

MULTNOMAH COUNTY, OREGON

INDIRECT COST RATES
and
COUNTYWIDE COST ALLOCATION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Based on the Year Ending June 30, 2009)



Prepared by:
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Finance and Risk Management Division
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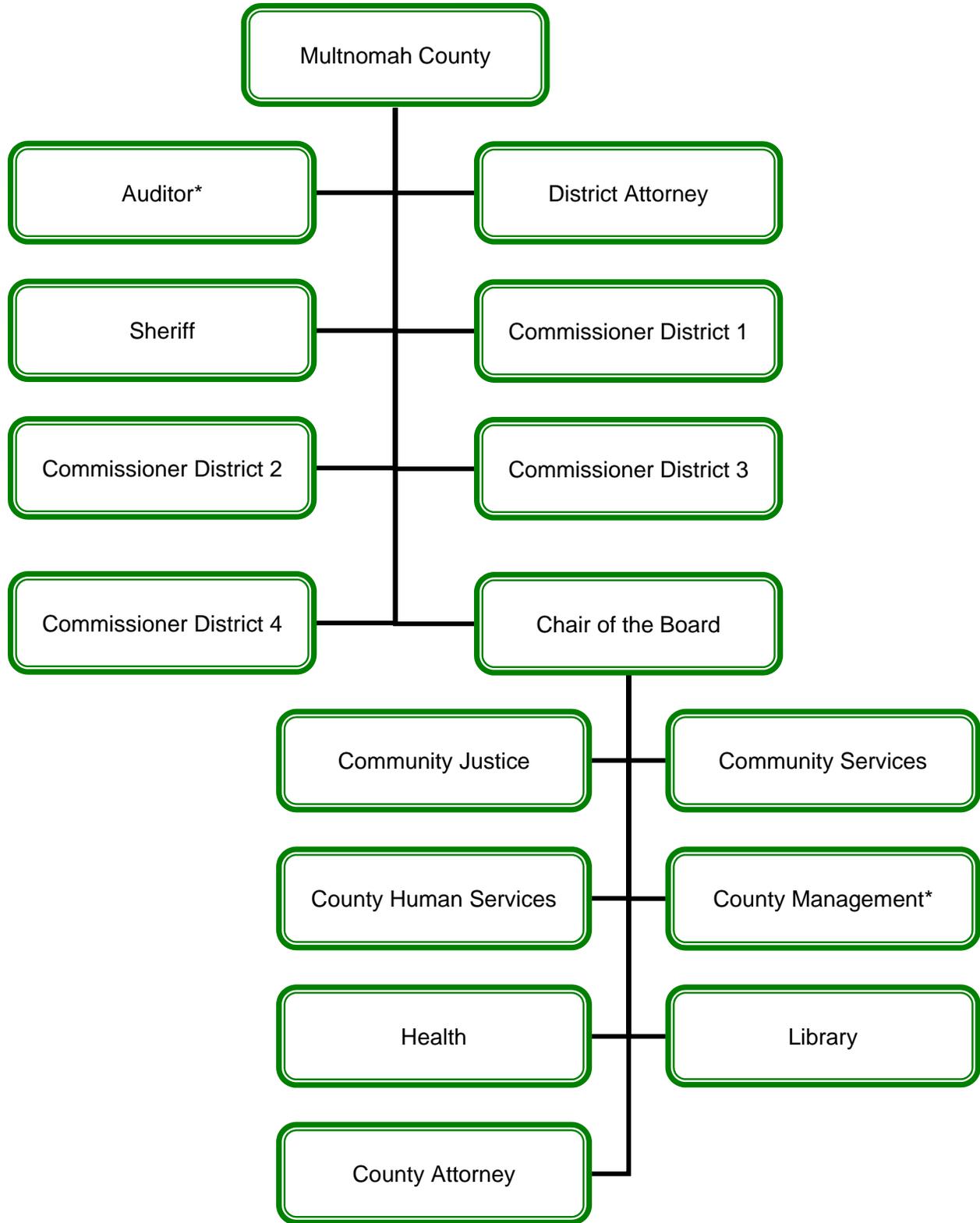
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The rates contained in this document are applicable to grants in existence during the fiscal year beginning July 1, 2010 and ending June 30, 2011.

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

Multnomah County Finance
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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, Central Procurement and Contract Administration, Human Resources, and Treasury.

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.

2010-2011 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	4.68%	2.98%	1.70%
Community Justice	5	8.49%	6.79%	1.70%
Health Services	7	8.13%	6.43%	1.70%
District Attorney	9	5.74%	4.04%	1.70%
Sheriff's Office	11	7.30%	5.60%	1.70%
Community Services	13	3.92%	2.22%	1.70%
Other County	15	1.70%	0.00%	1.70%
Library Services	17	1.70%	0.00%	1.70%

COMPUTATION OF INDIRECT COST RATE

COUNTY HUMAN SERVICES

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 1,853,834	\$ -	\$ 1,853,834
All Other	883,966	343,865	73,758,898	74,986,729
Totals	\$ 883,966	\$ 2,197,699	\$ 73,758,898	\$ 76,840,563

RATE CALCULATION

Departmental

Indirect	\$ 2,197,699	=	2.98%
All Other	\$ 73,758,898		

Central Services

Indirect	\$ 11,854,688	=	1.70%
All Other	\$ 697,343,455		

Combined Rate

4.68%

DETAIL OF DEPARTMENTAL INDIRECT

COUNTY HUMAN SERVICES

Total actual allowable admin Personal Services: \$ 1,837,061

Total actual allowable admin Materials & Services: \$ 360,638

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6033	Administrative Analyst	\$ 43,903	\$ 8,619	\$ 52,522	\$ -
6026	Budget Analyst	45,874	9,005	54,879	-
6015	Contract Specialist	515,459	101,191	616,650	-
6011	Contract Technician	56,087	11,010	-	67,097
9613	Department Director 2	117,142	22,997	140,139	-
6029	Finance Specialist 1	101,250	19,877	-	121,127
6030	Finance Specialist 2	287,356	56,411	343,767	-
6032	Finance Specialist Senior	56,617	11,115	67,732	-
9335	Finance Supervisor	(510)	(100)	(610)	-
9670	HR Analyst 2	47,995	9,422	57,417	-
9748	HR Analyst Senior	119,150	23,391	142,541	-
9621	HR Manager 2	56,051	11,003	67,054	-
9061	HR Technician	31,515	6,187	-	37,702
6001	Office Assistant 2	98,585	19,354	-	117,939
9362	Program Manager Senior	89,141	17,499	106,640	-
9361	Program Supervisor	72,725	14,277	87,002	-
9790	Public Relations Coordinator	95,699	18,787	114,486	-
9043	Research/Eval Analyst Sr NR	3,022	593	3,615	-
	Total	\$ 1,837,061	\$ 360,638	\$ 1,853,834	\$ 343,865
		\$ 2,197,700		\$ 2,197,700	

COMPUTATION OF INDIRECT COST RATE

COMMUNITY JUSTICE

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 4,025,625	\$ -	\$ 4,025,625
All Other	1,887,088	989,917	73,888,575	76,765,580
Totals	\$ 1,887,088	\$ 5,015,542	\$ 73,888,575	\$ 80,791,205

RATE CALCULATION

Departmental

Indirect	\$ 5,015,542	=	6.79%
All Other	\$ 73,888,575		

Central Services

Indirect	\$ 11,854,688	=	1.70%
All Other	\$ 697,343,455		

Combined Rate

8.49%

DETAIL OF DEPARTMENTAL INDIRECT

COMMUNITY JUSTICE

Total actual allowable admin Personal Services: \$ 4,287,884

Total actual allowable admin Materials & Services: \$ 1,174,899

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6033	Administrative Analyst	\$ 163,175	\$ 44,711	\$ 207,886	\$ -
6054	Administrative Assistant	69,058	18,922	-	87,980
6005	Administrative Secretary	52,450	14,372	-	66,822
6248	Background Investigator	99,620	27,296	-	126,916
6026	Budget Analyst	189,094	51,813	240,907	-
6003	Clerical Unit Supervisor	(166)	(46)	-	(212)
9620	Community Justice Manager	131,008	35,897	166,905	-
6015	Contract Specialist	275,943	75,610	351,553	-
6456	Data Analyst Sr	91,933	25,190	117,123	-
9610	Department Director 1	207,624	56,889	264,513	-
9336	Finance Manager	102,641	28,124	130,765	-
6029	Finance Specialist 1	168,404	46,143	-	214,547
6030	Finance Specialist 2	106,839	29,274	136,113	-
6032	Finance Specialist Sr	89,706	24,580	114,286	-
9335	Finance Supervisor	12,614	3,456	16,070	-
9080	Human Resources Analyst 1	87,512	23,978	111,490	-
6103	Human Resources Analyst 2	85,391	23,397	108,788	-
9670	Human Resources Analyst 2	137,864	37,776	175,640	-
9748	Human Resources Analyst Sr	230,965	63,286	294,251	-
9621	Human Resources Manager 2	138,142	37,851	175,993	-
9061	Human Resources Technician	89,377	24,490	-	113,867
9640	MCSO Volunteer Prog Coord	75,927	20,805	96,732	-
6001	Office Assistant 2	53,224	14,583	-	67,807
6002	Office Assistant Sr	65,036	17,820	-	82,856
6112	Procurement Analyst	79,689	21,835	-	101,524
6200	Prog Commun & Web Spec Sr	99,258	27,197	126,455	-
6020	Program Development Tech	42,126	11,543	-	53,669
9615	Program Manager 1	75,690	20,739	96,429	-
9360	Program Manager 2	280,373	76,824	357,197	-
9362	Program Manager Sr	509,505	139,607	649,112	-
6085	Research/Eval Analyst 1	58,195	15,946	-	74,141
6087	Research/Eval Analyst Sr	68,616	18,801	87,417	-
	Total	\$ 3,936,833	\$ 1,078,709	\$ 4,025,625	\$ 989,917
		\$ 5,015,542		\$ 5,015,542	

COMPUTATION OF INDIRECT COST RATE

HEALTH SERVICES

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 5,951,799	\$ -	\$ 5,951,799
All Other	6,181,631	2,073,826	124,740,272	132,995,729
Totals	\$ 6,181,631	\$ 8,025,625	\$ 124,740,272	\$ 138,947,528

RATE CALCULATION

Departmental

Indirect	\$ 8,025,625	=	6.43%
All Other	\$ 124,740,272		

Central Services

Indirect	\$ 11,854,688	=	1.70%
All Other	\$ 697,343,455		

Combined Rate

8.13%

DETAIL OF DEPARTMENTAL INDIRECT

HEALTH SERVICES

Total actual allowable admin Personal Services: \$ 6,607,907

Total actual allowable admin Materials & Services: \$ 1,505,779

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6001	Office Assistant 2	\$ 96,653	\$ 22,025	\$ -	\$ 118,678
6002	Office Assistant Sr	97,987	22,329	-	120,316
6005	Administrative Secretary	393,571	89,685	483,256	-
6015	Contract Specialist	135,913	30,971	166,884	-
6017	Facilities Specialist 2	83,503	19,028	-	102,531
6021	Program Development Spec	37,747	8,602	46,349	-
6026	Budget Analyst	132,083	30,099	162,182	-
6027	Finance Technician	547,861	124,844	672,705	-
6029	Finance Specialist 1	276,279	62,957	339,236	-
6030	Finance Specialist 2	291,561	66,440	-	358,001
6032	Finance Specialist Sr	179,152	40,825	219,977	-
6054	Administrative Assistant	76,273	17,380	93,653	-
6073	Data Analyst	66,921	15,249	82,170	-
6085	Research/Eval Analyst 1	25,548	5,822	-	31,370
6086	Research/Eval Analyst 2	221,386	50,449	271,835	-
6087	Research/Eval Analyst Sr	109,284	24,903	134,187	-
6088	Program Development Spec Sr	(574)	(131)	(705)	-
6112	Procurement Analyst	112,444	25,623	138,067	-
6178	Program Communications & Web Spec	1,884	429	2,313	-
6200	Program Communications & Web Spec Sr	79,620	18,143	97,763	-
7207	Graphic Designer	36,689	8,361	45,050	-
8000	Temporary Worker	31,236	7,118	38,354	-
9041	Research/Evaluation Supervisor	59,409	13,538	-	72,947
9061	Human Resources Technician	71,388	16,267	87,655	-
9063	Project Manager	88,984	20,277	109,261	-
9080	Human Resources Analyst 1	190,110	43,321	-	233,431
9335	Finance Supervisor	307,977	70,180	-	378,157
9336	Finance Manager	257,501	58,679	316,180	-
9360	Program Manager 2	311,194	70,913	-	382,107
9361	Program Supervisor	83,435	19,013	102,448	-
9362	Program Manager Sr	302,783	68,997	371,780	-
9613	Department Director 2	217,678	49,603	267,281	-
9615	Program Manager 1	197,426	44,988	242,414	-
9619	Deputy Director	134,328	30,610	164,938	-
9621	Human Resources Manager 2	144,358	32,896	177,254	-
9670	Human Resources Analyst 2	189,092	43,090	232,182	-
9695	Health Svcs Manager Sr	(0)	(0)	(0)	-
9698	Health Svcs Development	230,825	52,599	283,424	-
9699	ICS Director	224,186	51,086	-	275,272
9710	Management Asst	148,208	33,773	181,981	-
9715	Human Resources Manager 1	117,604	26,799	144,403	-
9748	Human Resources Analyst Sr	225,855	51,467	277,322	-
xxxx	On-Call	827	189	-	1,016
	Total	\$ 6,536,189	\$ 1,489,436	\$ 5,951,799	\$ 2,073,826
		\$ 8,025,625		\$ 8,025,625	

COMPUTATION OF INDIRECT COST RATE

DISTRICT ATTORNEY

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 766,480	\$ -	\$ 766,480
All Other	164,551	197,446	23,848,648	24,210,645
Totals	\$ 164,551	\$ 963,926	\$ 23,848,648	\$ 24,977,125

RATE CALCULATION

Departmental

Indirect	\$ 963,926	=	
All Other	\$ 23,848,648		4.04%

Central Services

Indirect	\$ 11,854,688	=	
All Other	\$ 697,343,455		1.70%

Combined Rate

5.74%

DETAIL OF DEPARTMENTAL INDIRECT

DISTRICT ATTORNEY

Total actual allowable admin Personal Services: \$ 1,907,913

Total actual allowable admin Materials & Services: \$ 687,421

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
9360	Business Services Manager	\$ 136,353	\$ 49,128	\$ 185,481	\$ -
9450	Chief Deputy DA	209,432	75,458	284,890	-
6029	Finance Specialist 1	66,815	24,073	-	90,888
6032	Finance Specialist Sr	88,060	31,728	119,788	-
9452	IT Manager 1	129,619	46,702	176,321	-
6112	Procurement Analyst	78,334	28,224	-	106,558
	Total	\$ 708,613	\$ 255,313	\$ 766,480	\$ 197,446
		\$ 963,926		\$ 963,926	

COMPUTATION OF INDIRECT COST RATE

SHERIFF'S OFFICE

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 4,016,708	\$ -	\$ 4,016,708
All Other	1,286,902	1,968,373	106,848,255	110,103,530
Totals	\$ 1,286,902	\$ 5,985,081	\$ 106,848,255	\$ 114,120,238

RATE CALCULATION

Departmental

Indirect	\$ 5,985,081	=	5.60%
All Other	\$ 106,848,255		

Central Services

Indirect	\$ 11,854,688	=	1.70%
All Other	\$ 697,343,455		

Combined Rate

7.30%

DETAIL OF DEPARTMENTAL INDIRECT

SHERIFF'S OFFICE

Total actual allowable admin Personal Services: \$ 6,482,208

Total actual allowable admin Materials & Services: \$ 1,253,277

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
6033	Administrative Analyst	\$ 98,586	\$ 19,061	\$ 117,647	\$ -
9005	Administrative Analyst Sr	103,872	20,083	123,955	-
9627	Captain	517,804	100,113	617,917	-
9625	Chief Deputy	363,616	70,302	433,918	-
9647	Corrections Lieutenant	166,611	32,213	198,824	-
4055	Corrections Sergeant	247,270	47,807	-	295,077
2025	Deputy Sheriff	25,908	5,009	-	30,917
6404	Desktop Supp Specialist Sr	88,031	17,020	-	105,051
9460	Executive Assistant	145,718	28,173	173,891	-
6029	Finance Specialist 1	96,070	18,574	-	114,644
6032	Finance Specialist Sr	166,567	32,204	198,771	-
6027	Finance Technician	204,900	39,616	-	244,516
6102	Human Resources Analyst 1	97,995	18,946	116,941	-
9080	Human Resources Analyst 1	69,657	13,468	83,125	-
9670	Human Resources Analyst 2	84,821	16,399	101,220	-
9621	Human Resources Manager 2	131,239	25,374	156,613	-
9452	IT Manager 1	138,638	26,804	165,442	-
9451	IT Supervisor	122,673	23,718	146,391	-
9001	Legislative/Admin Secretary	54,269	10,492	-	64,761
9705	Lieutenant	166,576	32,206	198,782	-
9710	Management Asst	135,692	26,235	161,927	-
6000	Office Assistant 1	12,759	2,467	-	15,226
6001	Office Assistant 2	107,637	20,811	-	128,448
6002	Office Assistant Sr	133,408	25,794	-	159,202
6111	Procurement Analyst Sr	91,577	17,706	109,283	-
9360	Program Manager 2	146,914	28,404	175,318	-
9362	Program Manager Sr	167,640	32,411	200,051	-
6085	Research/Eval Analyst 1	16,916	3,271	-	20,187
9043	Research/Eval Analyst Sr	449,739	86,953	536,692	-
2005	Sergeant	512,128	99,015	-	611,143
9626	Undersheriff	150,168	29,033	-	179,201
	Total	\$ 5,015,399	\$ 969,682	\$ 4,016,708	\$ 1,968,373
		\$ 5,985,081		\$ 5,985,081	

COMPUTATION OF INDIRECT COST RATE

COMMUNITY SERVICES

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ 1,049,670	\$ -	\$ 1,049,670
All Other	12,672,863	3,162	47,498,397	60,174,422
Totals	\$ 12,672,863	\$ 1,052,832	\$ 47,498,397	\$ 61,224,091

RATE CALCULATION

Departmental

Indirect	\$ 1,052,832	=	
All Other	\$ 47,498,397		2.22%

Central Services

Indirect	\$ 11,854,688	=	
All Other	\$ 697,343,455		1.70%

Combined Rate

3.92%

DETAIL OF DEPARTMENTAL INDIRECT

COMMUNITY SERVICES

Total actual allowable admin Personal Services: \$ 856,947

Total actual allowable admin Materials & Services: \$ 195,885

Job Number	Position Description	Personal Services	Materials & Services	Admin & Planning	All Other
9006	Administrative Analyst	\$ 92,983	\$ 21,254	\$ 114,237	\$ -
9610	Department Director 1	204,636	46,777	251,413	-
6029	Finance Specialist 1	13	3	-	16
6027	Finance Technician	190	43	-	233
9670	Human Resources Analyst 2	83,284	19,037	102,321	-
9748	Human Resources Analyst Sr	111,835	25,564	137,399	-
9710	Management Asst	216,396	49,465	265,861	-
6002	Office Assistant Sr	2,371	542	-	2,913
6022	Program Coordinator	198	45	243	-
9615	Program Manager 1	894	205	1,099	-
9360	Program Manager 2	144,147	32,950	177,097	-
	Total	\$ 856,947	\$ 195,885	\$ 1,049,670	\$ 3,162
		\$ 1,052,832		\$ 1,052,832	

COMPUTATION OF INDIRECT COST RATE

OTHER COUNTY *

ORGANIZATIONAL COST CATEGORIES

Organizational Units	Not Allowable	Indirect	All Other	Total
Administration & Planning	\$ -	\$ -	\$ -	\$ -
All Other	110,642,868	-	214,658,830	325,301,698
Totals	\$ 110,642,868	\$ -	\$ 214,658,830	\$ 325,301,698

RATE CALCULATION

Departmental

Indirect *	\$ -	=	0.00%
All Other	\$ 214,658,830		

Central Services

Indirect	\$ 11,854,688	=	1.70%
All Other	\$ 697,343,455		

Combined Rate

1.70%

* 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	7,435,098	-	48,898,652	56,333,750
Totals	\$ 7,435,098	\$ -	\$ 48,898,652	\$ 56,333,750

RATE CALCULATION

Departmental

Indirect *	\$ -	=	
All Other	\$ 48,898,652		0.00%

Central Services

Indirect	\$ 11,854,688	=	
All Other	\$ 697,343,455		1.70%

Combined Rate

1.70%

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

* 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

Central Service	Total
Auditor	\$ 938,929
Budget Services	1,297,839
Finance	4,897,878
Human Resources	4,320,305
Equipment Use	5,530,737
Over/Under ISF Charges	(5,131,000)
Total Allocation	\$ 11,854,688

$$\begin{array}{r} \text{Central Service Costs} \quad \$ \quad \underline{11,854,688} \\ \text{All Other Allowable Costs} \quad \$ \quad 697,343,455 \end{array} = 1.70\%$$

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.

Normal costs of County government have been eliminated from the allocation.

AUDITOR

ACTUAL EXPENDITURES FY 2009

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 875,227	\$ 366,797	\$ 508,430
Material & Services	359,076	161,067	198,009
Organization Total	\$ 1,234,303	\$ 527,864	\$ 706,439

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2007	Actual FY 2009	Roll Fwd Adjustment	Fixed FY 2011
Allowable Costs	\$ 473,949	\$ 706,439	\$ 232,490	\$ 938,929

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.

Normal costs of County government have been eliminated from the allocation.

BUDGET SERVICES

ACTUAL EXPENDITURES FY 2009

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 1,170,515	\$ 418,071	\$ 752,444
Material & Services	647,535	231,279	416,256
Organization Total	\$ 1,818,050	\$ 649,350	\$ 1,168,700

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2007	Actual FY 2009	Roll Fwd Adjustment	Fixed FY 2011
Allowable Costs	\$ 1,039,561	\$ 1,168,700	\$ 129,139	\$ 1,297,839

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 and Contracts 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 and Contracts oversees the solicitation and processing of bids for services and products of a specialized nature needed by the County.

Purchasing and Contracts 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.

The portion of Finance considered normal cost of County government has been eliminated from this allocation.

FINANCE *

ACTUAL EXPENDITURES FY 2009 (Looking Forward - Not Including SAP Support Costs)

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 4,490,535	\$ 190,628	\$ 4,299,907
Material & Services	1,053,499	578,266	475,233
Organization Total	\$ 5,544,034	\$ 768,894	\$ 4,775,140

ACTUAL EXPENDITURES FY 2009 (Looking Back - Including SAP Support Costs)

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 5,736,886	\$ 190,627	\$ 5,546,259
Material & Services	2,499,105	649,847	1,849,258
Capital Outlay	-	-	-
Organization Total	\$ 8,235,991	\$ 840,474	\$ 7,395,517

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2007	Actual FY 2009	Roll Fwd Adjustment	Fixed FY 2011*
Allowable Costs	\$ 7,272,779	\$ 7,395,517	\$ 122,738	\$ 4,897,878

* SAP Support was considered to be part of Finance in FY2009, however it was reassigned to the IT internal service fund in FY2010; therefore, it's being phased out of the allowable cost computation. The "Fixed FY 2011" allowable costs balance is now made up of the actual allowable FY 2009 costs looking forward which does not include SAP Support Costs, and the "Roll FWD Adjustment" from 2007, which does include SAP Support. Residual SAP Support Costs will continue to be included in the "Roll FWD Adjustment" until FY 2011 when FY 2009 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. 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 Division is responsible for negotiating and administering labor contracts, representing the County in civil service hearings and advising managers on disciplinary action.

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 Affirmative Action program 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 directly benefits grant programs through its work with employees and managers within those programs.

The variety of personnel services performed by Human Resources, Affirmative Action, and Labor Relations 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 2009

Expenditure Category	Total Cost	Not Allowable	Allowable
Personal Services	\$ 2,698,464	\$ -	\$ 2,698,464
Material & Services	966,766	289	966,477
Organization Total	\$ 3,665,230	\$ 289	\$ 3,664,941

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2007	Actual FY 2009	Roll Fwd Adjustment	Fixed FY 2011
Allowable Costs	\$ 3,009,577	\$ 3,664,941	\$ 655,364	\$ 4,320,305

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 EXPENDITURES FY 2009

	Total Cost	Not Allowable	Allowable
Equipment Use	\$ 116,465,252	\$ 30,611,234	\$ 85,854,018

ALLOCATION OF ALLOWABLE COSTS

	Basis of Allocation	Rate *	Allocation
Allowable Use	\$ 85,684,315	6.67%	\$ 5,715,144

CENTRAL SERVICE ROLL FORWARD COMPUTATION

	Actual FY 2007	Actual FY 2009	Roll Fwd Adjustment	Fixed FY 2011
Allowable Use	\$5,899,551	\$ 5,715,144	\$ (184,407)	\$ 5,530,737

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

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SECTION II:

Combining Statement of Net Assets

MULTNOMAH COUNTY, OREGON

Internal Service Funds

June 30, 2009

(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>
ASSETS						
Current assets:						
Cash and investments	\$ 33,885	\$ 4,542	\$ 13,853	\$ 1,231	\$ 5,904	\$ 59,415
Accounts receivable	-	349	62	161	846	1,418
Inventories	-	497	383	715	-	1,595
Due from other funds	80	-	-	-	-	80
Prepaid items	508	-	512	-	41	1,061
Total current assets	<u>34,473</u>	<u>5,388</u>	<u>14,810</u>	<u>2,107</u>	<u>6,791</u>	<u>63,569</u>
Noncurrent assets:						
Advances to other funds	173	-	-	-	-	173
Contracts receivable	-	-	-	-	650	650
Capital assets (net of accumulated depreciation)	40	4,154	1,524	35	24	5,777
Total assets	<u>\$ 34,686</u>	<u>\$ 9,542</u>	<u>\$ 16,334</u>	<u>\$ 2,142</u>	<u>\$ 7,465</u>	<u>\$ 70,169</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,509	\$ 497	\$ 1,630	\$ 275	\$ 1,574	\$ 5,485
Claims and judgments payable	12,861	-	-	-	-	12,861
Payroll payable	83	45	353	33	191	705
Deferred revenue	38	-	3	-	-	41
Compensated absences	87	43	353	28	158	669
Total current liabilities	<u>14,578</u>	<u>585</u>	<u>2,339</u>	<u>336</u>	<u>1,923</u>	<u>19,761</u>
Noncurrent liabilities:						
Compensated absences	273	133	824	76	456	1,762
Incremental leases payable	-	-	-	-	1,723	1,723
Total noncurrent liabilities	<u>273</u>	<u>133</u>	<u>824</u>	<u>76</u>	<u>2,179</u>	<u>3,485</u>
Total liabilities	<u>14,851</u>	<u>718</u>	<u>3,163</u>	<u>412</u>	<u>4,102</u>	<u>23,246</u>
NET ASSETS						
Invested in capital assets	40	4,154	1,524	35	24	5,777
Unrestricted	19,795	4,670	11,647	1,695	3,339	41,146
Total net assets	<u>\$ 19,835</u>	<u>\$ 8,824</u>	<u>\$ 13,171</u>	<u>\$ 1,730</u>	<u>\$ 3,363</u>	<u>\$ 46,923</u>

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

MULTNOMAH COUNTY, OREGON
Internal Service Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	Government Activities - Internal Service Funds					Total
	Risk	Fleet	Information	Mail /	Facilities	Internal
	Management	Management	Technology	Distribution	Management	Service
						Funds
OPERATING REVENUES						
Charges for services	\$ 66,863	\$ 6,707	\$ 32,539	\$ 5,742	\$ 36,156	\$ 148,007
Insurance premiums	6,843	-	-	-	-	6,843
Experience ratings and other	627	99	41	3	112	882
Total operating revenues	<u>74,333</u>	<u>6,806</u>	<u>32,580</u>	<u>5,745</u>	<u>36,268</u>	<u>155,732</u>
OPERATING EXPENSES						
Cost of sales and services	73,467	5,040	29,761	5,062	29,835	143,165
Administration	896	356	938	446	794	3,430
Depreciation	7	1,268	960	15	4	2,254
Total operating expenses	<u>74,370</u>	<u>6,664</u>	<u>31,659</u>	<u>5,523</u>	<u>30,633</u>	<u>148,849</u>
Operating income (loss)	<u>(37)</u>	<u>142</u>	<u>921</u>	<u>222</u>	<u>5,635</u>	<u>6,883</u>
NONOPERATING REVENUES						
(EXPENSES)						
Interest revenue	601	68	246	19	45	979
Bad debt expense	-	-	-	-	(193)	(193)
Gain on disposal of capital assets	-	195	13	-	800	1,008
Loss on disposal of capital assets	-	(11)	(86)	-	-	(97)
Total nonoperating revenues						
(expenses)	<u>601</u>	<u>252</u>	<u>173</u>	<u>19</u>	<u>652</u>	<u>1,697</u>
Income before contributions and transfers	564	394	1,094	241	6,287	8,580
Capital contributions in	-	84	15	-	-	99
Capital contributions out	-	-	-	-	-	-
Transfers in	-	300	-	-	1,360	1,660
Transfers out	-	-	(175)	-	(5,033)	(5,208)
Change in net assets	564	778	934	241	2,614	5,131
Total net assets - beginning	19,271	8,046	12,237	1,489	749	41,792
Total net assets - ending	<u>\$ 19,835</u>	<u>\$ 8,824</u>	<u>\$ 13,171</u>	<u>\$ 1,730</u>	<u>\$ 3,363</u>	<u>\$ 46,923</u>

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 and a range or schedule of current billing rates.

RISK MANAGEMENT FUND

The Risk Management Fund accounts for the County's risk management activities including insurance coverage.

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 and by organizational unit from 7.5% to 10.5%.

FLEET MANAGEMENT FUND

The 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. It's determined based on an analysis of prior year actual costs, and current year budgeted costs.

- 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.
 - 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

The IT Fund accounts for the County's information technology services including business applications, desktop computing, helpdesk, networking, security, telecommunications, and enterprise system support services (SAP).

IT allocates its costs using an allocation method determined per review of the prior two fiscal years' actual costs and the current fiscal years budgeted costs. The final allocation rates are management's best estimate of actual costs for the current fiscal year.

As all IT services are allocated, billing rates are not applicable to this service. Allocations vary depending on the service provided, and the department's historical utilization of the service, coupled with estimated variations in the current fiscal year. Examples of the basis of allocation include the number of personal computers assigned to a department, number of WAN circuits dedicated to a department, number of servers utilized by a department, and the number of employees in a department.

MAIL / DISTRIBUTION FUND

The Mail/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

The 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 FY 2011 labor costs varies by type of employee and ranges from \$74 - \$100.

SELF INSURANCE DATA FUND

Types of Risk Covered by Fund

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 is 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 FY 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 for all self insured risks including reported and adjudicated claims, reported but not adjudicated claims, and incurred but not reported claims.

Actuarial & 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 BENEFIT DATA FUND

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 DATA

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 11.05% 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 2009, the County's annual pension cost of \$42,368 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2008 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 2009 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, 2008, was 20 years.

Three Year Trend Information for PERS

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/07	\$ 42,557	100%	\$ -
6/30/08	39,337	100%	-
6/30/09	42,368	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, 2009, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$145,808. 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, 2009, there were 585 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 2009, the County contributed \$2,196 to the plan or approximately 38% of total premiums. Plan members receiving benefits contributed \$3,521 or approximately 62% of the total premiums during fiscal year 2009.

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, 2009, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 11,664
Interest on net OPEB obligation	3,156
Adjustment to annual required contribution	<u>(2,588)</u>
Annual OPEB cost (expense)	12,232
Contributions made	<u>(2,195)</u>
Increase in net OPEB obligation	10,037
Net OPEB obligation - beginning of year	<u>70,136</u>
Net OPEB obligation - end of year	<u><u>\$ 80,173</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/06	\$ 12,716	16%	\$ 44,742
6/30/07	15,083	12%	57,990
6/30/08	14,902	18%	70,136
6/30/09	12,232	18%	80,172

Funded status and funding progress. As of the most recent actuarial report, January 1, 2009, the actuarial accrued liability for benefits was \$122,605, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$122,605. The covered payroll (annual payroll of active employees covered by the plan) was \$263,380 for fiscal year 2009 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

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. The remaining amortization period at June 30, 2009 is 30 years.

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APPENDICES



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the
Regional Director

Region X
MS RX-04
2201 Sixth Avenue
Seattle, WA 98121

March 9, 1990

Ben Buisman
Financial Systems Manager
Department of General Services
Multnomah County
1430 Portland Building
1120 S.W. Fifth Avenue
Portland, Oregon 97204

Dear Mr. Buisman:

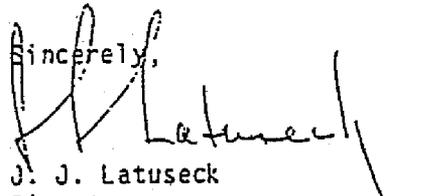
As the cognizant Federal Agency, this is to inform you that pursuant to the Office of Management and Budget Circular A-87, Attachment A, Section J.5.a., current and future central services cost allocation plans and departmental/divisional indirect cost proposals will not have to be submitted for review by this office.

You are advised, however, that central services cost allocation plans and departmental/divisional indirect cost proposals must be prepared in accordance with the appropriate Federal cost principles and be available as of the time a claim is made against a Federal award. The documentation in support of the claim must be retained for a period of three years.

This policy will remain in effect until advised otherwise by this office or a newly designated cognizant Federal Agency.

We remain available to answer technical questions or otherwise provide information consistent with the functions of this office.
Thank you for your cooperation.

Sincerely,


J. J. Latuseck
Director
Division of Cost Allocation

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:

1. All costs included in this proposal for the fiscal year ended June 30, 2009 to establish billing or final indirect cost rates for the fiscal year July 1, 2010 through June 30, 2011 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.

2. 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 31, 2009

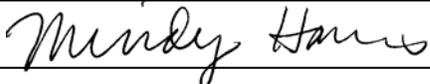
CERTIFICATE OF COST ALLOCATION PLAN

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

1. All costs included in this proposal for the fiscal year ended June 30, 2009 to establish cost allocations or billings for the fiscal year July 1, 2010 through June 30, 2011 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.

2. 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 31, 2009