

MULTNOMAH COUNTY, OREGON

INDIRECT COST RATES
and
COUNTYWIDE COST ALLOCATION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Based on the Year Ending June 30, 2010)



Prepared by:
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Finance and Risk Management Division
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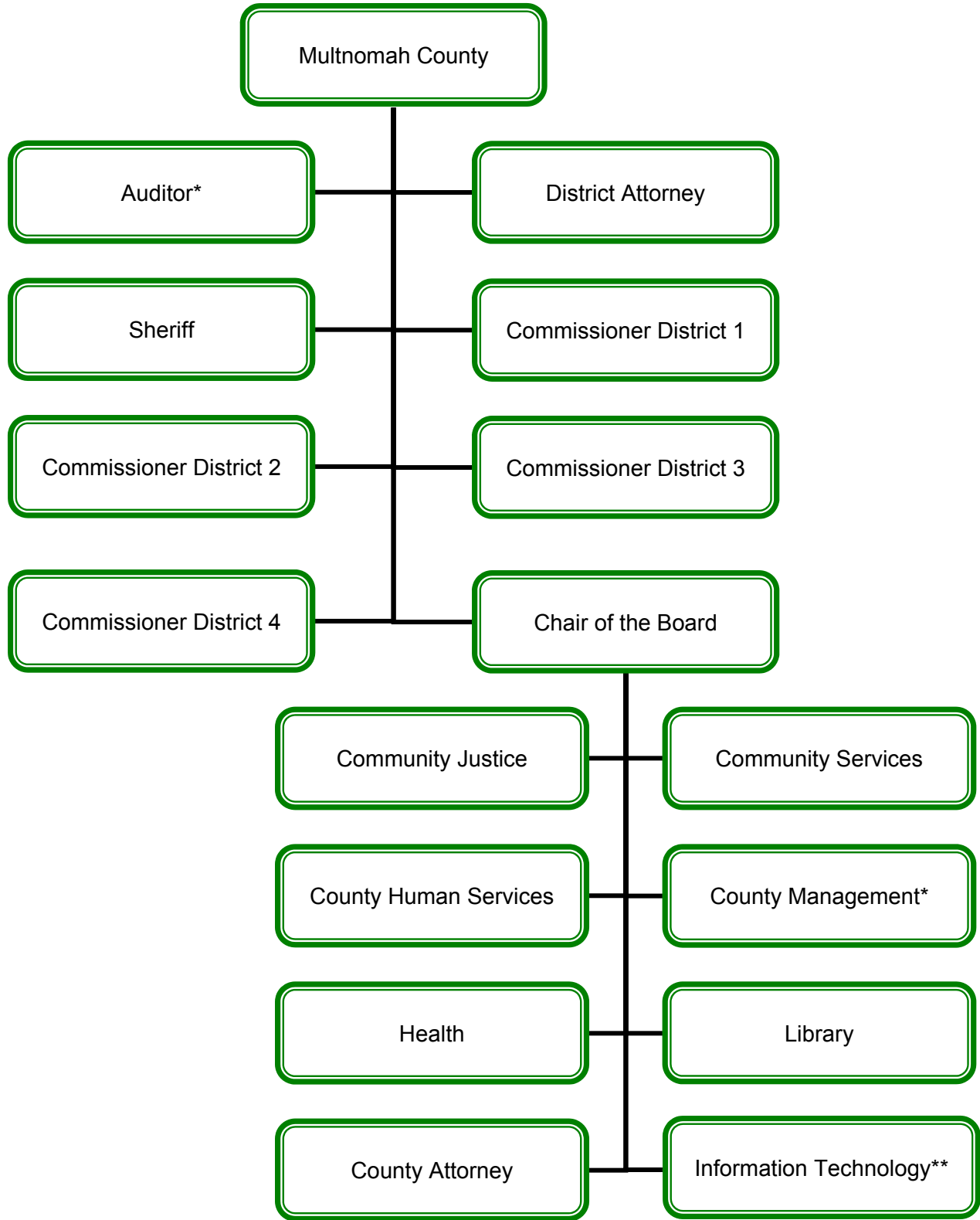
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The rates contained in this document are applicable to grants in existence during the fiscal year beginning July 1, 2011 and ending June 30, 2012.

Questions regarding the contents of the proposal should be directed to Cara Fitzpatrick, Finance Manager.

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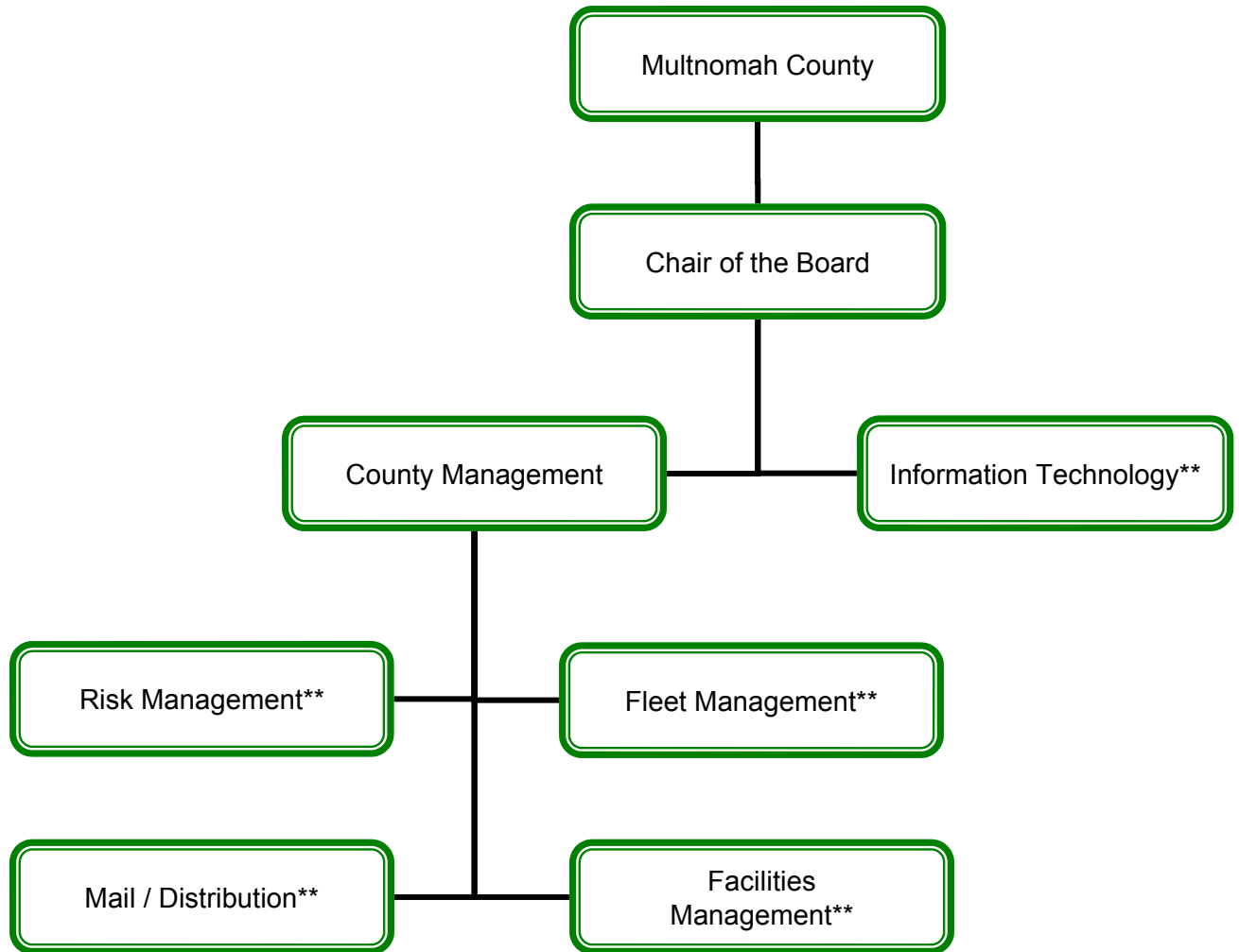
Organizational Chart



*Indicates department/division included in Central Service Allocation (CSA). Included in the CSA in the Department of County Management are Accounting, Accounts Payable, Budget, Human Resources, Purchasing and Treasury.

**Indicates department/division is an Internal Service Fund of the County.

Organizational Chart – Internal Service Providers



**Indicates department/division is an Internal Service Provider of the County.

INDIRECT COST RATES

EXPLANATION OF THE INDIRECT COST RATES

The Federal government recognizes that County Organizations incur identifiable overhead costs in support of grants and contracts.

Costs are categorized in two ways. The first establishes support costs internal to individual departments within the County and the other identifies countywide support costs.

Departmental Indirect Cost Rates: Each department has a rate based on departmental administrative costs incurred within the organization. Only costs not charged directly to grants are included in the departmental rates.

Central Service Cost Allocation: The Central Service Cost Allocation Plan identifies and distributes the cost of services provided by County support organizations (i.e., Budget, Auditor) to those County departments (Health, Sheriff, etc.) awarded grants or contracts as a flat county-wide central service rate.

Combined Indirect Cost Rates: These are the indirect rates that each department may charge to grants.

2011-2012 SUMMARY OF OMB A-87 INDIRECT COST RATES

MULTNOMAH COUNTY

RATES AS CALCULATED (USE FOR ALL GRANTS)

Department	Page #	Combined Indirect Cost Rates	Departmental Indirect Cost Rates	Central Service Indirect Cost Rate
County Human Services	3	4.96%	2.44%	2.52%
Community Justice	5	10.50%	7.98%	2.52%
Health Services	7	9.05%	6.53%	2.52%
District Attorney	9	6.73%	4.21%	2.52%
Sheriff's Office	11	8.74%	6.22%	2.52%
Community Services	13	4.73%	2.21%	2.52%
Other County	15	2.52%	0.00%	2.52%
Library Services	17	2.52%	0.00%	2.52%

COMPUTATION OF INDIRECT COST RATE

COUNTY HUMAN SERVICES

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 2,351,289	\$ -	\$ 2,351,289
All Other	1,285,618	559,896	119,160,818	121,006,332
Totals	\$ 1,285,618	\$ 2,911,185	\$ 119,160,818	\$ 123,357,621

RATE CALCULATION

Departmental

Indirect	\$ 2,911,185	=	
All Other	\$ 119,160,818		2.44%

Central Services

Indirect	\$ 17,438,484	=	
All Other	\$ 691,961,482		2.52%

Combined Rate

4.96%

DETAIL OF DEPARTMENTAL INDIRECT

COUNTY HUMAN SERVICES

Total actual allowable admin Personal Services: \$ 2,443,719

Total actual allowable admin Materials & Services: \$ 467,466

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6033	Administrative Analyst	\$ 64,934	\$ 12,421	\$ 77,355	\$ -
6026	Budget Analyst	64,883	12,411	77,294	-
6015	Contract Specialist	635,308	121,530	756,838	-
6011	Contract Technician	71,721	13,720	-	85,441
9613	Department Director 2	170,839	32,680	203,519	-
6029	Finance Specialist 1	227,792	43,575	-	271,367
6030	Finance Specialist 2	347,024	66,383	413,407	-
6032	Finance Specialist Sr	46,969	8,985	55,954	-
9335	Finance Supervisor	84,061	16,080	100,141	-
9670	Human Resources Analyst 2	51,035	9,763	60,798	-
9748	Human Resources Analyst Sr	99,596	19,052	118,648	-
9621	Human Resources Manager 2	39,131	7,486	46,617	-
9061	Human Resources Technician	31,090	5,948	-	37,038
6001	Office Assistant 2	123,300	23,586	-	146,886
6002	Office Assistant Sr	16,087	3,077	-	19,164
9615	Program Manager 1	256	49	305	-
9362	Program Manager Sr	81,392	15,570	96,962	-
9361	Program Supervisor	89,584	17,137	106,721	-
9790	Public Relations Coordinator	107,312	20,528	127,840	-
9043	Research/Eval Analyst Sr	91,405	17,485	108,890	-
	Total	\$ 2,443,719	\$ 467,466	\$ 2,351,289	\$ 559,896
		\$2,911,185		\$2,911,185	

COMPUTATION OF INDIRECT COST RATE

COMMUNITY JUSTICE

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 4,522,907	\$ -	\$ 4,522,907
All Other	2,210,400	1,127,579	70,777,502	74,115,481
Totals	\$ 2,210,400	\$ 5,650,486	\$ 70,777,502	\$ 78,638,388

RATE CALCULATION

Departmental

Indirect	\$ 5,650,486	=	
All Other	\$ 70,777,502		7.98%

Central Services

Indirect	\$ 17,438,484	=	
All Other	\$ 691,961,482		2.52%

Combined Rate

10.50%

DETAIL OF DEPARTMENTAL INDIRECT

COMMUNITY JUSTICE

Total actual allowable admin Personal Services: \$ 4,703,853

Total actual allowable admin Materials & Services: \$ 1,170,499

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6033	Administrative Analyst	\$ 166,431	\$ 41,415	\$ 207,846	\$ -
6054	Administrative Assistant	71,283	17,738	-	89,021
6005	Administrative Secretary	17,710	4,407	-	22,117
6005	Administrative Secretary	117,025	29,120	-	146,145
9634	Administrative Specialist	60,954	15,168	-	76,122
6248	Background Investigator	92,624	23,048	-	115,672
6026	Budget Analyst	186,276	46,353	232,629	-
6003	Clerical Unit Supervisor	2,727	678	-	3,405
9620	Community Justice Manager	226,712	56,414	283,126	-
6015	Contract Specialist	275,693	68,603	344,296	-
6456	Data Analyst Sr	89,019	22,151	111,170	-
9610	Department Director 1	209,815	52,210	262,025	-
9336	Finance Manager	119,253	29,675	148,928	-
6029	Finance Specialist 1	123,568	30,749	-	154,317
6030	Finance Specialist 2	157,940	39,302	197,242	-
6032	Finance Specialist Sr	81,408	20,258	101,666	-
9080	Human Resources Analyst 1	76,535	19,045	95,580	-
6103	Human Resources Analyst 2	84,858	21,116	105,974	-
9670	Human Resources Analyst 2	102,101	25,406	127,507	-
9748	Human Resources Analyst Sr	180,257	44,855	225,112	-
9621	Human Resources Manager 2	162,932	40,544	203,476	-
9061	Human Resources Technician	79,708	19,834	-	99,542
9454	IT Manager Sr	128,539	31,985	160,524	-
9640	MCSO Volunteer Prog Coord	76,753	19,099	95,852	-
6001	Office Assistant 2	69,286	17,241	-	86,527
6002	Office Assistant Sr	93,682	23,312	-	116,994
6112	Procurement Analyst	76,350	18,999	-	95,349
6200	Program Comm & Web Spec Sr	103,261	25,695	128,956	-
6022	Program Coordinator	246,657	61,378	308,035	-
6020	Program Development Tech	58,396	14,531	-	72,927
9360	Program Manager 2	283,778	70,615	354,393	-
9362	Program Manager Sr	515,755	128,339	644,094	-
6085	Research/Eval Analyst 1	39,590	9,851	-	49,441
6086	Research/Eval Analyst 2	33,504	8,337	41,841	-
6087	Research/Eval Analyst Sr	114,214	28,421	142,635	-
	Total	\$ 4,524,594	\$ 1,125,892	\$ 4,522,907	\$ 1,127,579
		\$5,650,486		\$5,650,486	

COMPUTATION OF INDIRECT COST RATE

HEALTH SERVICES

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 6,264,192	\$ -	\$ 6,264,192
All Other	8,565,203	2,181,728	129,347,994	140,094,925
Totals	\$ 8,565,203	\$ 8,445,920	\$ 129,347,994	\$ 146,359,117

RATE CALCULATION

Departmental

Indirect	\$ 8,445,920	=	6.53%
All Other	\$ 129,347,994		

Central Services

Indirect	\$ 17,438,484	=	2.52%
All Other	\$ 691,961,482		

Combined Rate

9.05%

DETAIL OF DEPARTMENTAL INDIRECT

HEALTH SERVICES

Total actual allowable admin Personal Services: \$ 7,230,948

Total actual allowable admin Materials & Services: \$ 1,611,760

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6054	Administrative Assistant	\$ 79,427	\$ 17,704	\$ -	\$ 97,131
6026	Budget Analyst	170,570	38,020	208,590	-
6015	Contract Specialist	151,615	33,795	185,410	-
6031	Contract Specialist Sr	14,726	3,282	18,008	-
6011	Contract Technician	363,459	81,014	-	444,473
6073	Data Analyst	196,797	43,865	-	240,662
9613	Department Director 2	220,039	49,046	269,085	-
9619	Deputy Director	135,862	30,283	166,145	-
6300	Eligibility Specialist	1,009	225	-	1,234
6017	Facilities Specialist 2	84,693	18,878	103,571	-
9336	Finance Manager	255,469	56,944	312,413	-
6029	Finance Specialist 1	234,498	52,269	-	286,767
6030	Finance Specialist 2	406,694	90,651	497,345	-
6032	Finance Specialist Sr	189,062	42,141	231,203	-
9335	Finance Supervisor	312,047	69,555	381,602	-
6027	Finance Technician	469,372	104,622	-	573,994
7207	Graphic Designer	59,842	13,339	73,181	-
9698	Health Svcs Development	233,761	52,105	285,866	-
9080	Human Resources Analyst 1	182,740	40,732	223,472	-
9670	Human Resources Analyst 2	230,055	51,279	281,334	-
9748	Human Resources Analyst Sr	71,612	15,962	87,574	-
9715	Human Resources Manager 1	237,294	52,892	290,186	-
9621	Human Resources Manager 2	146,080	32,561	178,641	-
9061	Human Resources Technician	72,497	16,160	-	88,657
9699	ICS Director	194,813	43,423	238,236	-
9710	Management Asst	130,904	29,178	160,082	-
6001	Office Assistant 2	111,882	24,938	-	136,820
6002	Office Assistant Sr	153,755	34,271	-	188,026
9798	Principal Investigator	69,805	15,559	85,364	-
6112	Procurement Analyst	81,943	18,265	-	100,208
6200	Program Comm & Web Spec Sr	94,459	21,055	115,514	-
6021	Program Development Spec	78,790	17,562	96,352	-
9615	Program Manager 1	241,820	53,901	295,721	-
9360	Program Manager 2	288,101	64,217	352,318	-
9362	Program Manager Sr	323,036	72,004	395,040	-
9361	Program Supervisor	92,506	20,619	113,125	-
6063	Project Manager	91,558	20,408	111,966	-
9063	Project Manager	41,886	9,336	51,222	-
6086	Research/Eval Analyst 2	254,417	56,709	311,126	-
6087	Research/Eval Analyst Sr	118,162	26,338	144,500	-
8000	Temporary Worker	19,426	4,330	-	23,756
	Total	\$ 6,906,483	\$ 1,539,437	\$ 6,264,192	\$ 2,181,728
		\$8,445,920		\$8,445,920	

COMPUTATION OF INDIRECT COST RATE

DISTRICT ATTORNEY

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 750,718	\$ -	\$ 750,718
All Other	172,629	229,802	23,282,361	23,684,792
Totals	\$ 172,629	\$ 980,520	\$ 23,282,361	\$ 24,435,510

RATE CALCULATION

Departmental

Indirect	\$ 980,520	=	4.21%
All Other	\$ 23,282,361		

Central Services

Indirect	\$ 17,438,484	=	2.52%
All Other	\$ 691,961,482		

Combined Rate

6.73%

DETAIL OF DEPARTMENTAL INDIRECT

DISTRICT ATTORNEY

Total actual allowable admin Personal Services: \$ 1,894,372

Total actual allowable admin Materials & Services: \$ 597,491

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
9450	Chief Deputy DA	\$ 211,716	\$ 66,776	\$ 278,492	\$ -
6029	Finance Specialist 1	68,270	21,533	-	89,803
6032	Finance Specialist Sr	89,766	28,312	118,078	-
6027	Finance Technician	27,555	8,691	-	36,246
9452	IT Manager 1	131,227	41,389	172,616	-
6112	Procurement Analyst	78,875	24,878	-	103,753
9360	Program Manager 2	138,005	43,527	181,532	-
	Total	\$ 745,414	\$ 235,106	\$ 750,718	\$ 229,802
		\$980,520		\$980,520	

COMPUTATION OF INDIRECT COST RATE

SHERIFF'S OFFICE

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 4,277,751	\$ -	\$ 4,277,751
All Other	1,521,252	2,257,330	105,076,816	108,855,398
Totals	\$ 1,521,252	\$ 6,535,081	\$ 105,076,816	\$ 113,133,149

RATE CALCULATION

Departmental

Indirect	\$ 6,535,081	=	
All Other	\$ 105,076,816		6.22%

Central Services

Indirect	\$ 17,438,484	=	
All Other	\$ 691,961,482		2.52%

Combined Rate

8.74%

DETAIL OF DEPARTMENTAL INDIRECT

SHERIFF'S OFFICE

Total actual allowable admin Personal Services: \$ 6,378,313

Total actual allowable admin Materials & Services: \$ 1,763,332

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6033	Administrative Analyst	\$ 99,272	\$ 27,444	\$ 126,716	\$ -
9005	Administrative Analyst Sr	104,430	28,871	133,301	-
9627	Captain	574,713	158,884	733,597	-
9625	Chief Deputy	406,245	112,310	518,555	-
9647	Corrections Lieutenant	188,605	52,141	240,746	-
2029	Corrections Officer	225,730	62,404	-	288,134
4055	Corrections Sergeant	440,258	121,712	-	561,970
6073	Data Analyst	47,044	13,006	-	60,050
6404	Desktop Supp Specialist Sr	75,264	20,807	-	96,071
9460	Executive Assistant	58,460	16,162	74,622	-
6029	Finance Specialist 1	77,483	21,421	-	98,904
6030	Finance Specialist 2	89,513	24,746	114,259	-
6032	Finance Specialist Sr	197,841	54,695	252,536	-
6027	Finance Technician	250,759	69,324	-	320,083
9080	Human Resources Analyst 1	70,607	19,519	90,126	-
9670	Human Resources Analyst 2	85,047	23,512	108,559	-
9621	Human Resources Manager 2	135,703	37,516	173,219	-
9452	IT Manager 1	139,928	38,684	178,612	-
9451	IT Supervisor	123,851	34,240	158,091	-
9001	Legislative/Admin Secretary	89,462	24,733	-	114,195
9705	Lieutenant	186,963	51,687	238,650	-
9202	MCSO Corrections Prog Admin	30,945	8,555	39,500	-
9640	MCSO Volunteer Prog Coord	49,944	13,807	63,751	-
6000	Office Assistant 1	28,077	7,762	-	35,839
6001	Office Assistant 2	65,040	17,981	-	83,021
6002	Office Assistant Sr	207,710	57,423	-	265,133
6111	Procurement Analyst Sr	84,939	23,482	108,421	-
9360	Program Manager 2	146,839	40,595	187,434	-
9362	Program Manager Sr	168,544	46,595	215,139	-
6087	Research/Eval Analyst Sr	135,622	37,494	173,116	-
9043	Research/Eval Analyst Sr	254,307	70,305	324,612	-
2005	Sergeant	189,189	52,302	-	241,491
6414	System Administrator	18,950	5,239	24,189	-
9626	Undersheriff	72,418	20,021	-	92,439
	Total	\$ 5,119,702	\$ 1,415,379	\$ 4,277,751	\$ 2,257,330
		\$6,535,081		\$6,535,081	

COMPUTATION OF INDIRECT COST RATE

COMMUNITY SERVICES

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 1,020,516	\$ -	\$ 1,020,516
All Other	10,730,819	168	46,223,617	56,954,604
Totals	\$ 10,730,819	\$ 1,020,684	\$ 46,223,617	\$ 57,975,120

RATE CALCULATION

Departmental

Indirect	\$ 1,020,684	=	
All Other	\$ 46,223,617		2.21%

Central Services

Indirect	\$ 17,438,484	=	
All Other	\$ 691,961,482		2.52%

Combined Rate

4.73%

DETAIL OF DEPARTMENTAL INDIRECT

COMMUNITY SERVICES

Total actual allowable admin Personal Services: \$ 837,165

Total actual allowable admin Materials & Services: \$ 183,519

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
9006	Administrative Analyst	\$ 94,451	\$ 20,705	\$ 115,156	\$ -
9610	Department Director 1	207,125	45,405	252,530	-
9670	Human Resources Analyst 2	106,444	23,335	129,779	-
9621	Human Resources Manager 2	114,810	25,168	139,978	-
9710	Management Asst	168,480	36,933	205,413	-
6002	Office Assistant Sr	138	30	-	168
9360	Program Manager 2	145,717	31,943	177,660	-
	Total	\$ 837,165	\$ 183,519	\$ 1,020,516	\$ 168
		\$1,020,684		\$1,020,684	

COMPUTATION OF INDIRECT COST RATE

OTHER COUNTY *

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ -	\$ -	\$ -
All Other	154,390,210	-	212,301,016	366,691,226
Totals	\$ 154,390,210	\$ -	\$ 212,301,016	\$ 366,691,226

RATE CALCULATION

Departmental

Indirect *	\$ -	=	0.00%
All Other	\$ 212,301,016		

Central Services

Indirect	\$ 17,438,484	=	2.52%
All Other	\$ 691,961,482		

Combined Rate

2.52%

* All Other County departmental indirect costs are charged directly

DETAIL OF DEPARTMENTAL INDIRECT

OTHER COUNTY *

Total actual allowable admin Personal Services: \$ -

Total actual allowable admin Materials & Services: \$ -

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other *
		\$ -	\$ -	\$ -	\$ -
		\$0		\$0	

* All Other County departmental indirect costs are charged directly

COMPUTATION OF INDIRECT COST RATE

LIBRARY SERVICES *

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ -	\$ -	\$ -
All Other	10,850,751	-	49,699,637	60,550,388
Totals	\$ 10,850,751	\$ -	\$ 49,699,637	\$ 60,550,388

RATE CALCULATION

Departmental

Indirect *	\$ -	=	
All Other	\$ 49,699,637		0.00%

Central Services

Indirect	\$ 17,438,484	=	
All Other	\$ 691,961,482		2.52%

Combined Rate

2.52%

* All Library departmental indirect costs are reimbursed by the General Fund

DETAIL OF DEPARTMENTAL INDIRECT

LIBRARY SERVICES *

Total actual allowable admin Personal Services: \$ -

Total actual allowable admin Materials & Services: \$ -

Job Number	Position Description

Personal Services	Materials & Services
\$ -	\$ -
\$0	

Admin & Planning	All Other *
\$ -	\$ -
\$0	

* All Library departmental indirect costs are reimbursed by the General Fund

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CONSOLIDATED COUNTYWIDE COST ALLOCATION PLAN

**SECTION I:
SUMMARY OF CENTRAL SERVICE ALLOCATION
MULTNOMAH COUNTY**

Central Service	Total
Auditor	\$ 1,396,107
Budget Services	844,911
Finance	6,778,263
Human Resources	2,855,108
Equipment Use	5,564,095
Over/Under ISF Charges *	-
Total Allocation	\$ 17,438,484

$$\begin{array}{rcl}
 \text{Central Service Costs} & \$ & 17,438,484 \\
 \text{All Other Allowable Costs} & \$ & 691,961,482 \\
 \hline
 & & = 2.52\%
 \end{array}$$

- * Per OMB A-87, attachment C, E (3) (b) - Internal Service Funds; adjustment to account for the County's billed central services per section G, paragraph 4 (d).

FY10 Internal Service Funds Change in Net Assets is above the \$500,000 limit for the over/under adjustment. Internal service funds are reconciled individually and any necessary refunds are reviewed by and remitted to our Federal Cognizant Agency.

AUDITOR

DESCRIPTION OF SERVICES

The Auditor conducts performance and fiscal audits in conformance with the US GAO Government Auditing Standards. The annual audit schedule is based upon a risk analysis of County services, with the majority of office resources focused on performance audits to increase efficiency, effectiveness, and accountability. Activities of the Auditor may include examination of expenditure reports for discrepancies or variances, reviews of internal controls, and testing transactions for compliance with state and federal regulations.

In keeping with the standards, the Auditor emphasizes a coordinated audit approach with the external auditors, and with state and federal agencies. County audits are complementary and never duplicate the audit efforts of the other organizations. The Auditor's efforts help insure that County financial and administrative policies are being followed throughout the organization, including federal programs and are, therefore, deemed allowable.

Personnel costs and pro-rated materials and services costs of the County Auditor, an elected official, have been eliminated from the allocation.

AUDITOR

ACTUAL EXPENDITURES FY 2010

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 879,371	\$ 130,417	\$ 748,954
Material & Services	261,351	38,759	222,592
Capital Outlay	-	-	-
Organization Total	\$ 1,140,722	\$ 169,176	\$ 971,546

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2008	Actual FY 2010	Roll Fwd Adjustment	Fixed FY 2012
Allowable Costs	\$ 546,985	\$ 971,546	\$ 424,561	\$ 1,396,107

BUDGET SERVICES

DESCRIPTION OF SERVICES

Budget Services is responsible for preparation of the County's budget and the monitoring of the budget once adopted. Included among the division's activities is the review of County programs to ensure compliance with local budget law in addition to independent evaluations of County programs, policies, and initiatives in various service areas.

Since all grant programs must comply with local budget law and Budget Services provides oversight necessary for the successful operation of federal programs, the Budget Services allocation is deemed allowable.

BUDGET SERVICES

ACTUAL EXPENDITURES FY 2010

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 777,174	\$ -	\$ 777,174
Material & Services	409,647	21	409,626
Capital Outlay	-	-	-
Organization Total	\$ 1,186,821	\$ 21	\$ 1,186,800

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2008	Actual FY 2010	Roll Fwd Adjustment	Fixed FY 2012
Allowable Costs	\$ 1,528,689	\$ 1,186,800	\$ (341,889)	\$ 844,911

FINANCE

DESCRIPTION OF SERVICES

The Finance Division is responsible for assuring that the County's financial activities are accurately reflected in the accounting records and that the County's cash is properly managed.

Activities of this organization include providing administrative support for federal grants, performing centralized payroll functions, and paying vendors. Accounting and Treasury perform banking services and manage County cash; Purchasing provides central purchasing and supply services to all County organizations, procuring all supplies, materials, equipment, labor, and contractual services for the performance of professional, technical, or expert services. In addition, Purchasing oversees the solicitation and processing of bids for services and products of a specialized nature needed by the County.

Purchasing directly benefits federal programs to the extent that it procures supplies and services for use in those programs; Accounting and Treasury services are deemed necessary for the successful conduct of federal programs and are, therefore, also allowable.

FINANCE *

ACTUAL EXPENDITURES FY 2010 (Looking Forward - Not Including SAP Support Costs)

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 4,695,332	\$ 93,402	\$ 4,601,930
Material & Services	1,906,881	458,090	1,448,791
Capital Outlay	-	-	-
Organization Total	\$ 6,602,213	\$ 551,492	\$ 6,050,721

ACTUAL EXPENDITURES FY 2010 (Looking Back - Including SAP Support Costs)

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 4,695,332	\$ 93,402	\$ 4,601,930
Material & Services	4,086,244	458,090	3,628,154
Capital Outlay	-	-	-
Organization Total	\$ 8,781,576	\$ 551,492	\$ 8,230,084

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2008	Actual FY 2010	Roll Fwd Adjustment	Fixed FY 2012
Allowable Costs	\$ 7,502,542	\$ 8,230,084	\$ 727,542	\$ 6,778,263

* SAP Support was considered to be part of Finance in FY 2009, but was reassigned to the IT internal service fund in FY 2010 (with the exception of \$2.2M in costs that weren't budgeted into the IT Internal Service rates until FY 2011). SAP Support is being phased out of the allowable cost computation through the Roll Forward Computation. The "Fixed FY 2012" Allowable Costs balance is now made up of the actual allowable FY 2010 costs looking forward which does not include SAP Support Costs, and the "Roll FWD Adjustment" from FY 2008, which does include SAP Support. Residual SAP Support Costs will continue to be included in the "Roll FWD Adjustment" until FY 2014 when FY 2010 falls out of the calculation.

HUMAN RESOURCES

DESCRIPTION OF SERVICES

The Human Resources Division is responsible for classification of County positions, overall County personnel policy administration, and maintenance of personnel records. The Office of Diversity and Affirmative Action assures that Multnomah County conforms to regulatory requirements for monitoring, reporting, planning and implementing programs and strategies that provide creative solutions to workforce and service program diversity. The Labor Relations Section is responsible for negotiating and administering labor contracts, representing the County in civil service hearings and advising managers on disciplinary action. The Classification and Compensation Section and the Talent Development Section ensure that current employees are fairly compensated and are provided the tools to do their jobs.

Human Resources utilizes various communication media to advertise for suitable candidates, in addition to directly contacting prospective candidates. Examinations are conducted, administered, and scored by Human Resources. Reliability and validation studies of tests are undertaken regularly.

Human Resources classifies all job positions in the County as to educational and experience requirements together with on-job performance duties and maintains personnel history records reflecting data pertaining to employees' work.

The Office of Diversity and Affirmative Action helps assure compliance with various equal opportunity laws. The need for such services has increased due to new federal regulations, equal opportunity and ADA requirements contained in federal grant regulations and ongoing interpretation of regulatory requirements.

Labor Relations, Class Comp, and Talent Development each directly benefit grant programs through their work with employees and managers within those programs.

The variety of personnel services described above are judged allowable since the services benefit all organizations of the County. They benefit federal programs to the extent that County employees are used to carry out program activities.

HUMAN RESOURCES

ACTUAL EXPENDITURES FY 2010

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 2,445,346	\$ -	\$ 2,445,346
Material & Services	892,137	36,535	855,602
Capital Outlay	-	-	-
Organization Total	\$ 3,337,483	\$ 36,535	\$ 3,300,948

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2008	Actual FY 2010	Roll Fwd Adjustment	Fixed FY 2012
Allowable Costs	\$ 3,746,788	\$ 3,300,948	\$ (445,840)	\$ 2,855,108

EQUIPMENT USE

DESCRIPTION OF SERVICES

Multnomah County has no depreciation schedule for equipment. As per the Office of Management and Budget (OMB) circular A-87, the County allocates 6.67% of each department's equipment as a use charge. The charges are based on purchase price of all equipment used, according to the County's asset records. Equipment purchased with grant funds is not included in the total cost of equipment.

EQUIPMENT USE

ACTUAL ASSET BALANCES JUNE 30, 2010

	Total Cost	Not Allowable	Allowable
Machinery and Equipment	\$ 112,631,956	\$ 28,445,937	\$ 84,186,019

ALLOCATION OF ALLOWABLE COSTS

	Basis of Allocation	Rate *	Allocation
Allowable Use	\$ 84,186,019	6.67%	\$ 5,615,207

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2008	Actual FY 2010	Roll Fwd Adjustment	Fixed FY 2012
Allowable Use	\$5,666,319	\$ 5,615,207	\$ (51,112)	\$ 5,564,095

* Rate is the flat % rate as established and approved by the Federal government.

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SECTION II:

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 primarily to the methods of accounting for depreciation and capital outlay. Noted below are the county's internal service funds along with a description of the methodology used to allocate the cost of the services, including how these costs or rates are determined. Rates for the internal service providers are posted on the County's public website at:

<http://www2.co.multnomah.or.us/Public/EntryPoint?ct=f9821ab53f5ec210VqnVCM1000003bc614acRCRD>

FLEET MANAGEMENT FUND accounts for the County's Motor Pool, Fleet Operations, and Electronic Services.

Rate Methodology

Fleet Operations creates three separate rates:

- 1) The Replacement Rate is a monthly charge per vehicle that is collected to fund the eventual replacement of the vehicle. The charge varies by type of vehicle and is based on the current purchase price of the vehicle divided by the anticipated vehicle life in months.
- 2) The Mileage Rate is made on a per mile basis for every mile driven. The charges are based on the historical average per mile cost by class of vehicle (subcompact car, compact pickup, cargo van, etc.) This only applies to standard light duty vehicles. Heavy duty or specialized vehicles are charged actual cost incurred.
- 3) The Overhead Rate is a monthly fee charged per vehicle that covers all normal fleet program costs not included in the Replacement Rate and Mileage Rate.
 - a) Motor Pool determines its service charge based on an analysis of prior year actual costs, and current year budgeted costs.
 - b) Electronic Services charge for services via a contract equipment charge or a time and Material charge. Time and Material charges utilize a shop rate that is calculated based on prior year(s) costs and current year budgeted costs. Contract equipment charges are billed at a monthly rate that's determined based on prior year(s) costs, and the current market rate.

Current Rates

- 1) Fleet utilizes three separate rates to account for its cost:
 - a) Replacement Charge - Varies by type of vehicle, cost to replace and estimated life. It ranges from \$120 to \$1,958 per year.
 - b) Mileage Rate – Ranges from \$.25 to \$.54 per mile, for standard light duty vehicles only. For heavy duty or specialized vehicles actual cost is used.
 - c) Overhead Charge – Calculated at \$68 per vehicle per month.
- 2) Motor Pool charges \$5 per hour with a minimum charge of two hours a day. Rental of specialized vehicles from commercial rental agencies are not included in this charge, but are charged on an actual cost basis.
- 3) The Electronic Services contract rates are billed monthly via a Contract Maintenance rate that varies by type of electronics. The range of rates varies from \$2 - \$7,500 per month. The shop rate for FY 2011 for labor costs is \$85. All parts and supplies used

for non-contract equipment work or for installation and modification of contract equipment are charged at Electronic Services cost plus a 25% markup.

INFORMATION TECHNOLOGY (IT) FUND accounts for the County's information technology services including departmental business applications, desktop computing including multi-function devices, help desk, networking, security, telecommunications, and enterprise system support services (SAP).

Rate Methodology – IT Service Allocation rates are grouped into three categories:

- 1) The Asset Replacement rates are a monthly charge per technology device (which may also include software) that is collected to fund replacement of the device. The charge varies by type of device and is based on the current purchase price of the type of device divided by the anticipated device life in months.
- 2) The Device Based rates are determined on a per device basis. Examples of "devices" are servers, circuits and computers. The rate is set annually based upon a point in time accounting of each type of device and the total costs to support and manage them. The allocation of the "device count" is also determined annually based upon the updated inventory of devices by department/entity as confirmed by the department/entity using the devices.
- 3) The Direct and Indirect Based rates are determined on a per device basis. Examples of the two elements are listed below.
 - a) Activities or projects specifically attributed to departments are discretely identified from the prior 12 months of activity. Costs are allocated to the specific department on a percentage of service basis.
 - b) Costs which are not specifically attributed to departments and are generally characterized as supporting "the enterprise" are aggregated and allocated based upon a proxy of assumed consumption (proportionate share) by each department. Drivers are generally PC device count, data base usage/size, number of reports, or number of supporting FTE.

On an annual basis, IT reviews the budgeted allocated charges to the final total fiscal year actual charges and adjusts the subsequent year's budget allocations accordingly, if any material deviations are noted.

Current Rates

1. Network Services, Data and Reporting Services, Project Management, GIS, Data Center, and Technical Services costs are allocated to departments based on direct and indirect based rates.
2. Help Desk, Security, Government and Open Source, and Desktop costs are allocated to departments by device counts.
3. Non-discretionary telecommunications costs are allocated based on device counts. (Discretionary telecommunications costs are a direct pass-through to departments and not included in the rates).
4. SAP Support Services costs are allocated based on the SAP-reported FTE in each department.
5. Application Services costs are allocated based on the personnel assigned to the specific department, the related materials and supplies costs, plus a proportionate share of the senior management, CIO, and administrative costs.

MAIL AND DISTRIBUTION FUND accounts for the County's Mail / Distribution, Central Stores, and Records Management operations.

Rate Methodology

- 1) Mail/Distribution charges are based on the prior fiscal year's actual operating and maintenance costs. Mail/Distribution costs are billed to departments.
- 2) Central Stores costs are allocated based on departments' share of total value of goods purchased in prior years.
- 3) Records costs are allocated based on past activity in relation to record actions, boxes accessioned, and boxes stored. Department percentages in these three areas are averaged for an overall percentage of program usage.

Current Rates

- 1) Mail/Distribution costs are charged to departments based on a department's volume and number of mail stops.
- 2) The departments' percentage of total goods purchased is applied to the current Material Management budget, and 1/12 of the annual allocation will be charged each month.
- 3) The departments' percentage of overall program usage will be applied to the current Records budget, and 1/12 of the annual allocation will be charged each month.

FACILITIES MANAGEMENT FUND accounts for the management of all County owned and leased facilities.

Facilities utilizes a base allocation rate, which it charges to each department depending on the amount and type of space being occupied by each. The base rate accounts for the cost of annual operations and maintenance for the space being provided. It's calculated by analyzing prior year(s) costs, and current year budgeted costs. Facilities also calculates a shop rate differentiated by activity type to capture the direct cost of employees who perform services at facilities or for departments. The shop rate is also calculated via analyzing the prior year(s) costs, coupled with current year budgeted costs.

The base allocation rate varies from \$4.25 - \$8.50 per square foot per month, depending on the type and quantity of space being utilized by each department. The shop rate for labor costs varies by type of employee and ranges from \$68 - \$93 per hour.

RISK MANAGEMENT FUND accounts for the County's risk management activities including insurance coverage for property, liability, unemployment, workers' compensation, and medical and dental coverage for active and retired employees. The Risk Management Fund also provides for workplace safety and wellness.

An analysis of historical claims data is used to determine the annual cost of most Risk Management Fund activities. Certain insurance premiums (i.e., Property and Hazard) are established through a competitive bid process based on the County's legal requirements. An appropriate level of funding is also included in the rate to account for incurred but not reported expenses as determined by an actuarial assessment. Medical and dental rates are also established based on an annual actuarial assessment of costs to be incurred.

Insurance Rates vary by department based on worker's compensation and liability claims experience and range from 7.50% to 10.75% of payroll. In addition, departments are

charged a flat rate for active employee healthcare. That rate is set at \$1,128.50 per month for each full-time employee.

Multnomah County is self-insured for the following activities:

- Liability
- Worker's Compensation
- Unemployment
- Active Employee and Retiree Healthcare

Reserves are allocated, first to the County's unfunded actuarial liability for retiree healthcare. The Financial Policies adopted annually by the Board of County Commissioners, specify that the County will fund up to 20% of the retiree healthcare liability (commonly known as OPEB) by fiscal year 2013. The liability is approximately \$122.6 million based on the most recent OPEB actuarial valuation.

SELF INSURANCE INFORMATION

Multnomah County is self-insured for the following programs in the Risk Management Fund:

- Liability
- Worker's Compensation
- Property and Hazard
- Active Employee and Retiree Healthcare
- Long-Term and Short-Term Disability
- Unemployment

In addition, costs associated with the County Attorney and the bus pass benefit offered to active employees are included in the Risk Management Fund.

How Are Contributions Determined?

An analysis of historical claims data is used to determine the annual budget for most Risk Management Fund activities. Certain insurance premiums (i.e., Property and Hazard) are established through a competitive bid process based on the County's legal requirements. An appropriate level of funding is established to account for excess claims and/or incurred but not reported expenses.

Description of the Procedures Used to Charge or Allocate Fund Contributions

Departments are charged a percentage of payroll expense for the activities included in the Risk Management Fund. Medical and dental premiums are established based on an annual actuarial assessment which is performed by the County's benefit consultant. All departments pay a flat rate per employee for active employee healthcare costs. Rates for medical, dental, health promotion, and non-exempt employees' life insurance will be billed at the same dollar amount no matter what the individual level of coverage is.

For fiscal year 2011, the flat amounts are:

- \$12,960 for full-time employees
- \$9,720 for Local 88 three-quarter time employees
- \$7,387 for half-time employees.

Self Insurance/Risk Management Fund Reserve Level

Multnomah County maintains a reserve that is considered adequate based on actuarial assessments for all self insured risks including reported and adjudicated claims, reported but not adjudicated claims, and incurred but not reported claims.

Actuarial and Insurance Reports

Multnomah County receives an annual actuarial assessment outlining the estimated outstanding liability for insurance risks. This report is kept on hand and is available for viewing upon request.

FRINGE BENEFITS COSTS

Fringe Benefit Costs

The County provides the following fringe benefits to all full-time and part-time employees:

- Medical and Dental
- PERS Contribution
- VEBA (Health Savings Account) Contribution
- Long-Term and Short-Term Disability
- Bus Pass

Fringe Benefit Policy

All current full time, and the majority of part time, employees are eligible for the above listed fringe benefits. Furthermore, most retired employees are also eligible for these benefits; though some restrictions may apply.

Description of the Procedures Used to Charge or Allocate Costs of Benefits

Similar to the allocation of fund contributions in the Risk Management fund, departments are charged a percentage of payroll expense for benefitted activities related to fringe benefits. Medical and dental premiums are established based on an annual actuarial assessment which is performed by the County's benefit consultant. All departments pay a flat rate per employee for active employee healthcare costs.

PENSION AND POST RETIREMENT HEALTH INSURANCE PLANS

Pension plans

The County participates in the Oregon Public Employees Retirement System, a cost-sharing multiple-employer defined benefit public employee pension plan that covers substantially all employees and maintains a defined contribution plan for substantially all County employees for the purpose of individual retirement savings. The County also offers a deferred compensation plan and provides for postretirement healthcare benefits.

Oregon Public Employees Retirement System (PERS)

Plan description. The County participates in PERS, a cost-sharing, multiple-employer defined benefit pension plan administered by the PERS Pension board. PERS provides retirement, disability, and death benefits to plan members and their beneficiaries. State statutes authorize the State to establish and amend all plan provisions. PERS issues a publicly available financial report that includes financial statements and required supplementary information.

Funding policy. The contribution requirements of the County are established and may be amended by the State. The County is contractually obligated by collective bargaining agreements to pay the required employee contribution of 6.0% of annual covered payroll. The County is also required to contribute at an actuarially determined rate; the current rate is 13.4% of annual covered payroll. In addition to the funding requirements, the County also charges an internal rate of 6.75% of payroll to departments to fund the repayment of the pension obligation bonds issued in 1999.

Annual pension cost. For 2010, the County's annual pension cost of \$34,550,000 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. This actuarial valuation is the most recent available at the time of printing this report. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 2.75% per year, (c) projected wage growth, excluding seniority / merit raises, of 3.75% per year and (d) trending healthcare costs from 7.0% in 2010 to 4.5% in 2029. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 2009, was 20 years.

Three Year Trend Information for PERS:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/08	\$ 39,337,000	100%	\$ -
6/30/09	42,368,000	100%	-
6/30/10	34,550,000	100%	-

Deferred Compensation Plan

Plan description. The County offers employees a 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 Plan is available to all represented and non-

represented County employees, and permits them to defer a portion of their salary until future years. 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, 2010, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$168,026,000. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

Postretirement Healthcare benefits

Plan description. The County administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postretirement healthcare insurance for eligible retirees and their spouses through the County’s group health insurance plans, which cover both active and retired participants. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. The County’s post employment medical plan does not issue a publicly available financial report. The County implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions for fiscal year ending June 30, 2006.

Funding policy. The County has not established a trust fund to supplement the costs for the net OPEB obligation. Contribution requirements also are negotiated between the County and union representatives. In general, the County pays 50% of the premiums of health care coverage for retirees from age 58 to age 65. The County’s regular health care benefit providers underwrite the retirees’ policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The County is contractually obligated by collective bargaining agreements to contribute 1.5% of annual covered payroll. At June 30, 2010, there were 601 retirees that were receiving the post employment healthcare benefit. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2010, the County contributed approximately \$2,438,000 to the plan or approximately 38% of total premiums. Plan members receiving benefits contributed approximately \$3,728,000 or approximately 61% of the total premiums during fiscal year 2010.

Annual OPEB cost and net OPEB obligation. The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the guidance of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County’s annual OPEB cost for the fiscal year ending June 30, 2010, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation:

Annual required contribution (ARC)	\$ 11,664,000
Interest on net OPEB obligation	3,607,000
Adjustment to annual required contribution	<u>(2,958,000)</u>
Annual OPEB cost (expense)	12,313,000
Contributions made	<u>(2,438,000)</u>
Increase in net OPEB obligation	9,875,000
Net OPEB obligation - beginning of year	<u>80,173,000</u>
Net OPEB obligation - end of year	<u><u>\$ 90,048,000</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the three preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/07	\$ 15,083,000	12%	\$ 57,990,000
6/30/08	14,902,000	18%	70,136,000
6/30/09	12,232,000	18%	80,173,000
6/30/10	12,313,000	20%	90,048,000

Funded status and funding progress.

As of the most recent actuarial report, January 1, 2009, the actuarial accrued liability for benefits was \$122,605,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$122,605,000. The covered payroll (annual payroll of active employees covered by the plan) was \$263,090,000 for fiscal year 2010 and the ratio of the UAAL to the covered payroll was 47%.

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

Actuarial methods and assumptions.

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

In the most recently conducted, actuarial valuation (as of January 1, 2009), the unit credit method actuarial cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. The discount rate is selected based on historical and expected returns on the County's short-term investment portfolio. A discount rate of 4.5% was used in the most recent actuarial valuation for the closed period. The report states health care costs rates are trending down from 9.0% in 2009 to 7.3% in 2015 for the major medical component, which is representative for the overall plan. Both rates include a 2.5% inflation rate assumption. The County's unfunded actuarial accrued liability is re-determined each valuation and amortized over a 30 year period as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2009 is 30 years.

Combining Statement of Net Assets

MULTNOMAH COUNTY, OREGON

Internal Service Funds

June 30, 2010

(amounts expressed in thousands)

	Government Activities - Internal Service Funds					
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 40,312	\$ 3,958	\$ 18,249	\$ 1,475	\$ 7,901	\$ 71,895
Accounts receivable	52	264	95	250	416	1,077
Due from other funds	14	-	-	-	-	14
Inventories	-	491	208	629	161	1,489
Prepaid items	513	-	651	-	34	1,198
Total current assets	<u>40,891</u>	<u>4,713</u>	<u>19,203</u>	<u>2,354</u>	<u>8,512</u>	<u>75,673</u>
Noncurrent assets:						
Advances to other funds	89	-	-	-	-	89
Contracts receivable	-	-	-	-	500	500
Capital assets (net of accumulated depreciation)	33	3,321	2,902	18	26	6,300
Total assets	<u>\$ 41,013</u>	<u>\$ 8,034</u>	<u>\$ 22,105</u>	<u>\$ 2,372</u>	<u>\$ 9,038</u>	<u>\$ 82,562</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 3,585	\$ 285	\$ 1,781	\$ 248	\$ 2,528	8,427
Claims and judgments payable	12,189	-	-	-	-	12,189
Payroll payable	85	51	352	32	169	689
Deferred revenue	42	-	3	-	-	45
Compensated absences	143	50	341	32	179	745
Total current liabilities	<u>16,044</u>	<u>386</u>	<u>2,477</u>	<u>312</u>	<u>2,876</u>	<u>22,095</u>
Noncurrent liabilities:						
Compensated absences	252	121	995	74	461	1,903
Incremental leases payable	-	-	-	-	1,697	1,697
Total noncurrent liabilities	<u>252</u>	<u>121</u>	<u>995</u>	<u>74</u>	<u>2,158</u>	<u>3,600</u>
Total liabilities	<u>16,296</u>	<u>507</u>	<u>3,472</u>	<u>386</u>	<u>5,034</u>	<u>25,695</u>
NET ASSETS						
Invested in capital assets	33	3,321	2,902	18	26	6,300
Unrestricted	24,684	4,206	15,731	1,968	3,978	50,567
Total net assets	<u>\$ 24,717</u>	<u>\$ 7,527</u>	<u>\$ 18,633</u>	<u>\$ 1,986</u>	<u>\$ 4,004</u>	<u>\$ 56,867</u>

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

**MULTNOMAH COUNTY, OREGON
Internal Service Funds
For the Year Ended June 30, 2010
(amounts expressed in thousands)**

Government Activities - Internal Service Funds						
	<u>Risk Management</u>	<u>Fleet Management</u>	<u>Information Technology</u>	<u>Mail / Distribution</u>	<u>Facilities Management</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES						
Charges for services	\$ 71,803	\$ 6,127	\$ 35,867	\$ 6,261	\$ 35,925	\$ 155,983
Insurance premiums	7,548	-	-	-	-	7,548
Experience ratings and other	1,242	45	1	8	121	1,417
Total operating revenues	<u>80,593</u>	<u>6,172</u>	<u>35,868</u>	<u>6,269</u>	<u>36,046</u>	<u>164,948</u>
OPERATING EXPENSES						
Cost of sales and services	75,094	5,064	28,743	5,522	30,476	144,899
Administration	875	413	925	484	646	3,343
Depreciation	7	1,259	1,016	17	6	2,305
Total operating expenses	<u>75,976</u>	<u>6,736</u>	<u>30,684</u>	<u>6,023</u>	<u>31,128</u>	<u>150,547</u>
Operating income (loss)	<u>4,617</u>	<u>(564)</u>	<u>5,184</u>	<u>246</u>	<u>4,918</u>	<u>14,401</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	265	31	111	10	38	455
Bad debt expense	-	(41)	-	-	-	(41)
Gain on disposal of capital assets	-	217	1	-	-	218
Loss on disposal of capital assets	-	(439)	-	-	-	(439)
Total nonoperating revenues (expenses)	<u>265</u>	<u>(232)</u>	<u>112</u>	<u>10</u>	<u>38</u>	<u>193</u>
Income (loss) before contributions and transfers	4,882	(796)	5,296	256	4,956	14,594
Capital contributions in	-	12	-	-	-	12
Capital contributions out	-	(13)	(4)	-	-	(17)
Transfers in	-	-	170	-	1,493	1,663
Transfers out	-	(500)	-	-	(5,808)	(6,308)
Change in net assets	<u>4,882</u>	<u>(1,297)</u>	<u>5,462</u>	<u>256</u>	<u>641</u>	<u>9,944</u>
Total net assets - beginning	<u>19,835</u>	<u>8,824</u>	<u>13,171</u>	<u>1,730</u>	<u>3,363</u>	<u>46,923</u>
Total net assets - ending	<u>\$ 24,717</u>	<u>\$ 7,527</u>	<u>\$ 18,633</u>	<u>\$ 1,986</u>	<u>\$ 4,004</u>	<u>\$ 56,867</u>

Non-Operating Transfers In/Out

MULTNOMAH COUNTY, OREGON
Internal Service Funds
For the Year Ended June 30, 2010
(amounts expressed in thousands)

	Operating Transfers Out					Total Operating Transfers Out
	Special Revenue Road Fund	Capital Projects Capital Improvement	Capital Projects Asset Preservation	Internal Service IT Fund	Internal Service Facilities Fund	
Operating Transfers In						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 1,493	\$ 1,493
Capital Project Capital Acquisition	-	-	-	170	-	170
Internal Service Fleet Management	500	-	-	-	-	500
Internal Service Facilities Management	-	3,681	2,127	-	-	5,808
Total Operating Transfers In	\$ 500	\$ 3,681	\$ 2,127	\$ 170	\$ 1,493	\$ 7,971

APPENDICES


CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

All costs included in this proposal for the fiscal year ended June 30, 2010 to establish billing or final indirect cost rates for the fiscal year July 1, 2011 through June 30, 2012 are allowable in accordance with the requirements of the Federal award to which they apply and OMB Circular A-87, "Cost Principles for State and Local Governments." Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

All costs included in this proposal are properly allocable to the Federal awards on the basis of a beneficial or causal relationship between expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Government Unit:	Multnomah County
Signature:	
Name of Official:	Mindy L Harris
Title:	Chief Financial Officer
Date of Execution:	December 30, 2010


CERTIFICATE OF COST ALLOCATION PLAN

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

All costs included in this proposal for the fiscal year ended June 30, 2010 to establish cost allocations or billings for the fiscal year July 1, 2011 through June 30, 2012 are allowable in accordance with the requirements of OMB Circular A-87, "Cost Principles for State and Local Governments," and the Federal award to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

All costs included in this proposal are properly allocable to the Federal awards on the basis of a beneficial or causal relationship between expenses incurred and the awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

Government Unit:	Multnomah County
Signature:	
Name of Official:	Mindy L Harris
Title:	Chief Financial Officer
Date of Execution:	December 30, 2010