permits	90	-	-	-	1,539
Charges for services	675	-	-	-	42
Interest	194	8	-	1	34
Non-governmental grants	78	-	-	-	163
Service reimbursements	14	-	-	-	-
Miscellaneous	24	-	-	-	-
Total revenues	<u>53,209</u>	<u>106</u>	<u>35</u>	<u>50</u>	<u>1,778</u>
EXPENDITURES					
Current:					
Social services	-	-	-	-	-
Public safety and justice	-	-	-	-	-
Community services	-	-	35	50	217
Library services	-	-	-	-	-
Roads, bridges, and bike path improvements	48,837	-	-	-	-
Capital outlay	<u>9,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>
Total expenditures	<u>58,412</u>	<u>-</u>	<u>35</u>	<u>50</u>	<u>254</u>
Revenues over (under) expenditures	<u>(5,203)</u>	<u>106</u>	<u>-</u>	<u>-</u>	<u>1,524</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(1,524)
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,524)</u>
Net change in fund balances	(5,203)	106	-	-	-
Fund balances - beginning	<u>5,319</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>1,568</u>
Fund balances - ending	<u>\$ 116</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568</u>

Willamette River Bridges	Library	Special Excise Tax	Land Corner Preservation	Inmate Welfare	CARES Act Local Government	Justice Services Special Operations
\$ -	\$ 3	\$ 36,004	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
7,653	196	-	-	-	7,919	-
351	-	-	-	-	-	2,405
29	1	-	1,643	1,211	-	3,234
-	-	78	59	2	81	5
-	-	-	-	-	-	3
-	35	-	3	-	-	298
3,047	5	-	-	-	-	-
11,080	240	36,082	1,705	1,213	8,000	5,945
-	-	-	-	-	8,000	-
-	-	-	-	1,338	-	6,177
-	-	36,029	-	-	-	-
-	84,274	-	-	-	-	-
6,071	-	-	1,772	-	-	-
2,387	10	-	-	7	-	-
8,458	84,284	36,029	1,772	1,345	8,000	6,177
2,622	(84,044)	53	(67)	(132)	-	(232)
-	86,014	-	-	-	-	-
(509)	(1,729)	-	-	-	-	-
-	-	-	-	-	-	24
(509)	84,285	-	-	-	-	24
2,113	241	53	(67)	(132)	-	(208)
88	577	35	2,519	155	-	269
\$ 2,201	\$ 818	\$ 88	\$ 2,452	\$ 23	\$ -	\$ 61

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

	Oregon Historical Society Levy	Video Lottery	Library District	Supportive Housing Fund	Total
REVENUES					
Taxes	\$ 3,361	\$ -	\$ 87,476	\$ -	\$ 133,036
Payments in lieu of taxes	-	-	-	-	145
Intergovernmental	-	4,184	111	2,500	68,542
Licenses and permits	-	-	22	-	4,407
Charges for services	-	-	482	-	7,317
Interest	4	25	706	72	1,269
Non-governmental grants	-	-	1,696	-	1,940
Service reimbursements	-	-	-	-	350
Miscellaneous	-	-	12	-	3,088
Total revenues	<u>3,365</u>	<u>4,209</u>	<u>90,505</u>	<u>2,572</u>	<u>220,094</u>
EXPENDITURES					
Current:					
Social services	-	2,619	-	4,040	14,659
Public safety and justice	-	-	-	-	7,515
Community services	3,363	2,217	-	-	41,911
Library services	-	-	-	-	84,274
Roads, bridges, and bike path improvements	-	-	-	-	56,680
Capital outlay	-	500	-	-	12,516
Total expenditures	<u>3,363</u>	<u>5,336</u>	<u>-</u>	<u>4,040</u>	<u>217,555</u>
Revenues over (under) expenditures	<u>2</u>	<u>(1,127)</u>	<u>90,505</u>	<u>(1,468)</u>	<u>2,539</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	86,014
Transfers out	-	-	(94,897)	-	(98,659)
Proceeds from sale of capital assets	-	-	-	-	24
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(94,897)</u>	<u>-</u>	<u>(12,621)</u>
Net change in fund balances	2	(1,127)	(4,392)	(1,468)	(10,082)
Fund balances - beginning	<u>33</u>	<u>1,700</u>	<u>16,965</u>	<u>5,414</u>	<u>35,004</u>
Fund balances - ending	<u>\$ 35</u>	<u>\$ 573</u>	<u>\$ 12,573</u>	<u>\$ 3,946</u>	<u>\$ 24,922</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 7,000	\$ 7,000	\$ 6,157	\$ (843)
Payments in lieu of taxes	50	50	109	59
Intergovernmental	58,867	58,867	45,868	(12,999)
Licenses and permits	70	70	90	20
Charges for services	158	158	675	517
Interest	250	250	194	(56)
Non-governmental grants	-	-	78	78
Service reimbursements	366	366	14	(352)
Miscellaneous	22	22	24	2
Total revenues	<u>66,783</u>	<u>66,783</u>	<u>53,209</u>	<u>(13,574)</u>
EXPENDITURES				
Current:				
Community services	<u>69,273</u>	<u>69,273</u>	<u>58,412</u>	<u>10,861</u>
Total expenditures	<u>69,273</u>	<u>69,273</u>	<u>58,412</u>	<u>10,861</u>
Net change in fund balances	(2,490)	(2,490)	(5,203)	(2,713)
Fund balances - beginning	<u>2,490</u>	<u>2,490</u>	<u>5,319</u>	<u>2,829</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 116</u></u>	<u><u>\$ 116</u></u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 109	\$ 109	\$ 98	\$ (11)
Interest	5	5	8	3
Total revenues	114	114	106	(8)
EXPENDITURES				
Current:				
Community services	476	476	-	476
Total expenditures	476	476	-	476
Net change in fund balances	(362)	(362)	106	468
Fund balances - beginning	362	362	362	-
Fund balances - ending	\$ -	\$ -	\$ 468	\$ 468

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Taxes	\$ 51	\$ 51	\$ 35	\$ (16)
Total revenues	<u>51</u>	<u>51</u>	<u>35</u>	<u>(16)</u>
EXPENDITURES				
Current:				
County management	<u>51</u>	<u>51</u>	<u>35</u>	<u>16</u>
Total expenditures	<u>51</u>	<u>51</u>	<u>35</u>	<u>16</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Payments in lieu of taxes	\$ -	\$ -	\$ 36	\$ 36
Intergovernmental	80	80	13	(67)
Interest	-	-	1	1
Total revenues	<u>80</u>	<u>80</u>	<u>50</u>	<u>(30)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>80</u>	<u>80</u>	<u>50</u>	<u>30</u>
Total expenditures	<u>80</u>	<u>80</u>	<u>50</u>	<u>30</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Licenses and permits	\$ 1,996	\$ 1,996	\$ 1,539	\$ (457)
Charges for services	53	53	42	(11)
Interest	-	-	34	34
Non-governmental grants	115	115	163	48
Total revenues	<u>2,164</u>	<u>2,164</u>	<u>1,778</u>	<u>(386)</u>
EXPENDITURES				
Current:				
Community services	818	818	254	564
Contingency	231	231	-	231
Total expenditures	<u>1,049</u>	<u>1,049</u>	<u>254</u>	<u>795</u>
Revenues over (under) expenditures	<u>1,115</u>	<u>1,115</u>	<u>1,524</u>	<u>409</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,007)	(2,007)	(1,524)	483
Total other financing sources (uses)	<u>(2,007)</u>	<u>(2,007)</u>	<u>(1,524)</u>	<u>483</u>
Net change in fund balances	(892)	(892)	-	892
Fund balances - beginning	<u>892</u>	<u>892</u>	<u>1,568</u>	<u>676</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568</u>	<u>\$ 1,568</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 8,425	\$ 8,425	\$ 7,653	\$ (772)
Licenses and permits	350	350	351	1
Charges for services	-	-	29	29
Service reimbursements	641	641	-	(641)
Miscellaneous	-	-	47	47
Total revenues	<u>9,416</u>	<u>9,416</u>	<u>8,080</u>	<u>(1,336)</u>
EXPENDITURES				
Current:				
Community services	<u>11,639</u>	<u>11,639</u>	<u>8,458</u>	<u>3,181</u>
Total expenditures	<u>11,639</u>	<u>11,639</u>	<u>8,458</u>	<u>3,181</u>
Revenues over (under) expenditures	<u>(2,223)</u>	<u>(2,223)</u>	<u>(378)</u>	<u>1,845</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(509)</u>	<u>(509)</u>	<u>(509)</u>	<u>-</u>
Total other financing sources (uses)	<u>(509)</u>	<u>(509)</u>	<u>(509)</u>	<u>-</u>
Net change in fund balances	<u>(2,732)</u>	<u>(2,732)</u>	<u>(887)</u>	<u>1,845</u>
Fund balances - beginning	<u>2,732</u>	<u>2,732</u>	<u>3,088</u>	<u>356</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,201</u>	<u>\$ 2,201</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ -	\$ -	\$ 3	\$ 3
Intergovernmental	89,819	91,319	86,210	(5,109)
Service reimbursements	35	35	35	-
Miscellaneous	-	-	5	5
Total revenues	<u>89,854</u>	<u>91,354</u>	<u>86,253</u>	<u>(5,101)</u>
EXPENDITURES				
Current:				
Library	<u>88,125</u>	<u>89,625</u>	<u>84,283</u>	<u>5,342</u>
Total expenditures	<u>88,125</u>	<u>89,625</u>	<u>84,283</u>	<u>5,342</u>
Revenues over (under) expenditures	<u>1,729</u>	<u>1,729</u>	<u>1,970</u>	<u>241</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,729)</u>	<u>(1,729)</u>	<u>(1,729)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,729)</u>	<u>(1,729)</u>	<u>(1,729)</u>	<u>-</u>
Net change in fund balances	-	-	241	241
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>577</u>	<u>577</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>818</u>	<u>\$ 818</u>
Reconciliation to GAAP Basis:				
Reimbursements from the Library District are reported as Transfers In on the GAAP Basis, rather than as Library District Expenditures				
Intergovernmental Revenues			86,014	
Transfers In			<u>(86,014)</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 818</u>	

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 44,054	\$ 47,154	\$ 36,004	\$ (11,150)
Interest	3	3	78	75
Total revenues	44,057	47,157	36,082	(11,075)
EXPENDITURES				
Current:				
Nondepartmental	44,094	47,194	36,029	11,165
Total expenditures	44,094	47,194	36,029	11,165
Net change in fund balances	(37)	(37)	53	90
Fund balances - beginning	37	37	35	(2)
Fund balances - ending	\$ -	\$ -	\$ 88	\$ 88

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 1,017	\$ 1,017	\$ 1,643	\$ 626
Interest	60	60	59	(1)
Service reimbursements	60	60	3	(57)
Total revenues	<u>1,137</u>	<u>1,137</u>	<u>1,705</u>	<u>568</u>
EXPENDITURES				
Current:				
Community services	<u>1,998</u>	<u>1,998</u>	<u>1,772</u>	<u>226</u>
Total expenditures	<u>1,998</u>	<u>1,998</u>	<u>1,772</u>	<u>226</u>
Net change in fund balances	(861)	(861)	(67)	794
Fund balances - beginning	<u>2,319</u>	<u>2,319</u>	<u>2,519</u>	<u>200</u>
Fund balances - ending	<u>\$ 1,458</u>	<u>\$ 1,458</u>	<u>\$ 2,452</u>	<u>\$ 994</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 1,190	\$ 1,190	\$ 1,211	\$ 21
Interest	-	-	2	2
Total revenues	<u>1,190</u>	<u>1,190</u>	<u>1,213</u>	<u>23</u>
EXPENDITURES				
Current:				
Sheriff	<u>1,291</u>	<u>1,345</u>	<u>1,345</u>	<u>-</u>
Total expenditures	<u>1,291</u>	<u>1,345</u>	<u>1,345</u>	<u>-</u>
Net change in fund balances	(101)	(155)	(132)	23
Fund balances - beginning	<u>101</u>	<u>155</u>	<u>155</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 23</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
CARES Act Local Government Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ -	\$ 8,000	\$ 7,919	\$ (81)
Interest	-	-	81	81
Total revenues	-	8,000	8,000	-
EXPENDITURES				
Nondepartmental	-	8,000	8,000	-
Total expenditures	-	8,000	8,000	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Justice Services Special Operations Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 20	\$ 20	\$ -	\$ (20)
Licenses and permits	2,526	2,526	2,405	(121)
Charges for services	3,820	4,235	3,234	(1,001)
Interest	-	-	5	5
Non-governmental grants	-	-	3	3
Service reimbursements	305	305	298	(7)
Total revenues	<u>6,671</u>	<u>7,086</u>	<u>5,945</u>	<u>(1,141)</u>
EXPENDITURES				
Current:				
Community justice	1,997	1,997	1,774	223
District attorney	7	7	-	7
Sheriff	5,524	5,939	4,403	1,536
Total expenditures	<u>7,528</u>	<u>7,943</u>	<u>6,177</u>	<u>1,766</u>
Revenues over (under) expenditures	<u>(857)</u>	<u>(857)</u>	<u>(232)</u>	<u>625</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	24	24
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
Net change in fund balances	<u>(857)</u>	<u>(857)</u>	<u>(208)</u>	<u>649</u>
Fund balances - beginning	<u>857</u>	<u>857</u>	<u>269</u>	<u>(588)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 61</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Oregon Historical Society Levy Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 3,383	\$ 3,433	\$ 3,361	\$ (72)
Interest	3	3	4	1
Total revenues	<u>3,386</u>	<u>3,436</u>	<u>3,365</u>	<u>(71)</u>
EXPENDITURES				
Current:				
Nondepartmental	3,461	3,511	3,363	148
Total expenditures	<u>3,461</u>	<u>3,511</u>	<u>3,363</u>	<u>148</u>
Net change in fund balances	(75)	(75)	2	77
Fund balances - beginning	<u>75</u>	<u>75</u>	<u>33</u>	<u>(42)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 35</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 5,253	\$ 5,253	\$ 4,184	\$ (1,069)
Interest	-	-	25	25
Total revenues	<u>5,253</u>	<u>5,253</u>	<u>4,209</u>	<u>(1,044)</u>
EXPENDITURES				
Current:				
Community services	550	550	550	-
County assets	300	300	122	178
Nondepartmental	4,830	4,830	4,664	166
Contingency	<u>525</u>	<u>525</u>	-	<u>525</u>
Total expenditures	<u>6,205</u>	<u>6,205</u>	<u>5,336</u>	<u>869</u>
Net change in fund balances	(952)	(952)	(1,127)	(175)
Fund balances - beginning	<u>952</u>	<u>952</u>	<u>1,700</u>	<u>748</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573</u>	<u>\$ 573</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Taxes	\$ 86,995	\$ 86,995	\$ 87,476	\$ 481
Intergovernmental	100	1,600	111	(1,489)
Licenses and permits	85	85	22	(63)
Charges for services	754	754	482	(272)
Interest	100	100	706	606
Non-governmental grants	1,746	1,746	1,696	(50)
Miscellaneous	-	-	12	12
Total revenues	<u>89,780</u>	<u>91,280</u>	<u>90,505</u>	<u>(775)</u>
EXPENDITURES				
Current:				
Library	89,819	91,319	86,014	5,305
Contingency	500	500	-	500
Total expenditures	<u>90,319</u>	<u>91,819</u>	<u>86,014</u>	<u>5,805</u>
Revenues over (under) expenditures	<u>(539)</u>	<u>(539)</u>	<u>4,491</u>	<u>5,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(8,883)</u>	<u>(8,883)</u>	<u>(8,883)</u>	<u>-</u>
Total other financing sources (uses)	<u>(8,883)</u>	<u>(8,883)</u>	<u>(8,883)</u>	<u>-</u>
Net change in fund balances	(9,422)	(9,422)	(4,392)	5,030
Fund balances - beginning	<u>18,121</u>	<u>18,121</u>	<u>16,965</u>	<u>(1,156)</u>
Fund balances - ending	<u>\$ 8,699</u>	<u>\$ 8,699</u>	<u>12,573</u>	<u>\$ 3,874</u>
Reconciliation to GAAP Basis:				
Reimbursements from the Library District are reported as Transfers Out on the GAAP Basis, rather than as Intergovernmental Revenues				
Library District Expenditures			(86,014)	
Transfers Out			<u>86,014</u>	
Fund balance as reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 12,573</u>	

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 750	\$ 750	\$ 2,500	\$ 1,750
Interest	-	-	72	72
Total revenues	750	750	2,572	1,822
EXPENDITURES				
Current:				
Nondepartmental	750	4,750	4,040	710
Total expenditures	750	4,750	4,040	710
Net change in fund balances	-	(4,000)	(1,468)	2,532
Fund balances - beginning	-	4,000	5,414	1,414
Fund balances - ending	\$ -	\$ -	\$ 3,946	\$ 3,946

DEBT SERVICE FUNDS

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

- **Capital Debt Retirement Fund** - accounts for lease-purchase and full faith credit principal and interest payments for buildings and major pieces of equipment acquired by the issuance of certificates of participation, lease-purchase agreements and full faith and credit bonds. Revenues consist of certificates of participation proceeds, bond proceeds, service reimbursements and cash transfers from other County funds.
- **PERS Bond Sinking Fund** - accounts for payment of principal and interest payments on pension obligation bonds that were issued to fund the County's unfunded liability with OPERS. Revenues consist of charges to departments and interest.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2020
(amounts expressed in thousands)

	Capital Debt Retirement	PERS Bond Sinking	Total
ASSETS			
Unrestricted:			
Cash and investments	\$ 8,201	\$ 17,349	\$ 25,550
Accounts, net	151	-	151
Total assets	<u>\$ 8,352</u>	<u>\$ 17,349</u>	<u>\$ 25,701</u>
FUND BALANCES			
Committed	\$ 8,352	\$ 17,349	\$ 25,701
Total fund balances	<u>8,352</u>	<u>17,349</u>	<u>25,701</u>
Total liabilities and fund balances	<u>\$ 8,352</u>	<u>\$ 17,349</u>	<u>\$ 25,701</u>

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

	Capital Debt Retirement	PERS Bond Sinking	Total
REVENUES			
Intergovernmental	\$ 302	\$ -	\$ 302
Charges for services	1,069	-	1,069
Interest	120	600	720
Service reimbursements	30,651	29,069	59,720
Total revenues	<u>32,142</u>	<u>29,669</u>	<u>61,811</u>
EXPENDITURES			
Current:			
General government	2	25,001	25,003
Debt service:			
Principal	19,714	5,319	25,033
Interest	11,921	19,876	31,797
Total expenditures	<u>31,637</u>	<u>50,196</u>	<u>81,833</u>
Revenues over (under) expenditures	<u>505</u>	<u>(20,527)</u>	<u>(20,022)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	10,056	10,056
Total other financing sources	<u>-</u>	<u>10,056</u>	<u>10,056</u>
Net change in fund balances	<u>505</u>	<u>(10,471)</u>	<u>(9,966)</u>
Fund balances - beginning	<u>7,847</u>	<u>27,820</u>	<u>35,667</u>
Fund balances - ending	<u><u>\$ 8,352</u></u>	<u><u>\$ 17,349</u></u>	<u><u>\$ 25,701</u></u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 299	\$ 299	\$ 302	\$ 3
Charges for services	1,230	1,230	1,069	(161)
Interest	20	20	120	100
Service reimbursements	29,626	29,626	30,651	1,025
Total revenues	<u>31,175</u>	<u>31,175</u>	<u>32,142</u>	<u>967</u>
EXPENDITURES				
Current:				
Nondepartmental	3	3	2	1
Debt service:				
Principal	19,945	19,945	19,714	231
Interest expense	12,360	12,360	11,921	439
Total expenditures	<u>32,308</u>	<u>32,308</u>	<u>31,637</u>	<u>671</u>
Net change in fund balances	(1,133)	(1,133)	505	1,638
Fund balances - beginning	<u>6,005</u>	<u>6,005</u>	<u>7,847</u>	<u>1,842</u>
Fund balances - ending	<u>\$ 4,872</u>	<u>\$ 4,872</u>	<u>\$ 8,352</u>	<u>\$ 3,480</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ 553	\$ 553	\$ 600	\$ 47
Service reimbursements	25,257	25,257	29,069	3,812
Total revenues	25,810	25,810	29,669	3,859
EXPENDITURES				
Current:				
Nondepartmental	25,461	25,461	25,001	460
Debt service:				
Principal	5,319	5,319	5,319	-
Interest expense	19,876	19,876	19,876	-
Total expenditures	50,656	50,656	50,196	460
Revenues over (under) expenditures	(24,846)	(24,846)	(20,527)	4,319
OTHER FINANCING SOURCES (USES)				
Transfers in	10,055	10,055	10,056	1
Total other financing sources (uses)	10,055	10,055	10,056	1
Net change in fund balances	(14,791)	(14,791)	(10,471)	4,320
Fund balances - beginning	27,661	27,661	27,820	159
Fund balances - ending	\$ 12,870	\$ 12,870	\$ 17,349	\$ 4,479

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CAPITAL PROJECTS FUNDS

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

Major Fund

- **Downtown Courthouse Capital Fund** - accounts for the planning, land acquisition, and construction of a new County courthouse. Construction will be funded by a combination of County General Fund and debt issuance proceeds. (See Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds reported in Fund Financial Statements).

Nonmajor Funds

- **Asset Replacement Revolving Fund** - accounts for expenditures for small capital assets/ equipment that might otherwise need to be acquired through the issuance of debt. Resources in the fund are derived from one-time revenue. Expenditures will be reimbursed over time by loan payments charged to the budgets of programs for which the assets are purchased.
- **Financed Projects Fund** - accounts for purchases and construction of capital acquisition by entering into lease/purchase agreements.
- **Library Capital Construction Fund** - accounts for the capital improvement project fees collected from County libraries to provide for needed capital projects for the Library District.
- **Capital Improvement Fund** - accounts for the proceeds from the sale of County property and expenditures made to improve County property.
- **Information Technology Capital Fund** - accounts for the expenditures for information technology capital projects. Resources are derived from transfers from the Information Technology Internal Service and General Funds.
- **Asset Preservation Fund** - accounts for the expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement, etc. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.
- **Health Headquarters Capital Fund** - accounts for the construction and relocation of current Department operations to a new location. The location has been strategically selected to better serve the vulnerable citizens of the County. Funding sources are expected to be met by a combination of County General Fund, Prosper Portland, and issuance of debt.
- **Sellwood Bridge Replacement Fund** - accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from Vehicle Registration Fees, City of Portland, Clackamas County, the State of Oregon, and a request for federal funds, debt issuance or other financing proceeds.
- **Hansen Building Replacement Fund** - accounts for planning, relocation, and construction of a new County Sheriff's Office operation facility. Resources are derived from debt issuance or other financing proceeds.
- **Enterprise Resource Planning Project Fund** - accounts for expenditures associated with the implementation of the new enterprise resource planning (ERP) system. Resources are derived from debt issuance and internal service reimbursements.
- **Library District Capital Fund** - accounts for revenues transferred from the Multnomah County Library District General Fund. Revenues are transferred according to financial policies adopted by the Multnomah County Library District Board. Expenditures are dedicated to Library District capital projects, as defined by the Library District adopted financial policies. Normal Library Operations will continue out of the Library Fund.
- **Burnside Bridge Fund** - accounts for expenditures for rehabilitating or replacing the Burnside Bridge. Resources are derived from Vehicle Registration Fees. It is anticipated that a consortium of federal, state, and regional agencies, including Multnomah County, will fund the future environmental study, final design, and construction efforts.
- **Behavioral Health Resource Center Capital Fund** - accounts for expenditures for the planning and construction of a behavioral health resource center. The principal resources in the fund are derived from County General Fund.

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MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020
(amounts expressed in thousands)

	Asset Replacement Revolving	Financed Projects	Library Capital Construction	Capital Improvement	Information Technology Capital
ASSETS					
Unrestricted:					
Cash and investments	\$ 131	\$ 1,622	\$ -	\$ 16,101	\$ 5,416
Receivables:					
Accounts, net	-	-	-	613	-
Loans	375	-	-	-	-
Prepays and deposits	-	-	-	-	233
Restricted:					
Cash and investments	-	-	3,264	-	-
Receivables:					
Accounts, net	-	-	-	-	-
Total assets	<u>\$ 506</u>	<u>\$ 1,622</u>	<u>\$ 3,264</u>	<u>\$ 16,714</u>	<u>\$ 5,649</u>
LIABILITIES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ 692	\$ -	\$ 2,177	\$ 206
Payroll payable	-	-	-	23	3
Unearned revenue	375	-	-	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	-	271	-	-
Payroll payable	-	-	-	-	-
Total liabilities	<u>375</u>	<u>692</u>	<u>271</u>	<u>2,200</u>	<u>209</u>
FUND BALANCES					
Nonspendable	-	-	-	-	233
Restricted	-	-	2,993	-	-
Committed	-	930	-	14,514	5,207
Assigned	131	-	-	-	-
Total fund balances	<u>131</u>	<u>930</u>	<u>2,993</u>	<u>14,514</u>	<u>5,440</u>
Total liabilities and fund balances	<u>\$ 506</u>	<u>\$ 1,622</u>	<u>\$ 3,264</u>	<u>\$ 16,714</u>	<u>\$ 5,649</u>

Asset Preservation	Health Headquarters Capital	Sellwood Bridge Replacement	Hansen Building Replacement	Enterprise Resource Planning Project	Library District Capital
\$ 14,865	\$ 6,446	\$ 2,896	\$ 3,107	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,635	-	3,206	29,694
-	-	699	-	-	-
<u>\$ 14,865</u>	<u>\$ 6,446</u>	<u>\$ 6,230</u>	<u>\$ 3,107</u>	<u>\$ 3,206</u>	<u>\$ 29,694</u>
\$ 581	\$ 1,224	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6	-	105	-
-	-	-	-	7	-
<u>581</u>	<u>1,224</u>	<u>6</u>	<u>-</u>	<u>112</u>	<u>-</u>
-	-	-	-	-	-
-	-	3,327	-	3,094	29,694
14,284	5,222	2,419	3,107	-	-
-	-	478	-	-	-
<u>14,284</u>	<u>5,222</u>	<u>6,224</u>	<u>3,107</u>	<u>3,094</u>	<u>29,694</u>
<u>\$ 14,865</u>	<u>\$ 6,446</u>	<u>\$ 6,230</u>	<u>\$ 3,107</u>	<u>\$ 3,206</u>	<u>\$ 29,694</u>

(Continued)

MULTNOMAH COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020
(amounts expressed in thousands)

	Burnside Bridge	Behavioral Health Resource Center Capital	Total
ASSETS			
Unrestricted:			
Cash and investments	\$ -	\$ 907	\$ 51,491
Receivables:			
Accounts, net	-	-	613
Loans	-	-	375
Prepays and deposits	-	-	233
Restricted:			
Cash and investments	10,691	-	49,490
Receivables:			
Accounts, net	-	-	699
Total assets	<u>\$ 10,691</u>	<u>\$ 907</u>	<u>\$ 102,901</u>
LIABILITIES			
Liabilities payable from unrestricted assets:			
Accounts payable	\$ -	\$ 217	\$ 5,097
Payroll payable	-	-	26
Unearned revenue	-	-	375
Liabilities payable from restricted assets:			
Accounts payable	1,424	-	1,806
Payroll payable	-	-	7
Total liabilities	<u>1,424</u>	<u>217</u>	<u>7,311</u>
FUND BALANCES			
Nonspendable	-	-	233
Restricted	9,267	-	48,375
Committed	-	690	46,373
Assigned	-	-	609
Total fund balances	<u>9,267</u>	<u>690</u>	<u>95,590</u>
Total liabilities and fund balances	<u>\$ 10,691</u>	<u>\$ 907</u>	<u>\$ 102,901</u>

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

	Asset Replacement Revolving	Financed Projects	Library Capital Construction	Capital Improvement	Information Technology Capital
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 58
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	584	-
Interest	9	41	63	441	91
Service reimbursements	-	-	2,633	6,564	-
Miscellaneous	-	-	13	1	25
Total revenues	<u>9</u>	<u>41</u>	<u>2,709</u>	<u>7,590</u>	<u>174</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Health services	-	-	-	-	-
Public safety and justice	-	-	-	-	-
Community services	-	-	-	8,211	672
Library services	-	-	1,890	-	-
Roads, bridges, and bike path improvements	-	-	-	-	-
Capital outlay	-	-	665	7,410	102
Total expenditures	<u>-</u>	<u>-</u>	<u>2,555</u>	<u>15,621</u>	<u>774</u>
Revenues over (under) expenditures	<u>9</u>	<u>41</u>	<u>154</u>	<u>(8,031)</u>	<u>(600)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	314	3,468
Transfers out	-	(559)	-	-	-
Proceeds from issuance of debt	-	-	-	-	-
Internal loan remittances	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(559)</u>	<u>-</u>	<u>314</u>	<u>3,468</u>
Net change in fund balances	9	(518)	154	(7,717)	2,868
Fund balances - beginning	<u>122</u>	<u>1,448</u>	<u>2,839</u>	<u>22,231</u>	<u>2,572</u>
Fund balances - ending	<u>\$ 131</u>	<u>\$ 930</u>	<u>\$ 2,993</u>	<u>\$ 14,514</u>	<u>\$ 5,440</u>

Asset Preservation	Health Headquarters Capital	Sellwood Bridge Replacement	Hansen Building Replacement	Enterprise Resource Planning Project	Library District Capital
\$ -	\$ -	\$ 1,786	\$ -	\$ -	\$ -
-	-	9,700	-	-	-
-	-	125	-	2	-
270	164	277	76	101	427
5,693	-	-	-	-	-
1	24	-	-	-	-
<u>5,964</u>	<u>188</u>	<u>11,888</u>	<u>76</u>	<u>103</u>	<u>427</u>
-	-	-	-	3,510	-
-	417	-	-	-	-
-	-	-	8	-	-
3,441	-	-	-	-	-
-	-	-	-	-	48
-	-	5,335	-	-	-
1,598	307	9,390	-	103	-
<u>5,039</u>	<u>724</u>	<u>14,725</u>	<u>8</u>	<u>3,613</u>	<u>48</u>
<u>925</u>	<u>(536)</u>	<u>(2,837)</u>	<u>68</u>	<u>(3,510)</u>	<u>379</u>
1,074	-	-	-	-	8,883
-	-	-	(241)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,074</u>	<u>-</u>	<u>-</u>	<u>(241)</u>	<u>-</u>	<u>8,883</u>
1,999	(536)	(2,837)	(173)	(3,510)	9,262
12,285	5,758	9,061	3,280	6,604	20,432
<u>\$ 14,284</u>	<u>\$ 5,222</u>	<u>\$ 6,224</u>	<u>\$ 3,107</u>	<u>\$ 3,094</u>	<u>\$ 29,694</u>

(Continued)

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

	Burnside Bridge	Behavioral Health Resource Center Capital	Total
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 1,844
Licenses and permits	-	-	9,700
Charges for services	-	-	711
Interest	294	20	2,274
Service reimbursements	-	-	14,890
Miscellaneous	-	10	74
Total revenues	<u>294</u>	<u>30</u>	<u>29,493</u>
EXPENDITURES			
Current:			
General government	-	-	3,510
Health services	-	158	575
Public safety and justice	-	-	8
Community services	-	-	12,324
Library services	-	-	1,938
Roads, bridges, and bike path improvements	7,673	-	13,008
Capital outlay	79	1,382	21,036
Total expenditures	<u>7,752</u>	<u>1,540</u>	<u>52,399</u>
Revenues over (under) expenditures	<u>(7,458)</u>	<u>(1,510)</u>	<u>(22,906)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	509	2,200	16,448
Transfers out	-	-	(800)
Proceeds from issuance of debt	16,075	-	16,075
Internal loan remittances	(3,000)	-	(3,000)
Total other financing sources (uses)	<u>13,584</u>	<u>2,200</u>	<u>28,723</u>
Net change in fund balances	6,126	690	5,817
Fund balances - beginning	<u>3,141</u>	<u>-</u>	<u>89,773</u>
Fund balances - ending	<u>\$ 9,267</u>	<u>\$ 690</u>	<u>\$ 95,590</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Downtown Courthouse Capital Project Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ 37,842	\$ 37,842	\$ 35,693	\$ (2,149)
Charges for services	5,125	5,125	10,721	5,596
Interest	-	-	846	846
Non-governmental grants	400	400	-	(400)
Miscellaneous	375	375	891	516
Total revenues	<u>43,742</u>	<u>43,742</u>	<u>48,151</u>	<u>4,409</u>
EXPENDITURES				
Current:				
County assets	111,683	111,683	86,439	25,244
County management	59	59	-	59
Total expenditures	<u>111,742</u>	<u>111,742</u>	<u>86,439</u>	<u>25,303</u>
Net change in fund balances	(68,000)	(68,000)	(38,288)	29,712
Fund balances - beginning	<u>68,000</u>	<u>68,000</u>	<u>41,759</u>	<u>(26,241)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,471</u>	<u>\$ 3,471</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Interest	\$ 7	\$ 7	\$ 9	\$ 2
Total revenues	<u>7</u>	<u>7</u>	<u>9</u>	<u>2</u>
EXPENDITURES				
Current:				
County assets	<u>127</u>	<u>127</u>	<u>-</u>	<u>127</u>
Total expenditures	<u>127</u>	<u>127</u>	<u>-</u>	<u>127</u>
Net change in fund balances	(120)	(120)	9	129
Fund balances - beginning	<u>120</u>	<u>120</u>	<u>122</u>	<u>2</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131</u>	<u>\$ 131</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 41	\$ 41
Total revenues	-	-	41	41
EXPENDITURES				
Current:				
County management	1,386	827	-	827
Total expenditures	1,386	827	-	827
Revenues over (under) expenditures	(1,386)	(827)	41	868
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(559)	(559)	-
Total other financing sources (uses)	-	(559)	(559)	-
Net change in fund balances	(1,386)	(1,386)	(518)	868
Fund balances - beginning	1,386	1,386	1,448	62
Fund balances - ending	\$ -	\$ -	\$ 930	\$ 930

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 63	\$ 63
Service reimbursements	2,633	2,633	2,633	-
Miscellaneous	-	-	13	13
Total revenues	<u>2,633</u>	<u>2,633</u>	<u>2,709</u>	<u>76</u>
EXPENDITURES				
Current:				
County assets	<u>5,333</u>	<u>5,333</u>	<u>2,555</u>	<u>2,778</u>
Total expenditures	<u>5,333</u>	<u>5,333</u>	<u>2,555</u>	<u>2,778</u>
Net change in fund balances	(2,700)	(2,700)	154	2,854
Fund balances - beginning	<u>2,700</u>	<u>2,700</u>	<u>2,839</u>	<u>139</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,993</u>	<u>\$ 2,993</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 234	\$ 234	\$ 584	\$ 350
Interest	-	-	441	441
Service reimbursements	4,899	4,899	6,564	1,665
Miscellaneous	-	-	1	1
Total revenues	<u>5,133</u>	<u>5,133</u>	<u>7,590</u>	<u>2,457</u>
EXPENDITURES				
Current:				
County assets	<u>30,031</u>	<u>30,031</u>	<u>15,621</u>	<u>14,410</u>
Total expenditures	<u>30,031</u>	<u>30,031</u>	<u>15,621</u>	<u>14,410</u>
Revenues over (under) expenditures	<u>(24,898)</u>	<u>(24,898)</u>	<u>(8,031)</u>	<u>16,867</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>314</u>	<u>314</u>	<u>314</u>	<u>-</u>
Total other financing sources (uses)	<u>314</u>	<u>314</u>	<u>314</u>	<u>-</u>
Net change in fund balances	(24,584)	(24,584)	(7,717)	16,867
Fund balances - beginning	<u>24,584</u>	<u>24,584</u>	<u>22,231</u>	<u>(2,353)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,514</u>	<u>\$ 14,514</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 58	\$ 58
Interest	-	-	91	91
Miscellaneous	-	-	25	25
Total revenues	-	-	174	174
EXPENDITURES				
Current:				
County assets	5,842	5,842	774	5,068
Total expenditures	5,842	5,842	774	5,068
Revenues over (under) expenditures	(5,842)	(5,842)	(600)	5,242
OTHER FINANCING SOURCES (USES)				
Transfers in	3,468	3,468	3,468	-
Total other financing sources (uses)	3,468	3,468	3,468	-
Net change in fund balances	(2,374)	(2,374)	2,868	5,242
Fund balances - beginning	2,374	2,374	2,572	198
Fund balances - ending	\$ -	\$ -	\$ 5,440	\$ 5,440

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 270	\$ 270
Service reimbursements	5,650	5,650	5,693	43
Miscellaneous	-	-	1	1
Total revenues	5,650	5,650	5,964	314
EXPENDITURES				
Current:				
County assets	17,644	18,524	5,038	13,486
Total expenditures	17,644	18,524	5,038	13,486
Revenues over (under) expenditures	(11,994)	(12,874)	926	13,800
OTHER FINANCING SOURCES (USES)				
Transfers in	194	1,074	1,074	-
Total other financing sources (uses)	194	1,074	1,074	-
Net change in fund balances	(11,800)	(11,800)	2,000	13,800
Fund balances - beginning	11,800	11,800	12,285	485
Fund balances - ending	\$ -	\$ -	\$ 14,285	\$ 14,285

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Interest	\$ -	\$ -	\$ 164	\$ 164
Miscellaneous	-	-	24	24
Total revenues	-	-	188	188
EXPENDITURES				
Current:				
County assets	7,500	7,500	724	6,776
Total expenditures	7,500	7,500	724	6,776
Net change in fund balances	(7,500)	(7,500)	(536)	6,964
Fund balances - beginning	7,500	7,500	5,758	(1,742)
Fund balances - ending	\$ -	\$ -	\$ 5,222	\$ 5,222

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,786	\$ 1,786
Licenses and permits	11,650	11,650	9,700	(1,950)
Charges for services	-	-	125	125
Interest	75	75	277	202
Total revenues	<u>11,725</u>	<u>11,725</u>	<u>11,888</u>	<u>163</u>
EXPENDITURES				
Current:				
Community services	<u>21,003</u>	<u>21,003</u>	<u>14,725</u>	<u>6,278</u>
Total expenditures	<u>21,003</u>	<u>21,003</u>	<u>14,725</u>	<u>6,278</u>
Net change in fund balances	(9,278)	(9,278)	(2,837)	6,441
Fund balances - beginning	<u>9,278</u>	<u>9,278</u>	<u>9,061</u>	<u>(217)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,224</u>	<u>\$ 6,224</u>

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 76	\$ 76
Total revenues	-	-	76	76
EXPENDITURES				
Current:				
County assets	4,256	4,015	8	4,007
Total expenditures	4,256	4,015	8	4,007
Revenues over (under) expenditures	(4,256)	(4,015)	68	4,083
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(241)	(241)	-
Total other financing sources (uses)	-	(241)	(241)	-
Net change in fund balances	(4,256)	(4,256)	(173)	4,083
Fund balances - beginning	4,256	4,256	3,280	(976)
Fund balances - ending	\$ -	\$ -	\$ 3,107	\$ 3,107

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Enterprise Resource Planning Project Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 2	\$ 2
Interest	-	-	101	101
Total revenues	-	-	103	103
EXPENDITURES				
Current:				
County assets	6,500	6,500	3,613	2,887
Total expenditures	6,500	6,500	3,613	2,887
Net change in fund balances	(6,500)	(6,500)	(3,510)	2,990
Fund balances - beginning	6,500	6,500	6,604	104
Fund balances - ending	\$ -	\$ -	\$ 3,094	\$ 3,094

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ 300	\$ 300	\$ 427	\$ 127
Total revenues	300	300	427	127
EXPENDITURES				
Current:				
Library	125	125	48	77
Contingency	29,573	29,573	-	29,573
Total expenditures	29,698	29,698	48	29,650
Revenues over (under) expenditures	(29,398)	(29,398)	379	29,777
OTHER FINANCING SOURCES (USES)				
Transfers in	8,883	8,883	8,883	-
Total other financing sources (uses)	8,883	8,883	8,883	-
Net change in fund balances	(20,515)	(20,515)	9,262	29,777
Fund balances - beginning	20,515	20,515	20,432	(83)
Fund balances - ending	\$ -	\$ -	\$ 29,694	\$ 29,694

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 294	\$ 294
Total revenues	-	-	294	294
EXPENDITURES				
Current:				
Community services	11,904	11,904	7,752	4,152
Total expenditures	11,904	11,904	7,752	4,152
Revenues over (under) expenditures	(11,904)	(11,904)	(7,458)	4,446
OTHER FINANCING SOURCES (USES)				
Transfers in	509	509	509	-
Proceeds from issuance of debt	16,000	16,000	16,075	75
Internal loan remittances	(3,000)	(3,000)	(3,000)	-
Total other financing sources (uses)	13,509	13,509	13,584	75
Net change in fund balances	1,605	1,605	6,126	4,521
Fund balances - beginning	239	239	3,141	2,902
Fund balances - ending	\$ 1,844	\$ 1,844	\$ 9,267	\$ 7,423

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Behavioral Health Resource Center Capital Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Interest	\$ -	\$ -	\$ 20	\$ 20
Miscellaneous	-	-	10	10
Total revenues	-	-	30	30
EXPENDITURES				
Current:				
County assets	-	2,200	1,540	660
Total expenditures	-	2,200	1,540	660
Revenues over (under) expenditures	-	(2,200)	(1,510)	690
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,200	2,200	-
Total other financing sources (uses)	-	2,200	2,200	-
Net change in fund balances	-	-	690	690
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 690	\$ 690

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES PROPRIETARY FUNDS

Enterprise Funds

- Dunthorpe-Riverdale Service District No. 1 Fund (Major fund)
- Mid County Service District No. 14 Fund (Major fund)
- Behavioral Health Managed Care Fund (Major fund)

Internal Service Funds

- Risk Management Fund
- Fleet Management Fund
- Fleet Asset Replacement Fund
- Information Technology Fund
- Mail Distribution Fund
- Facilities Management Fund

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MAJOR ENTERPRISE FUNDS*

The County's Enterprise Funds are listed below.

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

*See statements for Proprietary Funds Reported in Fund Financial Statements

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MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Dunthorpe-Riverdale Service District No. 1 Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Current assessments	\$ 994	\$ 994	\$ 1,008	\$ 14
Prior assessments	11	11	8	(3)
Intergovernmental charges for services	-	-	14	14
Licenses and permits	-	-	5	5
Interest	25	25	29	4
Total revenues	<u>1,030</u>	<u>1,030</u>	<u>1,064</u>	<u>34</u>
EXPENDITURES				
Current:				
Community services	1,141	1,141	711	430
Contingency	50	50	-	50
Total expenditures	<u>1,191</u>	<u>1,191</u>	<u>711</u>	<u>480</u>
Net change in fund balances	(161)	(161)	353	514
Fund balances - beginning	<u>852</u>	<u>852</u>	<u>907</u>	<u>55</u>
Fund balances - ending	<u>\$ 691</u>	<u>\$ 691</u>	<u>1,260</u>	<u>\$ 569</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			3,758	
Allowance for uncollectible accounts, assessments			(5)	
Assessment revenues that were not available to fund current expenditures and therefore were not reported in the budgetary basis schedule			<u>22</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 5,035</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Mid County Service District No. 14 Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Current assessments	\$ 450	\$ 450	\$ 450	\$ -
Prior assessments	5	5	5	-
Charges for services	-	-	2	2
Interest	5	5	8	3
Miscellaneous	-	-	13	13
Total revenues	<u>460</u>	<u>460</u>	<u>478</u>	<u>18</u>
EXPENDITURES				
Current:				
Community services	<u>529</u>	<u>529</u>	<u>355</u>	<u>174</u>
Total expenditures	<u>529</u>	<u>529</u>	<u>355</u>	<u>174</u>
Net change in fund balances	(69)	(69)	123	192
Fund balances - beginning	<u>228</u>	<u>228</u>	<u>255</u>	<u>27</u>
Fund balances - ending	<u>\$ 159</u>	<u>\$ 159</u>	<u>378</u>	<u>\$ 219</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			2,127	
Allowance for uncollectible accounts, assessments			(2)	
Assessment revenues that were not available to fund current expenditures and therefore were not reported in the budgetary basis schedule			<u>12</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 2,515</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Behavioral Health Managed Care Fund
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES				
Intergovernmental charges for services	\$ 41,650	\$ 41,650	\$ 26,433	\$ (15,217)
Interest	-	-	193	193
Miscellaneous	-	-	7	7
Total revenues	<u>41,650</u>	<u>41,650</u>	<u>26,633</u>	<u>(15,017)</u>
EXPENDITURES				
Current:				
Health services	<u>41,650</u>	<u>41,650</u>	<u>27,807</u>	<u>13,843</u>
Total expenditures	<u>41,650</u>	<u>41,650</u>	<u>27,807</u>	<u>13,843</u>
Net change in fund balances	-	-	(1,174)	(1,174)
Fund balances - beginning	-	-	8,409	8,409
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>7,235</u>	<u>\$ 7,235</u>
Reconciliation to GAAP Basis:				
OPEB - County Plan:				
Deferred outflows - County Plan			236	
Total OPEB liability - County Plan			(1,981)	
Deferred inflows - County Plan			(300)	
OPEB - RHIA:				
Net OPEB asset - RHIA			64	
Deferred outflows - RHIA			26	
Deferred inflows - RHIA			(13)	
Pension Plan:				
Deferred outflows - pension			4,434	
Net pension liability			(9,710)	
Deferred inflows - pension			<u>(492)</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (501)</u>	

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NONMAJOR INTERNAL SERVICE FUNDS

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

- **Risk Management Fund** - accounts for the County's risk management activities including insurance coverage.
- **Fleet Management Fund** - accounts for the County's motor vehicle fleet operations and electronics.
- **Fleet Asset Replacement Fund** -accounts for the County's replacement of motor vehicle fleet assets.
- **Information Technology Fund** - accounts for the County's data processing and telephone service operations.
- **Mail Distribution Fund** - accounts for the County's mail distribution and records management operations.
- **Facilities Management Fund** - accounts for the management of all County owned and leased property.

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

	Government Activities - Internal Service Funds			
	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
ASSETS				
Current assets:				
Cash and investments	\$ 89,409	\$ 445	\$ 6,179	\$ 7,018
Accounts receivable, net	10	-	-	82
Inventories	-	521	-	-
Prepaid items	564	-	-	5,268
Total current assets	89,983	966	6,179	12,368
Noncurrent assets:				
Net OPEB asset - RHIA	55	9	-	176
Capital assets:				
Construction in progress	-	-	-	1,627
Other capital assets (net of accumulated depreciation)	-	1,750	4,067	10,587
Total noncurrent assets	55	1,759	4,067	12,390
Total assets	90,038	2,725	10,246	24,758
DEFERRED OUTFLOWS OF RESOURCES				
OPEB - County Plan	201	32	-	646
OPEB - RHIA	22	4	-	72
Pension plan	3,688	597	-	12,034
Total deferred outflows of resources	3,911	633	-	12,752
LIABILITIES				
Current liabilities:				
Accounts payable	1,685	387	179	5,349
Payroll payable	137	26	-	517
Unearned revenue	-	-	-	14
Compensated absences	335	69	-	1,359
Total current liabilities	2,157	482	179	7,239
Noncurrent liabilities:				
Compensated absences	95	1	-	357
Claims and judgments payable	10,579	-	-	-
Other accrued payables	-	-	-	-
Total OPEB liability - County Plan	1,691	270	-	5,430
Net pension liability	8,076	1,307	-	26,352
Total noncurrent liabilities	20,441	1,578	-	32,139
Total liabilities	22,598	2,060	179	39,378
DEFERRED INFLOWS OF RESOURCES				
OPEB - County Plan	256	41	-	821
OPEB - RHIA	11	2	-	35
Pension plan	410	66	-	1,337
Total deferred inflows of resources	677	109	-	2,193
NET POSITION				
Investment in capital assets	-	1,750	4,067	12,214
Unrestricted	70,674	(561)	6,000	(16,275)
Total net position	\$ 70,674	\$ 1,189	\$ 10,067	\$ (4,061)

Government Activities - Internal Service Funds		
Mail Distribution	Facilities Management	Total Internal Service Funds
\$ 722	\$ 7,783	\$ 111,556
-	814	906
76	536	1,133
95	171	6,098
893	9,304	119,693
7	81	328
-	-	1,627
5	6,093	22,502
12	6,174	24,457
905	15,478	144,150
25	298	1,202
3	33	134
493	5,491	22,303
521	5,822	23,639
172	4,347	12,119
24	249	953
-	-	14
56	606	2,425
252	5,202	15,511
-	15	468
-	-	10,579
-	407	407
214	2,510	10,115
1,080	12,024	48,839
1,294	14,956	70,408
1,546	20,158	85,919
32	379	1,529
1	16	65
55	610	2,478
88	1,005	4,072
5	6,093	24,129
(213)	(5,956)	53,669
\$ (208)	\$ 137	\$ 77,798

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Government Activities - Internal Service Funds			
	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Fleet Asset Replacement</u>	<u>Information Technology</u>
OPERATING REVENUES				
Charges for services	\$ 111,588	\$ 5,341	\$ 2,153	\$ 60,354
Intergovernmental charges for services	-	1	-	-
Insurance premiums	10,329	-	-	-
Licenses and permits	2	-	-	-
Miscellaneous	1,094	74	10	-
Total revenues	<u>123,013</u>	<u>5,416</u>	<u>2,163</u>	<u>60,354</u>
OPERATING EXPENSES				
Cost of sales and services	112,084	4,988	18	58,965
Administration	1,912	700	-	3,218
Depreciation and amortization	-	1,189	717	2,443
Total operating expenses	<u>113,996</u>	<u>6,877</u>	<u>735</u>	<u>64,626</u>
Operating income (loss)	<u>9,017</u>	<u>(1,461)</u>	<u>1,428</u>	<u>(4,272)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	1,697	6	118	177
Gain (loss) on disposal of capital assets	-	-	140	-
Total nonoperating revenues	<u>1,697</u>	<u>6</u>	<u>258</u>	<u>177</u>
Income (loss) before contributions and transfers	10,714	(1,455)	1,686	(4,095)
Transfers in	-	-	-	559
Transfers out	-	-	-	(1,468)
Capital contributions in	-	-	12	650
Capital contributions out	-	-	(8)	-
Change in net position	<u>10,714</u>	<u>(1,455)</u>	<u>1,690</u>	<u>(4,354)</u>
Total net position - beginning	<u>59,960</u>	<u>2,644</u>	<u>8,377</u>	<u>293</u>
Total net position - ending	<u>\$ 70,674</u>	<u>\$ 1,189</u>	<u>\$ 10,067</u>	<u>\$ (4,061)</u>

Government Activities - Internal Service Funds		
Mail Distribution	Facilities Management	Total Internal Service Funds
\$ 3,263	\$ 58,791	\$ 241,490
-	935	936
-	-	10,329
-	-	2
-	32	1,210
<u>3,263</u>	<u>59,758</u>	<u>253,967</u>
3,274	61,310	240,639
448	1,557	7,835
5	97	4,451
<u>3,727</u>	<u>62,964</u>	<u>252,925</u>
<u>(464)</u>	<u>(3,206)</u>	<u>1,042</u>
15	141	2,154
-	-	140
<u>15</u>	<u>141</u>	<u>2,294</u>
(449)	(3,065)	3,336
-	185	744
-	(508)	(1,976)
-	8	670
-	(12)	(20)
<u>(449)</u>	<u>(3,392)</u>	<u>2,754</u>
241	3,529	75,044
<u>\$ (208)</u>	<u>\$ 137</u>	<u>\$ 77,798</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

	Risk Management	Fleet Management	Fleet Asset Replacement	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,486	\$ 76	\$ 10	\$ 222
Receipts for interfund services provided	111,523	5,342	2,154	60,172
Payments to suppliers	(109,285)	(2,992)	(129)	(19,849)
Payments to employees	(9,931)	(1,537)	-	(29,063)
Receipts for interfund services used	445	(769)	-	(9,856)
Net cash provided by (used for) operating activities	<u>4,238</u>	<u>120</u>	<u>2,035</u>	<u>1,626</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	559
Transfers out	-	-	-	(1,468)
Net cash provided by (used for) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(909)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions in	-	-	12	650
Capital contributions out	-	-	(8)	-
Internal loan remittance	3,000	-	-	-
Acquisition of capital assets	-	(279)	(1,852)	(2,447)
Gain (Loss) on disposal of capital assets	-	-	140	-
Net cash provided by (used for) capital and related financing activities	<u>3,000</u>	<u>(279)</u>	<u>(1,708)</u>	<u>(1,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	<u>1,697</u>	<u>6</u>	<u>118</u>	<u>177</u>
Net cash provided by (used for) investing activities	<u>1,697</u>	<u>6</u>	<u>118</u>	<u>177</u>
Net increase (decrease) in cash and cash equivalents	8,935	(153)	445	(903)
Cash and cash equivalents - beginning	<u>80,474</u>	<u>598</u>	<u>5,734</u>	<u>7,921</u>
Cash and cash equivalents - ending	<u>\$ 89,409</u>	<u>\$ 445</u>	<u>\$ 6,179</u>	<u>\$ 7,018</u>

<u>Mail Distribution</u>	<u>Facilities Management</u>	<u>Total Internal Service Funds</u>
\$ 1	\$ 2,015	\$ 13,810
3,261	57,202	239,654
(1,507)	(32,234)	(165,996)
(1,292)	(13,803)	(55,626)
(806)	(13,299)	(24,285)
<u>(343)</u>	<u>(119)</u>	<u>7,557</u>
-	185	744
<u>-</u>	<u>(508)</u>	<u>(1,976)</u>
-	(323)	(1,232)
<u>-</u>	<u>-</u>	<u>-</u>
-	8	670
-	(12)	(20)
-	-	3,000
-	(1,714)	(6,292)
<u>-</u>	<u>-</u>	<u>140</u>
<u>-</u>	<u>(1,718)</u>	<u>(2,502)</u>
15	141	2,154
<u>15</u>	<u>141</u>	<u>2,154</u>
(328)	(2,019)	5,977
<u>1,050</u>	<u>9,802</u>	<u>105,579</u>
<u>\$ 722</u>	<u>\$ 7,783</u>	<u>\$ 111,556</u>

(continued)

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Fleet Asset Replacement</u>	<u>Information Technology</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 9,017	\$ (1,461)	\$ 1,428	\$ (4,272)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization of capital assets	-	1,189	717	2,443
Changes in assets, liabilities and deferred inflows/outflows:				
Receivables, net	(4)	-	-	40
Inventories	-	117	-	-
Prepaid items	75	-	-	(126)
Capital assets	-	55	10	103
Accounts payable	(1,652)	63	(120)	1,116
Claims and judgments payable	(1,768)	-	-	-
Payroll Payable	14	3	-	76
Unearned revenue	-	-	-	-
Compensated absences	109	2	-	270
Other accrued payables	-	-	-	-
Total OPEB liability - County Plan	178	40	-	659
Deferred outflows - OPEB - County Plan	(119)	(20)	-	(388)
Deferred inflows - OPEB - County Plan	(4)	1	-	3
Net OPEB asset - RHIA	(2)	(1)	-	(11)
Deferred outflows - OPEB - RHIA	(8)	(1)	-	(28)
Deferred inflows - OPEB - RHIA	(4)	(1)	-	(12)
Net pension liability	(2,238)	270	-	3,917
Deferred outflows - pension	1,053	(120)	-	(1,720)
Deferred inflows - pension	(409)	(16)	-	(444)
Total adjustments	(4,779)	1,581	607	5,898
Net cash provided by (used for) operating activities	<u>\$ 4,238</u>	<u>\$ 120</u>	<u>\$ 2,035</u>	<u>\$ 1,626</u>
Noncash financing activities:				
None	\$ -	\$ -	\$ -	\$ -

<u>Mail Distribution</u>	<u>Facilities Management</u>	<u>Total Internal Service Funds</u>
\$ (464)	\$ (3,206)	\$ 1,042
5	97	4,451
-	(542)	(506)
(9)	(59)	49
(95)	35	(111)
-	-	168
23	665	95
-	-	(1,768)
3	39	135
-	-	-
15	74	470
-	(5)	(5)
44	235	1,156
(16)	(176)	(719)
3	(11)	(8)
(1)	(2)	(17)
(1)	(12)	(50)
-	(6)	(23)
286	4,942	7,177
(128)	(2,235)	(3,150)
(8)	48	(829)
121	3,087	6,515
<u>\$ (343)</u>	<u>\$ (119)</u>	<u>\$ 7,557</u>
\$ -	\$ -	\$ -

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 117,148	\$ 117,755	\$ 111,588	\$ (6,167)
Insurance premiums	10,991	10,991	10,329	(662)
Licenses and permits	-	-	2	2
Interest	1,574	1,574	1,697	123
Miscellaneous	625	625	1,094	469
Total revenues	<u>130,338</u>	<u>130,945</u>	<u>124,710</u>	<u>(6,235)</u>
EXPENDITURES				
Current:				
County management	126,836	127,442	111,377	16,065
Nondepartmental	6,503	6,503	5,831	672
Contingency	10,715	10,715	-	10,715
Total expenditures	<u>144,054</u>	<u>144,660</u>	<u>117,208</u>	<u>27,452</u>
Revenues over (under) expenditures	<u>(13,716)</u>	<u>(13,715)</u>	<u>7,502</u>	<u>21,217</u>
OTHER FINANCING SOURCES (USES)				
Internal loan proceeds	3,000	3,000	3,000	-
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balances	(10,716)	(10,715)	10,502	21,217
Fund balances - beginning	<u>71,433</u>	<u>71,433</u>	<u>77,658</u>	<u>6,225</u>
Fund balances - ending	<u>\$ 60,717</u>	<u>\$ 60,718</u>	<u>88,160</u>	<u>\$ 27,442</u>
Reconciliation to GAAP Basis:				
Compensated absences			(429)	
Claims and judgments payable			(10,579)	
OPEB - County Plan:				
Deferred outflows - County Plan			201	
Total OPEB liability - County Plan			(1,691)	
Deferred inflows - County Plan			(256)	
OPEB - RHIA:				
Net OPEB asset - RHIA			55	
Deferred outflows - RHIA			22	
Deferred inflows - RHIA			(11)	
Pension Plan:				
Deferred outflows - pension			3,688	
Net pension liability			(8,076)	
Deferred inflows - pension			(410)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 70,674</u>	

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 5,793	\$ 5,793	\$ 5,341	\$ (452)
Intergovernmental charges for services	-	-	1	1
Interest	16	16	6	(10)
Miscellaneous	-	-	74	74
Total revenues	<u>5,809</u>	<u>5,809</u>	<u>5,422</u>	<u>(387)</u>
EXPENDITURES				
Current:				
County assets	6,516	6,516	5,772	744
Contingency	100	100	-	100
Total expenditures	<u>6,616</u>	<u>6,616</u>	<u>5,772</u>	<u>844</u>
Net change in fund balances	(807)	(807)	(350)	457
Fund balances - beginning	<u>807</u>	<u>807</u>	<u>887</u>	<u>80</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>537</u>	<u>\$ 537</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			1,766	
Compensated absences			(70)	
OPEB - County Plan:				
Deferred outflows - County Plan			32	
Total OPEB liability - County Plan			(270)	
Deferred inflows - County Plan			(41)	
OPEB - RHIA:				
Net OPEB asset - RHIA			9	
Deferred outflows - RHIA			4	
Deferred inflows - RHIA			(2)	
Pension Plan:				
Deferred outflows - pension			597	
Net pension liability			(1,307)	
Deferred inflows - pension			(66)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 1,189</u>	

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 2,654	\$ 2,654	\$ 2,153	\$ (501)
Licenses and permits	1	1	-	(1)
Interest	85	85	118	33
Miscellaneous	-	-	10	10
Total revenues	<u>2,740</u>	<u>2,740</u>	<u>2,281</u>	<u>(459)</u>
EXPENDITURES				
Current:				
County assets	<u>9,019</u>	<u>9,019</u>	<u>1,856</u>	<u>7,163</u>
Total expenditures	<u>9,019</u>	<u>9,019</u>	<u>1,856</u>	<u>7,163</u>
Revenues over (under) expenditures	<u>(6,279)</u>	<u>(6,279)</u>	<u>425</u>	<u>6,704</u>
NONOPERATING REVENUES				
Gain (loss) on disposal of capital assets	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>
Net change in fund balances	<u>(6,279)</u>	<u>(6,279)</u>	<u>565</u>	<u>6,844</u>
Fund balances - beginning	<u>6,279</u>	<u>6,279</u>	<u>5,435</u>	<u>(844)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,000</u>	<u>\$ 6,000</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			<u>4,067</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 10,067</u>	

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 61,188	\$ 61,188	\$ 60,354	\$ (834)
Interest	-	-	177	177
Total revenues	61,188	61,188	60,531	(657)
EXPENDITURES				
Current:				
County assets	67,488	68,047	61,630	6,417
County management	-	-	1,377	(1,377)
NOT CODED	-	-	(1,377)	1,377
Total expenditures	67,488	68,047	61,630	6,417
Revenues over (under) expenditures	(6,300)	(6,859)	(1,099)	5,760
OTHER FINANCING SOURCES (USES)				
Transfers in	-	559	559	-
Transfers out	(1,468)	(1,468)	(1,468)	-
Total other financing sources (uses)	(1,468)	(909)	(909)	-
Net change in fund balances	(7,768)	(7,768)	(2,008)	5,760
Fund balances - beginning	7,768	7,768	8,496	728
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	6,488	<u>\$ 6,488</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			12,214	
Compensated absences			(1,716)	
OPEB - County Plan:				
Deferred outflows - County Plan			646	
Total OPEB liability - County Plan			(5,430)	
Deferred inflows - County Plan			(821)	
OPEB - RHIA:				
Net OPEB asset - RHIA			176	
Deferred outflows - RHIA			72	
Deferred inflows - RHIA			(35)	
Pension Plan:				
Deferred outflows - pension			12,034	
Net pension liability			(26,352)	
Deferred inflows - pension			(1,337)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (4,061)</u>	

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 3,368	\$ 3,368	\$ 3,263	\$ (105)
Interest	-	-	15	15
Total revenues	<u>3,368</u>	<u>3,368</u>	<u>3,278</u>	<u>(90)</u>
EXPENDITURES				
Current:				
County assets	4,280	4,280	3,529	751
Contingency	53	53	-	53
Total expenditures	<u>4,333</u>	<u>4,333</u>	<u>3,529</u>	<u>804</u>
Net change in fund balances	(965)	(965)	(251)	714
Fund balances - beginning	<u>965</u>	<u>965</u>	<u>948</u>	<u>(17)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>697</u>	<u>\$ 697</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			5	
Compensated absences			(56)	
OPEB - County Plan:				
Deferred outflows - County Plan			25	
Total OPEB liability - County Plan			(214)	
Deferred inflows - County Plan			(32)	
OPEB - RHIA:				
Net OPEB asset - RHIA			7	
Deferred outflows - RHIA			3	
Deferred inflows - RHIA			(1)	
Pension Plan:				
Deferred outflows - pension			493	
Net pension liability			(1,080)	
Deferred inflows - pension			(55)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (208)</u>	

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

	Budgeted Amounts		Actual	
	Original	Final	Amounts	Variance
REVENUES				
Charges for services	\$ 63,506	\$ 63,576	\$ 58,791	\$ (4,785)
Intergovernmental charges for services	949	949	935	(14)
Interest	-	-	141	141
Miscellaneous	50	50	32	(18)
Total revenues	<u>64,505</u>	<u>64,575</u>	<u>59,899</u>	<u>(4,676)</u>
EXPENDITURES				
Current:				
County assets	67,453	68,981	61,743	7,238
Contingency	329	329	-	329
Total expenditures	<u>67,782</u>	<u>69,310</u>	<u>61,743</u>	<u>7,567</u>
Revenues over (under) expenditures	<u>(3,277)</u>	<u>(4,735)</u>	<u>(1,844)</u>	<u>2,891</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	185	185	185	-
Transfers out	(508)	(508)	(508)	-
Total other financing sources (uses)	<u>(323)</u>	<u>(323)</u>	<u>(323)</u>	<u>-</u>
Net change in fund balances	(3,600)	(5,058)	(2,167)	2,891
Fund balances - beginning	<u>3,600</u>	<u>5,058</u>	<u>6,864</u>	<u>1,806</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,697</u>	<u>\$ 4,697</u>
Reconciliation to GAAP Basis:				
Capital assets, net of accumulated depreciation and amortization			6,104	
Compensated absences			(621)	
Other accrued payables			(407)	
OPEB - County Plan:				
Deferred outflows - County Plan			298	
Total OPEB liability - County Plan			(2,510)	
Deferred inflows - County Plan			(379)	
OPEB - RHIA:				
Net OPEB asset - RHIA			81	
Deferred outflows - RHIA			33	
Deferred inflows - RHIA			(16)	
Pension Plan:				
Deferred outflows - pension			5,491	
Net pension liability			(12,024)	
Deferred inflows - pension			(610)	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 137</u>	

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES FIDUCIARY FUNDS

Custodial Funds

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

- **Client Custodian Funds** - accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.
- **Property Tax Funds** - accounts for the collection of property taxes for all governmental entities located in Multnomah County and the disbursement of the collections to such entities.
- **Department of County Management Custodial Funds** - accounts for the collection and disbursement of various monies held by Multnomah County in a fiduciary capacity.
- **Multnomah County Sheriff Custodial Funds** - accounts for receipts and disbursements for individuals who are incarcerated.
- **Visitors' Facilities Trust Fund** - accounts for collection and disbursement of motor vehicle rental tax and transient lodging tax used for visitor facilities.

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MULTNOMAH COUNTY, OREGON
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2020
(amounts expressed in thousands)

	Client Custodian Funds	Property Tax Funds	Department of County Management Custodial Funds	Multnomah County Sheriff Custodial Funds	Visitors Facility Trust Fund
ASSETS					
Restricted assets:					
Cash and investments	\$ 729	\$ 21,825	\$ 1,740	\$ 200	\$ 22,387
Taxes receivable	-	42,342	-	-	718
Total assets	<u>729</u>	<u>64,167</u>	<u>1,740</u>	<u>200</u>	<u>23,105</u>
LIABILITIES					
Liabilities payable from restricted assets:					
Accounts payable	28	12,193	1,740	185	276
Due to other governmental units	-	42,126	-	-	-
Total liabilities	<u>28</u>	<u>54,319</u>	<u>1,740</u>	<u>185</u>	<u>276</u>
NET POSITION					
Individuals, organizations, and other governments	701	9,848	-	15	22,829
Total net position	<u>\$ 701</u>	<u>\$ 9,848</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 22,829</u>

MCSO Criminal Forfeiture Funds		Total
\$ 343		\$ 47,224
-		43,060
<u>343</u>		<u>90,284</u>
335		14,757
-		42,126
<u>335</u>		<u>56,883</u>
8		33,401
<u>\$ 8</u>		<u>\$ 33,401</u>

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

	Client Custodian Funds	Property Tax Funds	Department of County Management Custodial Funds	Multnomah County Sheriff Custodial Funds	Visitors Facility Trust Fund
ADDITIONS					
Taxes collected	\$ -	\$ 3,379,735	\$ -	\$ -	\$ -
Taxes collected for other governments	-	12,765	763	-	18,746
Deposits held for others	-	-	-	6,860	-
Charges for services	-	162	-	7,085	-
Interest	15	1,941	-	-	580
Miscellaneous	2,906	-	-	-	-
Total additions	2,921	3,394,603	763	13,945	19,326
DEDUCTIONS					
Administrative Support	-	-	-	-	131
Payments of taxes to other governments	2,781	3,384,755	763	-	22,069
Payments paid to others	-	-	-	6,850	-
Distributions to others	-	-	-	7,080	-
Total deductions	2,781	3,384,755	763	13,930	22,200
Net increase (decrease) in fiduciary net position	140	9,848	-	15	(2,874)
Total net position - beginning	-	-	-	-	-
Restatement per GASB 84 Implementation (Note I. E.)	561	-	-	-	25,703
Total net position - ending	\$ 701	\$ 9,848	\$ -	\$ 15	\$ 22,829

MCSO Criminal Forfeiture Funds		Total	
<hr/>		<hr/>	
\$	-	\$	3,379,735
	-		32,274
	-		6,860
	-		7,247
	7		2,543
	4		2,910
<hr/>		<hr/>	
	11		3,431,569
<hr/>		<hr/>	
	-		131
	-		3,410,368
	-		6,850
	3		7,083
<hr/>		<hr/>	
	3		3,424,432
<hr/>		<hr/>	
	8		7,137
<hr/>		<hr/>	
	-		-
<hr/>		<hr/>	
	-		26,264
<hr/>		<hr/>	
\$	8	\$	33,401
<hr/>		<hr/>	

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OTHER FINANCIAL SCHEDULES

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

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MULTNOMAH COUNTY, OREGON
Schedule of Property Tax Collections and Outstanding Balances
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Tax Year	Taxes Receivable June 30, 2019	Current Levy	Add (Deduct) Corrections and Adjustments	Add Interest on Delinquent Taxes	Deduct Discounts Allowed	Deduct Collections Including Interest on Delinquent Taxes	Taxes Receivable June 30, 2020
2019-20	\$ -	\$ 1,947,427	\$ (8,275)	\$ 541	\$ (51,352)	\$ (1,858,748)	\$ 29,593
2018-19	28,059	-	(1,143)	932	5	(16,139)	11,714
2017-18	13,391	-	(3,058)	696	3	(4,759)	6,273
2016-17	5,542	-	(205)	783	(1)	(3,694)	2,425
2015-16	2,439	-	(128)	605	-	(2,414)	502
2014-15 and prior	4,319	-	(649)	172	-	(417)	3,425
Total	\$ 53,750	\$ 1,947,427	\$ (13,458)	\$ 3,729	\$ (51,345)	\$ (1,886,171)	\$ 53,932

SUMMARY OF TAXES RECEIVABLE AT JUNE 30, 2020

	Current Years' Levy	Prior Years' Levies	Total Property Taxes	Other Taxes*	Total
General Fund	\$ 4,964	\$ 4,259	\$ 9,223	\$ 23,138	\$ 32,361
Special revenue funds:					
Road Fund	-	-	-	2,025	2,025
Library Fund	-	87	87	-	87
Special Excise Tax Fund	-	-	-	574	574
Land Corner Preservation Fund	-	-	-	15	15
Oregon Historical Society Levy Fund	53	42	95	-	95
Library District Fund	1,375	993	2,368	-	2,368
Total special revenue funds	1,428	1,122	2,550	2,614	5,164
Custodial funds	23,179	18,947	42,126	934	43,060
Subtotal taxes receivable	29,571	24,328	53,899	26,686	80,585
Special assessments:					
collected through taxes					
Dunthorpe-Riverdale Service District No. 1 Fund	15	7	22	-	22
Mid County Service District No. 14 Fund	7	4	11	-	11
Total special assessments	22	11	33	-	33
Total receivables	\$ 29,593	\$ 24,339	\$ 53,932	\$ 26,686	\$ 80,618

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

MULTNOMAH COUNTY, OREGON
Schedule of Capitalized Lease Obligations
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	Sellwood Lofts Dated 1/1/2002 10.31%		West Gresham Plaza Dated 6/15/2016 1.75%		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 38	\$ 80	\$ 175	\$ 8	\$ 213	\$ 88
2022	42	76	179	5	221	81
2023	47	71	181	2	228	73
2024	52	66	-	-	52	66
2025	57	61	-	-	57	61
2026	64	55	-	-	64	55
2027	70	48	-	-	70	48
2028	78	40	-	-	78	40
2029	87	31	-	-	87	31
2030	96	22	-	-	96	22
2031	106	12	-	-	106	12
2032	57	2	-	-	57	2
Total	<u>\$ 794</u>	<u>\$ 564</u>	<u>535</u>	<u>\$ 15</u>	<u>\$ 1,329</u>	<u>\$ 579</u>

MULTNOMAH COUNTY, OREGON
Schedule of Loans Payable Outstanding
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	OTIB*	
	Dated 9/4/2008	
	3.98%	
	Principal	Interest
2021	\$ 231	\$ 61
2022	240	52
2023	250	42
2024	260	32
2025	270	22
2026	280	11
Total	<u>\$ 1,531</u>	<u>\$ 220</u>

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

Additional obligation: the County received loan draws through the Oregon Infrastructure Finance Authority for the Levee Ready Columbia Project. However, these loans are not yet in repayment status as of June 30, 2020. See Note III.G. *Long-term debt - Loans payable* for more detail.

MULTNOMAH COUNTY, OREGON
Schedule of Full Faith and Credit Bonds Outstanding
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)

Fiscal Year of Maturity	Series 1999		Series 2010B		Series 2012	
	Date of Issue: 12/1/1999		Date of Issue 12/14/2010		Date of Issue 12/13/2012	
	6.49 to 7.74%		4.00 to 4.70%		3.00 to 5.00%	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 5,208	\$ 21,407	\$ 1,350	\$ 713	\$ 5,530	\$ 3,942
2022	5,098	23,012	1,380	659	5,805	3,666
2023	4,989	24,687	1,410	600	6,095	3,376
2024	4,881	26,444	1,440	537	6,400	3,071
2025	4,772	28,285	1,475	471	6,720	2,751
2026	4,670	30,215	1,510	401	7,055	2,415
2027	4,566	32,234	1,545	325	7,410	2,062
2028	4,463	34,347	1,585	247	7,705	1,766
2029	4,362	36,563	1,630	167	8,015	1,458
2030	4,265	38,888	1,675	84	8,335	1,137
2031	-	-	-	-	8,665	804
2032	-	-	-	-	8,925	544
2033	-	-	-	-	9,195	274
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
2047	-	-	-	-	-	-
Total	\$ 47,274	\$ 296,082	\$ 15,000	\$ 4,204	\$ 95,855	\$ 27,266

Series 2017		Series 2019			
Date of Issue 11/30/17		Date of Issue 9/12/19			
3.00 to 5.00%		1.74%		Total	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 8,770	\$ 6,195	\$ 1,551	\$ 261	\$ 22,409	\$ 32,518
9,205	5,756	1,578	234	23,066	33,327
9,670	5,296	1,606	206	23,770	34,165
10,145	4,813	1,634	178	24,500	35,043
3,875	4,305	1,662	150	18,504	35,962
4,065	4,112	1,691	121	18,991	37,264
4,270	3,908	1,720	91	19,511	38,620
4,480	3,695	1,750	61	19,983	40,116
4,710	3,471	1,781	31	20,498	41,690
4,940	3,235	-	-	19,215	43,344
5,185	2,988	-	-	13,850	3,792
5,450	2,729	-	-	14,375	3,273
5,665	2,511	-	-	14,860	2,785
5,835	2,341	-	-	5,835	2,341
6,015	2,166	-	-	6,015	2,166
6,190	1,986	-	-	6,190	1,986
6,375	1,800	-	-	6,375	1,800
3,305	1,545	-	-	3,305	1,545
3,405	1,442	-	-	3,405	1,442
3,545	1,306	-	-	3,545	1,306
3,685	1,164	-	-	3,685	1,164
3,830	1,016	-	-	3,830	1,016
3,985	863	-	-	3,985	863
4,145	704	-	-	4,145	704
4,310	538	-	-	4,310	538
4,480	366	-	-	4,480	366
4,660	188	-	-	4,660	188
<u>\$ 144,195</u>	<u>\$ 70,439</u>	<u>\$ 14,973</u>	<u>\$ 1,333</u>	<u>\$ 317,297</u>	<u>\$ 399,324</u>

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STATISTICAL INFORMATION SECTION (UNAUDITED)

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

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

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

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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)

	2020	2019	2018	2017
Governmental Activities:				
Net investment in capital assets	\$ 1,086,931	\$ 971,759	\$ 818,361	\$ 959,484
Restricted	78,256	114,253	186,049	88,143
Unrestricted	(221,030)	(157,498)	(179,240)	(183,146)
Total governmental activities net position	<u>\$ 944,157</u>	<u>\$ 928,514</u>	<u>\$ 825,170</u>	<u>\$ 864,481</u>
Business-Type Activities:				
Net investment in capital assets	\$ 5,770	\$ 6,001	\$ 5,688	\$ 5,589
Unrestricted	1,279	1,454	4,296	3,027
Total business-type activities net position	<u>\$ 7,049</u>	<u>\$ 7,455</u>	<u>\$ 9,984</u>	<u>\$ 8,616</u>
Primary Government:				
Net investment in capital assets	\$ 1,092,701	\$ 977,760	\$ 824,049	\$ 965,073
Restricted	78,256	114,253	186,049	88,143
Unrestricted	(219,751)	(156,044)	(174,944)	(180,119)
Total primary government net position	<u>\$ 951,206</u>	<u>\$ 935,969</u>	<u>\$ 835,154</u>	<u>\$ 873,097</u>

Source: Current and prior years' financial statements

2016	2015	Restated 2014	2013	Restated 2012	2011
\$ 850,159	\$ 768,977	\$ 705,519	\$ 670,483	\$ 686,874	\$ 637,922
81,351	100,186	99,882	29,565	29,565	103,600
(130,430)	1,360	(132,245)	74,009	74,009	81,502
<u>\$ 801,080</u>	<u>\$ 870,523</u>	<u>\$ 673,156</u>	<u>\$ 774,057</u>	<u>\$ 790,448</u>	<u>\$ 823,024</u>
\$ 5,315	\$ 3,775	\$ 3,672	\$ 3,752	\$ 3,612	\$ 3,696
1,529	19,550	18,241	13,402	17,442	13,600
<u>\$ 6,844</u>	<u>\$ 23,325</u>	<u>\$ 21,913</u>	<u>\$ 17,154</u>	<u>\$ 21,054</u>	<u>\$ 17,296</u>
\$ 855,474	\$ 772,752	\$ 709,191	\$ 674,235	\$ 690,486	\$ 641,618
81,351	100,186	99,882	29,565	29,565	103,600
(128,901)	20,910	(114,004)	87,411	91,451	95,102
<u>\$ 807,924</u>	<u>\$ 893,848</u>	<u>\$ 695,069</u>	<u>\$ 791,211</u>	<u>\$ 811,502</u>	<u>\$ 840,320</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Program Revenues				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$ 90,752	\$ 94,345	\$ 73,551	\$ 74,584
Health services	107,636	110,503	95,628	102,403
Social services	7,321	941	619	262
Public safety and justice	34,103	26,220	28,786	20,014
Community services	14,503	14,593	11,283	9,590
Library	3,203	2,530	2,130	1,842
Roads, bridges, and bike path improvements	15,654	13,684	13,104	12,893
Operating grants and contributions	434,998	587,246	466,906	445,317
Capital grants and contributions	27,782	15,474	23,937	43,958
Total governmental activities program revenues	<u>735,952</u>	<u>865,536</u>	<u>715,944</u>	<u>710,863</u>
Business-type activities:				
Charges for services:				
Dunthorpe-Riverdale Service Dist. No. 1	50	889	722	730
Mid County Service Dist. No. 14	24	481	449	456
Behavioral Health Managed Care	26,633	37,268	37,169	34,767
Capital grants and contributions	-	-	-	267
Total business-type activities program revenues	<u>26,707</u>	<u>38,638</u>	<u>38,340</u>	<u>36,220</u>
Total primary government program revenues	<u>762,659</u>	<u>904,174</u>	<u>754,284</u>	<u>747,083</u>
Expenses				
Governmental activities:				
General government	358,021	269,029	420,189	306,755
Health services	268,679	278,820	242,155	222,213
Social services	215,204	193,215	217,044	219,884
Public safety and justice	186,941	254,494	221,307	215,267
Community services	57,867	244,965	94,327	91,297
Library	119,455	70,323	64,736	56,932
Roads, bridges, and bike path improvements	92,592	68,287	111,526	64,730
Interest on long-term debt	30,499	10,190	10,494	8,572
Total governmental activities expenses	<u>1,329,258</u>	<u>1,389,323</u>	<u>1,381,778</u>	<u>1,185,650</u>
Business-type activities:				
Dunthorpe-Riverdale Service Dist. No. 1	706	798	687	649
Mid County Service Dist. No. 14	476	384	416	321
Behavioral Health Managed Care	27,399	40,260	34,207	34,260
Total business-type activities expenses	<u>28,581</u>	<u>41,442</u>	<u>35,310</u>	<u>35,230</u>
Total primary government expenses	<u>1,357,839</u>	<u>1,430,765</u>	<u>1,417,088</u>	<u>1,220,880</u>

2016	2015	2014	2013	2012	2011
\$ 62,857	\$ 83,516	\$ 71,664	\$ 26,466	\$ 27,239	\$ 27,789
100,720	89,951	72,286	68,943	72,910	77,276
624	3,604	2,038	1,064	1,568	1,321
30,080	19,472	15,473	17,167	16,809	16,056
7,406	5,120	3,779	3,514	2,914	2,325
2,189	3,126	1,652	1,639	1,747	1,759
13,314	13,401	13,011	12,853	11,866	9,131
383,728	350,767	340,367	318,956	308,392	316,218
10,364	20,455	60,776	68	839	16,415
611,282	589,412	581,046	450,670	444,284	468,290
896	893	877	852	837	816
453	454	452	377	380	363
61,700	71,149	53,112	42,857	44,712	46,110
	-	-	10	6	36
63,049	72,496	54,441	44,096	45,935	47,325
674,331	661,908	635,487	494,766	490,219	515,615
271,016	101,137	97,325	72,049	65,813	58,642
242,366	147,909	152,854	148,528	150,421	151,327
227,737	244,858	245,233	233,990	224,975	222,515
255,904	200,669	228,463	221,744	217,842	216,403
54,495	53,731	39,182	36,895	34,511	26,683
63,640	60,150	64,708	58,488	61,641	60,343
64,539	50,327	66,622	55,383	54,287	51,772
18,362	19,785	20,822	18,932	10,695	11,774
1,198,059	878,566	915,209	846,009	820,185	799,459
607	622	573	554	507	486
329	404	420	389	411	427
79,420	69,242	53,156	38,586	49,014	43,640
80,356	70,268	54,149	39,529	49,932	44,553
1,278,415	948,834	969,358	885,538	870,117	844,012

(Continued)

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

(continued)

	2020	2019	2018	2017
Net Revenue (Expense)				
Governmental activities	\$ (593,306)	\$ (523,787)	\$ (665,834)	\$ (474,787)
Business-type activities	(1,874)	(2,804)	3,030	990
Total primary government net expense	<u>(595,180)</u>	<u>(526,591)</u>	<u>(662,804)</u>	<u>(473,797)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:

Property and other local taxes levied for:

General purposes	406,450	390,396	383,074	360,178
Debt service	-	-	-	108
Personal income taxes	3	5	11	9
Business income taxes	104,300	99,500	93,400	84,450
Selective excise and use taxes	66,258	84,485	76,825	76,163
Payments in lieu of taxes	384	519	786	568
State government shared revenues	12,399	12,668	13,192	10,475
Grants and contributions not restricted to specific programs	8	9	2,958	24
Interest and investment earnings	12,742	14,954	6,235	2,045
Gain/(loss) on investments	151	-	-	-
Miscellaneous	6,250	-	-	1,559
Gain (loss) on sale of capital assets	4	24,595	29,811	2,609
Total governmental activities	<u>608,949</u>	<u>627,131</u>	<u>606,292</u>	<u>538,188</u>

Business-type activities:

Property taxes, levied for general purposes	1,468	-	-	-
Interest and investment earnings	-	275	124	48
Miscellaneous	-	-	42	734
Total business-type activities	<u>1,468</u>	<u>275</u>	<u>166</u>	<u>782</u>
Total primary government	<u>610,417</u>	<u>627,406</u>	<u>606,458</u>	<u>538,970</u>

Change in Net Position

Governmental activities	15,643	103,344	(59,542)	63,401
Cumulative effect of change in accounting principle	-	-	-	-
Total governmental activities	<u>15,643</u>	<u>103,344</u>	<u>(59,542)</u>	<u>63,401</u>
Business-type activities	<u>(406)</u>	<u>(2,529)</u>	<u>3,196</u>	<u>1,772</u>
Total primary government change in net position	<u>\$ 15,237</u>	<u>\$ 100,815</u>	<u>\$ (56,346)</u>	<u>\$ 65,173</u>

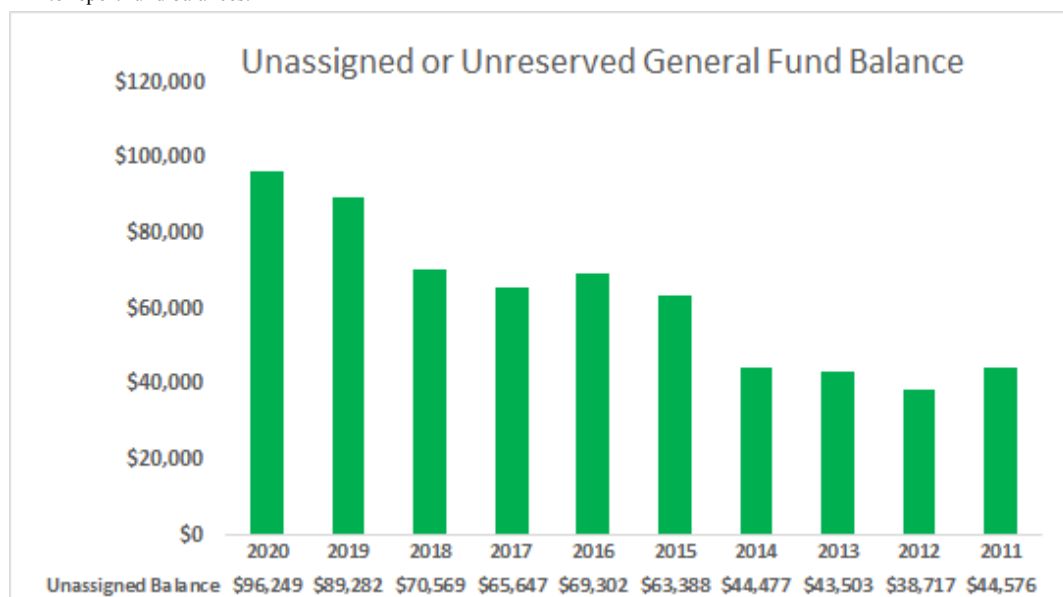
Source: Current and prior years' financial statements

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ (586,777)	\$ (289,154)	\$ (334,163)	\$ (395,339)	\$ (375,901)	\$ (331,169)
(17,307)	2,228	292	4,567	(3,997)	2,772
<u>(604,084)</u>	<u>(286,926)</u>	<u>(333,871)</u>	<u>(390,772)</u>	<u>(379,898)</u>	<u>(328,397)</u>
342,128	323,898	303,871	271,664	272,299	268,605
6,075	6,116	6,999	8,067	8,842	8,246
15	32	16	77	235	683
80,710	73,825	61,800	58,750	52,250	48,570
74,594	67,192	58,456	52,934	48,777	46,167
486	659	821	1,019	697	1,500
9,998	9,534	9,198	9,090	10,108	7,423
13	-	24	15	10	1
3,016	2,363	2,119	1,638	2,604	2,946
-	-	-	-	-	-
2,304	2,713	2,302	2,613	1,194	667
(2,005)	189	279	119	607	175
<u>517,334</u>	<u>486,521</u>	<u>445,885</u>	<u>405,986</u>	<u>397,623</u>	<u>384,983</u>
-	-	-	-	-	-
100	119	102	95	97	115
726	100	10	97	-	871
826	219	112	192	97	986
<u>518,160</u>	<u>486,740</u>	<u>445,997</u>	<u>406,178</u>	<u>397,720</u>	<u>385,969</u>
(69,443)	197,367	111,722	10,647	21,722	53,814
-	-	-	-	(504)	-
(69,443)	197,367	111,722	10,647	21,218	53,814
(16,481)	2,447	404	4,759	(3,900)	3,758
<u>\$ (85,924)</u>	<u>\$ 199,814</u>	<u>\$ 112,126</u>	<u>\$ 15,406</u>	<u>\$ 17,318</u>	<u>\$ 57,572</u>

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

	2020	2019	2018	2017
General Fund:				
Nonspendable	\$ 883	\$ 979	\$ 595	\$ 682
Restricted	553	7,967	5,389	5,152
Committed	14,490	3,412	-	3,802
Unassigned	96,249	89,282	70,569	65,647
Total General Fund	112,175	101,640	76,553	75,283
All other governmental funds:				
Nonspendable	1,084	718	1,000	855
Restricted	77,704	106,286	180,660	82,991
Committed	73,185	90,829	93,872	101,025
Assigned	9,356	12,419	16,557	15,475
Unassigned	-	-	(2)	(27)
Total all other governmental funds	161,329	210,252	292,087	200,319
Total governmental funds	\$ 273,504	\$ 311,892	\$ 368,640	\$ 275,602

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

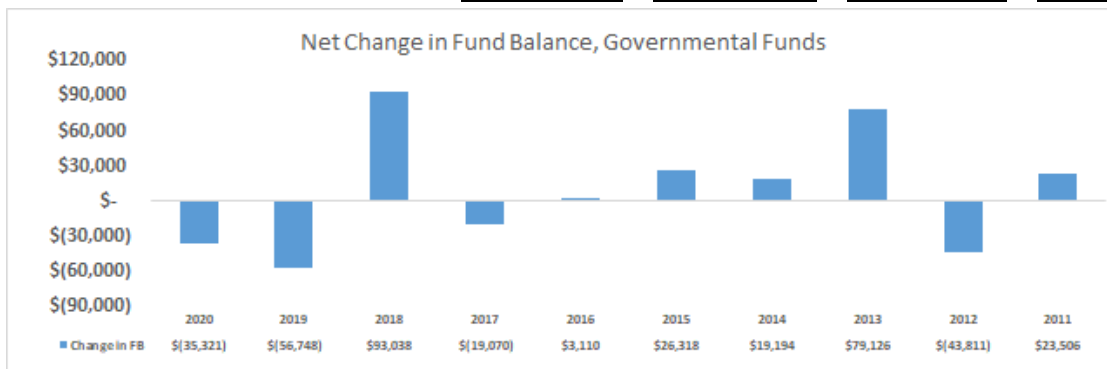


Source: Current and prior years' financial statements

2016	2015	2014	2013	2012	2011
\$ 619	\$ 781	\$ 622	\$ 576	\$ 364	\$ 654
3,427	176	254	429	534	487
-	-	-	-	42	487
69,302	63,388	44,477	43,503	38,717	44,576
73,348	64,345	45,353	44,508	39,657	46,204
1,378	1,358	1,115	1,269	1,418	1,237
84,111	106,261	104,838	105,341	28,506	48,942
117,925	104,004	99,651	86,123	86,457	94,237
18,335	15,594	14,494	9,255	11,282	20,914
(425)	-	(207)	(446)	(396)	(312)
221,324	227,217	219,891	201,542	127,267	165,018
\$ 294,672	\$ 291,562	\$ 265,244	\$ 246,050	\$ 166,924	\$ 211,222

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

	2020	2019	2018	2017
Revenues				
Taxes	\$ 577,047	\$ 574,385	\$ 553,499	\$ 519,718
Payments in lieu of taxes	384	519	601	568
Intergovernmental	423,403	589,112	468,765	456,252
Licenses and permits	29,730	30,309	31,894	31,999
Charges for services	139,738	132,878	112,662	125,090
Interest	9,130	10,226	5,988	3,172
Miscellaneous	139,745	132,445	100,482	101,207
Total revenues	1,319,177	1,469,874	1,273,891	1,238,006
Expenditures				
Current:				
General government	148,955	128,807	142,156	128,043
Health services	293,347	284,840	267,459	273,545
Social services	243,530	221,836	262,382	246,614
Public safety and justice	308,522	289,023	276,142	261,961
Community services	56,816	237,941	92,331	90,065
Library	86,212	81,635	70,208	67,682
Roads, bridges, and bike path improvements	69,688	63,277	68,595	59,320
Capital outlay	107,972	199,990	142,965	94,026
Debt service:				
Principal	25,033	39,964	32,880	35,368
Interest	31,808	14,230	12,426	11,130
Total expenditures	1,371,883	1,561,543	1,367,544	1,267,754
Revenues over (under) expenditures	(52,706)	(91,669)	(93,653)	(29,748)
Other Financing Sources (Uses)				
Proceeds from issuance of debt	16,129	107	181,208	1,432
Premium on long-term debt	-	-	-	-
Issuance of capital lease	-	-	-	-
Proceeds from sale of capital assets	24	39,700	5,018	3,837
Transfers in	114,282	123,285	126,573	107,493
Transfers out	(113,050)	(128,171)	(126,108)	(102,084)
Total other financing sources (uses)	17,385	34,921	186,691	10,678
Net change in fund balances	\$ (35,321)	\$ (56,748)	\$ 93,038	\$ (19,070)
Debt service as a percentage of noncapital expenditures	4.5%	4.0%	3.7%	4.0%



Source: Current and prior years' financial statements

2016	2015	2014	2013	2012	2011
\$ 503,745	\$ 470,486	\$ 429,539	\$ 391,722	\$ 379,334	\$ 373,435
517	659	858	1,019	697	1,500
376,935	369,654	401,312	318,878	312,588	317,944
30,059	29,113	27,244	27,685	27,727	23,535
129,206	86,212	85,153	87,307	80,001	68,875
1,898	2,024	1,796	1,315	1,180	1,486
99,840	98,031	86,706	64,816	56,823	64,335
<u>1,142,200</u>	<u>1,056,179</u>	<u>1,032,608</u>	<u>892,742</u>	<u>858,350</u>	<u>851,110</u>
77,333	79,363	73,641	69,384	61,380	62,951
257,759	171,896	159,095	155,451	156,344	158,283
237,085	259,391	247,007	236,253	226,460	223,815
261,326	240,126	231,694	225,707	221,094	220,279
52,927	42,226	38,833	34,517	34,137	26,283
65,206	62,673	58,193	52,438	55,088	54,223
55,292	53,269	55,419	44,704	43,623	40,790
86,450	74,973	100,355	79,769	80,888	32,804
22,437	22,731	48,931	60,212	28,526	23,947
20,785	22,407	23,253	19,702	10,583	11,759
<u>1,136,600</u>	<u>1,029,055</u>	<u>1,036,421</u>	<u>978,137</u>	<u>918,123</u>	<u>855,134</u>
<u>5,600</u>	<u>27,124</u>	<u>(3,813)</u>	<u>(85,395)</u>	<u>(59,773)</u>	<u>(4,024)</u>
1,000	-	22,530	153,262	15,101	16,282
-	-	2,562	21,113	-	-
-	-	-	-	-	815
9	276	15	20	1,713	24
106,193	103,198	75,187	21,870	37,351	33,521
(109,692)	(104,280)	(77,287)	(31,744)	(38,203)	(23,112)
<u>(2,490)</u>	<u>(806)</u>	<u>23,007</u>	<u>164,521</u>	<u>15,962</u>	<u>27,530</u>
<u>\$ 3,110</u>	<u>\$ 26,318</u>	<u>\$ 19,194</u>	<u>\$ 79,126</u>	<u>\$ (43,811)</u>	<u>\$ 23,506</u>
<u>4.1%</u>	<u>4.7%</u>	<u>7.7%</u>	<u>8.9%</u>	<u>4.7%</u>	<u>4.3%</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Function/Program				
Governmental activities:				
General government	\$ 113,538	\$ 102,776	\$ 74,698	\$ 79,161
Health services	206,924	203,720	178,702	210,508
Social services	176,498	147,255	248,955	201,187
Public safety and justice	119,135	139,242	100,627	78,917
Community services	18,062	195,611	13,358	42,309
Library	25,494	4,507	3,915	5,273
Roads and bridges	76,301	72,425	95,689	93,508
Total governmental activities	<u>735,952</u>	<u>865,536</u>	<u>715,944</u>	<u>710,863</u>
Business-type activities:				
Dunthorpe-Riverdale Service District No. 1	50	889	722	730
Mid County Service District No. 14	24	481	449	723
Behavioral Health Managed Care	26,633	37,268	37,169	34,767
Total business-type activities	<u>26,707</u>	<u>38,638</u>	<u>38,340</u>	<u>36,220</u>
Total primary government	<u>\$ 762,659</u>	<u>\$ 904,174</u>	<u>\$ 754,284</u>	<u>\$ 747,083</u>

Source: Current and prior years' financial statements

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 78,014	\$ 87,840	\$ 76,839	\$ 31,273	\$ 32,200	\$ 34,230
181,336	126,335	116,869	100,994	107,371	113,591
184,797	205,639	185,991	194,176	172,360	180,874
88,203	63,252	61,636	57,886	57,705	60,451
9,393	6,684	5,389	5,104	5,898	7,184
5,474	7,035	4,233	5,724	5,318	4,948
64,065	92,627	130,089	55,513	63,432	67,012
<u>611,282</u>	<u>589,412</u>	<u>581,046</u>	<u>450,670</u>	<u>444,284</u>	<u>468,290</u>
896	893	877	852	837	822
453	454	452	387	386	393
<u>61,700</u>	<u>71,149</u>	<u>53,112</u>	<u>42,857</u>	<u>44,712</u>	<u>46,110</u>
<u>63,049</u>	<u>72,496</u>	<u>54,441</u>	<u>44,096</u>	<u>45,935</u>	<u>47,325</u>
<u>\$ 674,331</u>	<u>\$ 661,908</u>	<u>\$ 635,487</u>	<u>\$ 494,766</u>	<u>\$ 490,219</u>	<u>\$ 515,615</u>

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

Year	Property Taxes	Business Income Taxes	Transient Lodging Taxes	Motor Vehicle Rental Taxes	County Gasoline Taxes	Personal Income Taxes	Other Taxes	Total
2011	\$ 277,258	\$ 48,570	\$ 18,208	\$ 20,842	\$ 7,052	\$ 657	\$ 2,348	\$ 374,935
2012	277,827	52,250	20,052	21,852	6,811	205	1,034	380,031
2013	279,697	58,750	21,464	24,764	6,707	76	1,283	392,741
2014	309,024	61,800	24,268	27,435	6,753	34	1,083	430,397
2015	329,437	73,825	29,692	30,450	6,822	63	886	471,175
2016	348,238	80,710	34,341	33,039	7,215	15	711	504,269
2017	359,043	84,450	35,237	33,839	7,086	9	622	520,286
2018	383,075	93,400	34,806	35,018	6,970	11	786	554,066
2019	390,396	99,500	59,296	42,192	6,920	5	519	598,828
2020	406,450	104,300	31,860	28,206	6,192	3	384	577,395

Source: Current and prior years' financial statements

MULTNOMAH COUNTY, OREGON
Assessed Valuation and Actual Values of Taxable Property
Last Ten Fiscal Years
(dollar amounts expressed in thousands)
(modified accrual basis of accounting)
(unaudited)

Year	Residential Property	Commercial Property	Public Utility Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Real Market Value
2011	\$ 34,269,351	\$ 16,954,346	\$ 2,569,318	\$ 2,194,393	\$ 55,987,408	5.10	\$ 101,559,353
2012	35,156,964	17,653,597	2,641,653	2,089,271	57,541,485	5.01	95,354,432
2013	35,929,873	18,050,498	2,599,627	2,097,912	58,677,910	4.89	93,735,420
2014	37,261,960	18,518,408	2,718,960	2,123,276	60,622,604	5.27	98,078,710
2015	38,871,143	19,435,231	3,004,706	2,208,621	63,519,701	5.34	108,173,728
2016	40,298,453	20,452,051	3,095,038	2,296,521	66,142,063	5.43	119,581,740
2017	41,591,891	21,404,366	3,437,762	2,397,666	68,831,685	5.38	139,355,901
2018	42,999,453	22,889,841	3,725,018	2,498,622	72,112,934	5.38	158,551,847
2019	44,465,359	23,334,977	4,028,504	2,552,244	74,381,084	5.40	172,752,206
2020	46,166,387	24,692,491	3,974,266	2,775,834	77,608,978	5.42	176,570,949

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

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)		Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections Subsequent Years	Total Collections to Date						
					Amount	Percentage of Levy		Amount	Percentage of Levy					
2011	\$	285,605	\$	(8,600)	\$	277,005	\$	269,609	94.40 %	\$	7,153	\$	276,762	96.90 %
2012		288,355		(8,686)		279,669		270,714	93.88		7,661		278,375	96.54
2013		287,384		(8,212)		279,172		271,302	94.40		7,305		278,607	96.95
2014		253,024		(7,092)		245,932		239,352	94.60		5,943		245,295	96.95
2015		269,118		(7,620)		261,498		255,164	94.81		5,702		260,866	96.93
2016		284,628		(8,129)		276,499		270,282	94.96		4,669		274,951	96.60
2017		292,298		(8,575)		283,723		278,093	95.14		3,735		281,828	96.42
2018		305,936		(13,615)		292,321		291,133	95.16		2,105		293,238	95.85
2019		315,817		(10,376)		305,441		302,313	95.72		2,578		304,891	96.54
2020		329,763		(11,013)		318,750		319,223	96.80		-		319,223	96.80

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

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

Year	Multnomah County Direct Rates				Overlapping Rates						Total
	General	Special Revenue	Debt Service	Total	Cities	Special Purpose Districts	Education Districts	Water Districts	Rural Fire Districts	Urban Renewal Districts	
2011	4.24	0.71	0.15	5.10	6.56	0.73	7.23	0.01	0.07	2.02	21.72
2012	4.21	0.64	0.16	5.01	6.39	0.62	7.45	0.01	0.08	1.97	21.53
2013	4.16	0.59	0.14	4.89	6.39	0.64	7.41	0.01	0.08	1.97	21.39
2014	4.03	1.12	0.12	5.27	6.30	0.67	8.24	0.01	0.08	2.05	22.62
2015	4.10	1.14	0.10	5.34	6.41	0.67	8.29	0.01	0.08	2.02	22.82
2016	4.17	1.17	0.09	5.43	6.46	0.61	8.41	0.01	0.08	1.99	22.99
2017	4.20	1.18	-	5.38	6.52	0.63	8.53	0.01	0.08	2.12	23.27
2018	4.20	1.18	-	5.38	6.66	0.65	9.59	0.01	0.08	2.31	24.68
2019	4.20	1.20	-	5.40	6.73	0.72	9.72	0.01	0.08	2.41	25.07
2020	4.21	1.21	-	5.42	6.65	0.92	9.62	0.01	0.07	2.40	25.09

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

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

December 31, 2019				
Taxpayer	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 13,809	\$ 670,145	1	0.86 %
Portland General Electric Co.	10,212	629,271	2	0.81
Alaska Airlines Inc	6,456	423,588	3	0.55
Pacificorp (PP&L)	6,264	386,148	4	0.50
CenturyLink	5,383	333,100	5	0.43
Weston Investment Co. LLC	6,179	281,110	6	0.36
Boeing Co	4,066	270,158	7	0.35
Comcast Corporation	4,174	254,263	8	0.33
AT&T, Inc.	3,875	238,146	9	0.31
Southwest Airlines Co.	3,595	235,900	10	0.30
Totals	<u>\$ 64,013</u>	<u>\$ 3,721,829</u>		<u>4.80 %</u>
Total Assessed Valuation		<u>\$ 77,608,978</u>		

December 31, 2010				
Taxpayer	Tax	Real Property Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 9,929	\$ 474,287	1	0.85 %
Portland General Electric	6,352	395,740	2	0.71
Comcast Corporation	5,406	338,520	3	0.60
Pacificorp (PP&L)	5,076	315,637	4	0.56
Weston Investment Co. LLC	4,937	236,682	5	0.42
QWEST Corporation	3,516	217,505	6	0.39
Fred Meyer Stores	3,479	181,524	7	0.32
Evraz Inc NA	2,810	175,714	8	0.31
LC Portland LLC	3,666	168,334	9	0.30
Boeing Co	2,682	165,440	10	0.30
Totals	<u>\$ 47,853</u>	<u>\$ 2,669,383</u>		<u>4.77 %</u>
Total Assessed Valuation		<u>\$ 55,987,408</u>		

(1) Assessed valuation based on the valuation of property for tax collection years 2019-20 and 2010-11 respectively.

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

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds (1)	Capitalized Lease Obligations	Full Faith and Credit Bonds (1)	Revenue Bonds	Loans Payable			
2011	\$ 42,794	\$ 1,719	\$ 218,330	\$ 2,430	\$ 3,414	\$ 268,687	0.86 %	\$ 362
2012	35,274	1,597	199,363	-	18,164	254,398	0.78	340
2013	27,718	1,468	337,075	-	3,133	369,394	1.11	488
2014	19,812	1,333	317,452	-	2,919	341,516	0.93	446
2015	12,961	1,191	299,648	-	2,723	316,523	0.81	407
2016	6,601	2,477	281,674	-	3,520	294,272	0.71	372
2017	-	2,016	252,520	-	3,289	257,825	0.58	321
2018	-	1,736	398,059	-	3,466	403,261	0.86	496
2019	-	1,536	355,698	-	3,358	360,592	0.67	403
2020	-	1,329	344,351	-	3,125	348,805	0.65	388

Note: 2020 percentages calculated using 2019 personal income data, which is the most recent available.

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

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

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

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (3)	Per Capita (2)
2011	\$ 42,794	\$ (7,454)	\$ 35,340	0.10 %	0.06 %	\$ 42
2012	35,274	(7,753)	27,521	0.08	0.04	32
2013	27,718	(7,714)	20,004	0.06	0.03	23
2014	19,812	(6,578)	13,234	0.06	0.02	14
2015	12,961	(5,947)	7,014	0.02	0.01	7
2016	6,601	(5,905)	696	-	-	-
2017	- (4)	-	-	-	-	-
2018	- (4)	-	-	-	-	-
2019	- (4)	-	-	-	-	-
2020	- (4)	-	-	-	-	-

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

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

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

(4) No general obligation bonds outstanding at June 30, 2020.

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

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

Fiscal Year	Revenue Bonds						
	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	\$ 36	\$ 5	\$ 31	\$ 415	\$ 133	0.06 %	
2012	39	1	38	2,430	78	0.02	
2013	-	-	-	-	-	-	
2014	-	-	-	-	-	-	
2015	-	-	-	-	-	-	
2016	-	-	-	-	-	-	
2017	-	-	-	-	-	-	
2018	-	-	-	-	-	-	
2019	-	-	-	-	-	-	
2020	-	-	-	-	-	-	

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

Source: Current and prior years' financial statements

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

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

	2020	2019	2018	2017
Real market value	\$ 176,570,949	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901
Debt limit rate	2.00%	2.00%	2.00%	2.00%
Debt limit	3,531,419	3,455,044	3,171,037	2,787,118
Less bonded debt at June 30	-	-	-	-
Legal debt margin	<u>\$ 3,531,419</u>	<u>\$ 3,455,044</u>	<u>\$ 3,171,037</u>	<u>\$ 2,787,118</u>
Total net debt applicable to the limit as a percentage of debt limit.	- %	- %	- %	- %

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

Real market value	\$ 176,570,949	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901
Debt limit rate	1.00%	1.00%	1.00%	1.00%
Debt limit	1,765,709	1,727,522	1,585,518	1,393,559
Less bonded debt at June 30	344,351	354,844	290,990	140,085
Legal debt margin	<u>\$ 1,421,358</u>	<u>\$ 1,454,082</u>	<u>\$ 1,294,528</u>	<u>\$ 1,253,474</u>
Total net debt applicable to the limit as a percentage of debt limit.	19.50 %	15.83 %	18.35 %	10.05 %

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

Real market value	\$ 176,570,949	\$ 172,752,206	\$ 158,551,847	\$ 139,355,901
Debt limit rate	5.00%	5.00%	5.00%	5.00%
Debt limit	8,828,547	8,637,610	7,927,592	6,967,795
Less bonded debt at June 30	47,274	52,593	74,793	94,263
Legal debt margin	<u>\$ 8,781,273</u>	<u>\$ 8,585,017</u>	<u>\$ 7,852,799</u>	<u>\$ 6,873,532</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.54 %	0.61 %	0.94 %	1.35 %

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

2016	2015	2014	2013	2012	2011
\$ 119,581,740	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2,391,635	2,163,475	1,961,574	1,874,708	1,907,089	2,031,187
5,905	11,570	17,725	24,935	31,795	38,620
\$ 2,385,730	\$ 2,151,905	\$ 1,943,849	\$ 1,849,773	\$ 1,875,294	\$ 1,992,567

0.25 % 0.53 % 0.90 % 1.33 % 1.67 % 1.90 %

\$ 119,581,740	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1,195,817	1,081,737	980,787	937,354	953,544	1,015,594
150,690	160,255	172,025	186,395	198,353	217,158
\$ 1,045,127	\$ 921,482	\$ 808,762	\$ 750,959	\$ 755,191	\$ 798,436

12.60 % 14.81 % 17.54 % 19.89 % 20.80 % 21.38 %

\$ 119,581,740	\$ 108,173,728	\$ 98,078,710	\$ 93,735,420	\$ 95,354,432	\$ 101,559,353
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5,979,087	5,408,686	4,903,936	4,686,771	4,767,722	5,077,938
111,248	118,093	122,562	127,034	131,513	142,223
\$ 5,867,839	\$ 5,290,593	\$ 4,781,374	\$ 4,559,737	\$ 4,636,209	\$ 4,935,745

1.86 % 2.18 % 2.50 % 2.71 % 2.76 % 2.80 %

MULTNOMAH COUNTY, OREGON
Computation of Direct and Overlapping Debt
For the Year Ended June 30, 2020
(dollar amounts expressed in thousands)
(unaudited)

Overlapping District (1)	Gross (2) Property-tax Backed Debt	Net (3) Property-tax Backed Debt	Percent (4) Overlapping	Total Overlapping Debt
Burlington Water District	\$ 1,203	\$ 1,203	100.00 %	\$ 1,203
City of Fairview	6,874	6,874	100.00	6,874
City of Gresham	85,272	56,115	100.00	56,115
City of Lake Oswego	237,620	88,550	5.00	4,428
City of Milwaukie	40,112	37,192	0.77	287
City of Portland	838,525	463,339	99.70	461,949
City of Troutdale	10,570	10,570	100.00	10,570
City of Wood Village	3,435	3,435	100.00	3,435
Clackamas County ESD	20,637	20,637	0.05	10
Clackamas County RFPD #1	42,041	28,156	0.11	30
Clackamas County SD 7J (Lake Oswego)	265,746	265,746	0.30	789
Columbia County SD 1J (Scappoose)	23,120	23,120	20.73	4,793
Corbett Water District	687	687	100.00	687
Lusted Water District	605	605	100.00	605
Metro	9,797,745	964,085	51.83	499,703
Mt Hood Community College	52,318	20,510	82.88	16,999
Multnomah County Drainage Dist No 1	9,641	9,641	100.00	9,641
Multnomah County RFPD 10	1,680	1,680	100.00	1,680
Multnomah County SD 10J (Gresham-Barlow)	334,402	334,402	81.25	271,702
Multnomah County SD 1 (Portland)	1,191,002	1,191,002	99.46	1,184,571
Multnomah County SD 28J (Centennial)	15,045	15,045	91.56	13,775
Multnomah County SD 3 (Parkrose)	73,404	73,404	100.00	73,404
Multnomah County SD 39 (Corbett)	4,627	4,627	100.00	4,627
Multnomah County SD 40 (David Douglas)	69,002	69,002	100.00	69,002
Multnomah County SD 51J (Riverdale)	17,076	17,076	95.10	16,239
Multnomah County SD 7 (Reynolds)	193,823	192,395	100.00	192,395
Multnomah ESD	25,230	-	98.13	-
Northwest Regional ESD	2,643	-	0.56	-
Pleasant Home Water District	1,400	1,400	93.43	1,308
Port of Portland	56,255	-	48.09	-
Portland Community College	644,797	575,107	50.41	289,911
Rockwood Water PUD	4,375	-	-	-
Tualatin Valley Fire & Rescue District	34,195	23,785	1.39	331
Valley View Water District	1,233	1,233	100.00	1,233
Washington County SD 1J (Hillsboro 7 Bd)	778	778	-	-
Washington County SD 1J (Hillsboro)	576,810	576,810	-	-
Washington County SD 48J (Beaverton)	955,104	955,104	0.34	3,247
Subtotal, overlapping debt	\$ 15,639,032	\$ 6,033,315		\$ 3,201,543
Multnomah County direct debt	\$ 348,805	\$ 322,192	100.00	348,805
Total direct and overlapping debt				\$ 3,550,348

(1) The overlapping debt calculation was performed by Municipal Debt Advisory Commission as of June 30, 2020.

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

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

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

Source: Municipal Debt Advisory Commission, Oregon State Treasury

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

<u>June 30,</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Income (2)</u>	<u>PMSA* Unemployment Rate (3)</u>
2011	741,925	\$ 31,161,157	\$ 41,658	8.9 %
2012	748,445	32,715,802	43,089	7.9
2013	756,530	33,376,029	43,564	7.3
2014	765,775	36,588,018	47,106	6.1
2015	777,490	38,906,295	49,230	5.4
2016	790,670	41,194,678	51,508	5.1
2017	803,000	44,261,075	54,726	3.8
2018	813,300	46,966,887	57,850	3.6
2019	821,730	49,399,774	60,773	3.9
2020	829,560	N/A (4)	N/A (4)	8.0 (5)

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

* Portland Metropolitan Statistical Area

(1) Population Research Center, PSU

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

(3) OLMIS, Oregon Labor Market Information System

(4) Most recent information available is November 2019

(5) Information available as of September 2020

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

Employer	Fiscal Year 2019-20		
	Employees	Rank	Percentage of Total PMSA* Employment
Intel Corporation	21,394	1	1.90 %
Providence Health & Services	19,326	2	1.72
Oregon Health & Science University	17,441	3	1.55
Legacy Health	12,896	4	1.15
Kaiser Permanente	12,074	5	1.07
Nike, Inc.	12,000	6	1.07
Fred Meyer Stores	8,163	7	0.73
City of Portland	7,409	8	0.66
Portland Public Schools	7,005	9	0.62
Beaverton School District	5,646	10	0.50
Total	123,354		10.97 %
Total PMSA* employment	1,124,000 (1)		

Employer	Fiscal Year 2010-11		
	Employees	Rank	Percentage of Total PMSA* Employment
State of Oregon	22,600	1	1.90 %
U.S. Government	17,500	2	1.47
Intel Corporation	15,636	3	1.31
Providence Health System	14,089	4	1.18
Oregon Health and Science University	13,636	5	1.14
Fred Meyer Stores	9,858	6	0.83
Legacy Health System	9,732	7	0.82
Kaiser Foundation Health Plan	9,039	8	0.76
City of Portland	8,876	9	0.74
Nike, Inc.	7,000	10	0.59
Total	127,966		10.74 %
Total PMSA* employment	1,191,821		

* Portland Metropolitan Statistical Area
(1) As of August 2020

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

	2020	2019	2018	2017
Function/Program				
Governmental activities:				
General government	812	798	767	669
Health services	1,295	1,312	1,439	1,373
Social services	769	735	639	643
Public safety and justice	1,439	1,463	1,536	1,472
Community services	15	17	183	88
Library	354	369	545	515
Roads and bridges	115	124	102	110
Total governmental activities	4,799	4,818	5,211	4,870
Business-type activities:				
Behavioral health	-	-	1	3
Total business-type activities	-	-	1	3
Total primary government budgeted FTE	4,799	4,818	5,212	4,873
MULTNOMAH COUNTY EMPLOYEES				
Management and exempt	796	782	796	816
Bargaining units:				
Multnomah County Employees Union -				
Local 88 and Physicians Unit - Local 88-4,				
AFSCME AFL-CIO	3,112	3,260	3,121	3,081
International Brotherhood of Electrical				
Workers (IBEW) - Local 48, AFL-CIO	21	24	23	24
International Union of Operating Engineers -				
Local 701, AFL-CIO	15	15	16	15
International Union of Painters and Allied				
Trades - District Council 5, Local 1094,				
AFL-CIO	-	1	1	1
Multnomah County Corrections Deputy				
Association (MCCDA)	332	409	411	420
Multnomah County Deputy Sheriff's				
Association (MCDSA)	95	124	126	113
Oregon Nurses Association (ONA)	238	224	208	186
Multnomah County Employees Union -				
Juvenile Custody Services Specialists Unit				
(JCSS) - Local 86, AFSCME AFL-CIO	91	108	58	59
Multnomah County Prosecuting Attorneys				
Association	68	72	74	75
Federation of Oregon Parole and Probation				
Officers (FOPPO)	92	122	122	128
Total bargaining units	4,064	4,359	4,160	4,102
Temporary County employees	59	105	256	489
Total actual County employees	4,919	5,246	5,212	5,407

Source: Multnomah County payroll records

2016	2015	2014	2013	2012	2011
679	654	653	618	614	637
1,411	1,039	973	969	955	967
682	846	760	672	660	650
1,531	1,532	1,443	1,424	1,445	1,476
78	73	69	69	62	63
504	514	502	434	461	480
128	130	136	140	144	146
5,013	4,788	4,536	4,326	4,341	4,419
3	3	5	5	8	6
3	3	5	5	8	6
5,016	4,791	4,541	4,331	4,349	4,425
778	740	694	678	675	764
3,217	3,013	2,893	2,729	2,750	2,771
19	19	19	17	19	19
14	13	14	13	12	13
1	1	1	1	-	1
433	429	413	415	421	411
110	89	92	90	88	87
229	196	188	192	189	199
62	70	58	51	54	52
77	78	74	69	73	68
129	128	114	111	115	121
4,291	4,036	3,866	3,688	3,721	3,742
1,119	1,215	1,213	132	129	128
6,188	5,991	5,773	4,498	4,525	4,634

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

FUNCTION/PROGRAM	2020	2019	2018
Governmental Activities:			
General Government			
Number of property tax accounts - residential	233,211	232,436	233,744
Number of property tax accounts - personal	11,988	12,228	35,535
Number of property tax accounts - commercial	14,450	14,586	17,590
Number of marriage licenses issued	5,891	6,825	6,906
Health Services			
Total clinic visits	N/A	289,493	314,865
County residents who rate their health good or better	N/A %	84 %	86 %
Environmental health inspections	N/A	14,156	14,733
Women, infants, and children (WIC) served in the WIC program	N/A	21,290	22,613
Flu vaccinations at health clinics	N/A	15,225	15,875
Social Services			
Households that have received assistance with energy bills	14,567	18,156	17,287
Clients with developmental disabilities served	4,569	6,072	6,033
Senior and physically disabled clients served	216	N/A	N/A
Alcohol and drug treatment clients	N/A	3,953	3,925
Early childhood mental health clients	3,587	3,623	3,642
Families served in early childhood programs	1,505	869	998
Students enrolled in extended day school activities	19,202	22,598	22,383
Public Safety and Justice			
Sheriff			
Responses to calls for services (a)	60,026	64,426	63,310
Number of arrests (parts 1, 2 and 3 crimes)	3,174	3,657	3,374
Corrections			
Number of inmates booked	24,294	31,971	31,795
Average daily jail population	988	1,074	1,087
Average length of jail stay in days	14	13	13
Number of transports to courthouse	5,923	14,410	15,793
Juvenile			
Youth admitted to detention center	362	456	539
Monthly average length of stay in days in youth detention center	22.0	15.5	24.1
Community service hours completed	7,592	5,530	6,395
Monthly average number of youth on supervision/probation (b)	533	546	75

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

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

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

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

2017	2016	2015	2014	2013	2012	2011
231,873	243,358	243,036	242,721	242,566	242,228	242,210
61,078	65,070	64,215	62,437	62,085	61,876	62,125
17,852	33,574	33,682	33,785	33,895	34,042	34,063
7,676	7,899	7,766	7,045	6,608	6,306	6,201
328,255	312,735	309,484	307,137	314,940	339,794	362,546
86 %	85 %	83 %	84 %	85 %	85 %	85 %
14,574	13,425	12,850	14,263	12,793	13,109	13,371
24,458	25,706	28,400	29,072	30,424	31,277	32,107
16,028	18,052	25,127	26,154	24,755	22,687	20,982
17,555	21,169	17,340	16,286	17,249	17,160	17,383
5,706	5,566	5,383	4,921	4,704	4,485	4,336
N/A	N/A	60,753	62,877	61,602	N/A	39,136
3,519	2,450	2,266	3,638	4,576	4,255	N/A
3,644	5,564	5,485	5,410	5,874	5,327	4,025
935	1,291	1,218	801	504	472	505
24,552	31,589	24,270	21,108	19,529	19,958	19,127
56,661	59,063	54,350	48,975	49,105	46,749	40,655
3,234	3,136	N/A	2,712	2,652	2,812	2,776
30,896	34,421	35,952	39,731	39,162	37,166	36,557
1,077	1,193	1,145	1,220	1,264	1,240	1,187
13	13	12	12	12	13	13
19,335	19,035	19,200	19,196	17,846	18,280	17,536
1,304	1,504	1,508	1,453	1,554	1,566	1,638
12	12	13	10	10	10	9
2,890	3,780	4,446	3,107	3,766	2,180	3,277
315	343	350	324	337	339	378

(continued)

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

(continued)			
FUNCTION/PROGRAM	2020	2019	2018
Public Safety and Justice (continued)			
Adult			
Community service hours completed	19,897	31,424	30,915
Adults participating in educational classes	-	-	-
Clients receiving GEDs	-	-	-
Average no. adults on probation & post-prison supervision/month	7,366	7,615	8,125
District Attorney			
Cases of adult criminal activity prosecuted	10,375	12,525	12,562
Juvenile delinquency cases prosecuted	729	893	855
Hours of Community Court community service completed	1,010	2,260	2,916
Community Services			
Number of registered voters	539,385	531,729	513,498
Number of votes cast in last general election (a)	278,072	383,325	157,932
Percent of registered voters who voted in last general election	52 %	72 %	31 %
Animal control - total intake - dogs and cats	4,376	5,552	5,382
Library			
New library cards issued annually	47,847	52,554	52,685
Books circulated (total circulation) (b)	14,784,837	18,349,763	18,554,896
Borrowers who used their cards in last three years (c)	404,587	416,935	465,828
Library satisfaction (d)	N/A	98.0 %	96.0 %
Web site visits/hits	2,885,016	3,717,521	3,868,361
Catalog visits	N/A	N/A	N/A
Website visits, including catalog	N/A	N/A	N/A
Business-type Activities:			
Dunthorpe-Riverdale Service District No. 1			
Sewage disposal - number of accounts	567	565	566
Mid County Service District No. 14			
Lighting - number of accounts	7,895	7,923	7,928

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

(b) Total circulation as of 2012.

(c) Cardholder count is lower due to correction of a long-standing overcount.

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

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

2017	2016	2015	2014	2013	2012	2011
38,273	59,580	73,787	N/A	89,204	98,240	101,392
203	225	450	689	689	801	710
29	27	14	125	93	85	78
8,463	8,666	8,823	9,351	8,300	8,284	8,278
12,870	15,111	16,273	25,880	26,932	26,137	24,241
838	808	666	491	528	550	476
2,925	3,589	7,471	11,930	10,380	14,295	13,869
505,145	466,964	441,157	434,898	437,729	451,659	408,126
404,059	302,584	302,584	367,992	370,142	284,104	284,104
80 %	69 %	69 %	85 %	83 %	70 %	70 %
5,810	5,728	6,433	6,894	6,740	7,563	8,606
56,019	59,026	66,884	60,715	57,592	69,198	73,566
18,728,761	19,221,448	20,268,163	19,486,176	21,984,923	24,794,942	23,939,091
444,459	436,476	444,231	432,685	441,505	444,618	436,949
96.5 %	97.0 %	96.8 %	97.0 %	96.9 %	98.4 %	91.5 %
4,267,424	4,810,497	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	5,476,348	6,230,998	6,629,449	6,888,701	7,158,805
595	595	563	563	595	593	592
7,894	7,934	7,952	7,942	7,944	7,986	7,993

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

FUNCTION/PROGRAM	2020	2019	2018	2017
Governmental Activities:				
General Government				
Buildings owned	80	80	80	79
Buildings leased	62	62	61	56
Automobiles	270	287	293	294
Vehicles (excluding automobiles)	340	339	321	303
Heavy equipment	174	95	93	80
Health Services				
Health and dental centers	7	8	8	8
School based health centers	10	12	12	12
Social Services				
Aging and disability offices	9	9	8	5
Public Safety and Justice				
Sheriff				
Vehicular patrol units	92	90	78	71
Number of employees (sworn and civilian)	773	768	774	764
River patrol offices	3	4	3	2
Corrections				
Jails:				
Facilities	2	2	2	2
Population	1,192	1,074	1,086	1,251
Community Justice				
Adult probation and parole offices	5	5	6	4
Adult housing program offices	-	-	-	-
Juvenile counseling offices	2	2	2	1
Library				
Regional branches	5	5	5	5
Neighborhood branches	13	13	13	13
Leased branches	6	6	6	6
Roads & Bridges				
Miles of streets maintained by County				
Paved	274	274	274	268
Unpaved	24	24	24	29
Bridges				
Major	6	6	6	6
Minor	20	20	19	20
Business-type Activities:				
Dunthorpe-Riverdale Service District No. 1				
Pump stations	1	1	1	1
Miles of sewer (approximate)	15	15	15	15
Mid County Service District No. 14				
Street lighting - lights and poles	4,786	4,779	4,738	4,742

Source: Multnomah County Departments

2016	2015	2014	2013	2012	2011
76	77	79	80	79	78
57	48	48	48	55	54
311	321	294	297	308	310
303	267	276	281	294	253
80	90	96	103	105	100
8	7	8	8	7	7
13	13	12	12	14	14
5	5	5	5	5	5
78	68	58	55	63	65
781	781	759	762	766	763
2	2	3	3	3	3
2	2	2	2	2	2
1,310	1,310	1,310	1,310	1,310	1,310
5	5	7	7	7	7
-	-	1	4	4	4
1	1	3	4	4	4
5	3	2	2	2	2
13	13	11	11	11	11
6	6	6	6	6	6
268	268	270	270	270	270
29	29	24	24	24	24
6	6	6	6	6	6
20	21	19	19	19	19
1	1	1	1	1	1
15	15	15	15	15	15
4,742	4,535	4,535	4,526	4,507	4,507

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AUDIT COMMENTS AND DISCLOSURES

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

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

Board of Commissioners
Multnomah County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the provision of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund, and the Federal/State Program Fund of Multnomah County, Oregon (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 23, 2020. Our report includes a reference to other auditors who audited the financial statements of The Library Foundation, a discretely presented component unit of the County, which represents 100% of the assets, net position, and revenues of the discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Compliance

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

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2020 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. The County experienced budgetary over-expenditures in one fund and four funds were in a deficit net position, which are disclosed in the notes to the financial statements.

Internal Control Over Financial Reporting

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

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

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

We noted certain additional matters that we reported to the County in a separately issued letter to management.

Purpose of this Report

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



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

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of County Commissioners
Multnomah County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Multnomah County, Oregon (the County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 23, 2020. Our report includes a reference to other auditors who audited the financial statements of The Library Foundation, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams, LLP

Eugene, Oregon
December 23, 2020