

**MULTNOMAH COUNTY, OREGON**

**COUNTYWIDE COST ALLOCATION PLAN**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
(Based on the Year Ending June 30, 2012)  
(Prepared in Accordance with OMB Circular A-87)



Prepared by:  
Department of County Management  
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Portland, Oregon 97214

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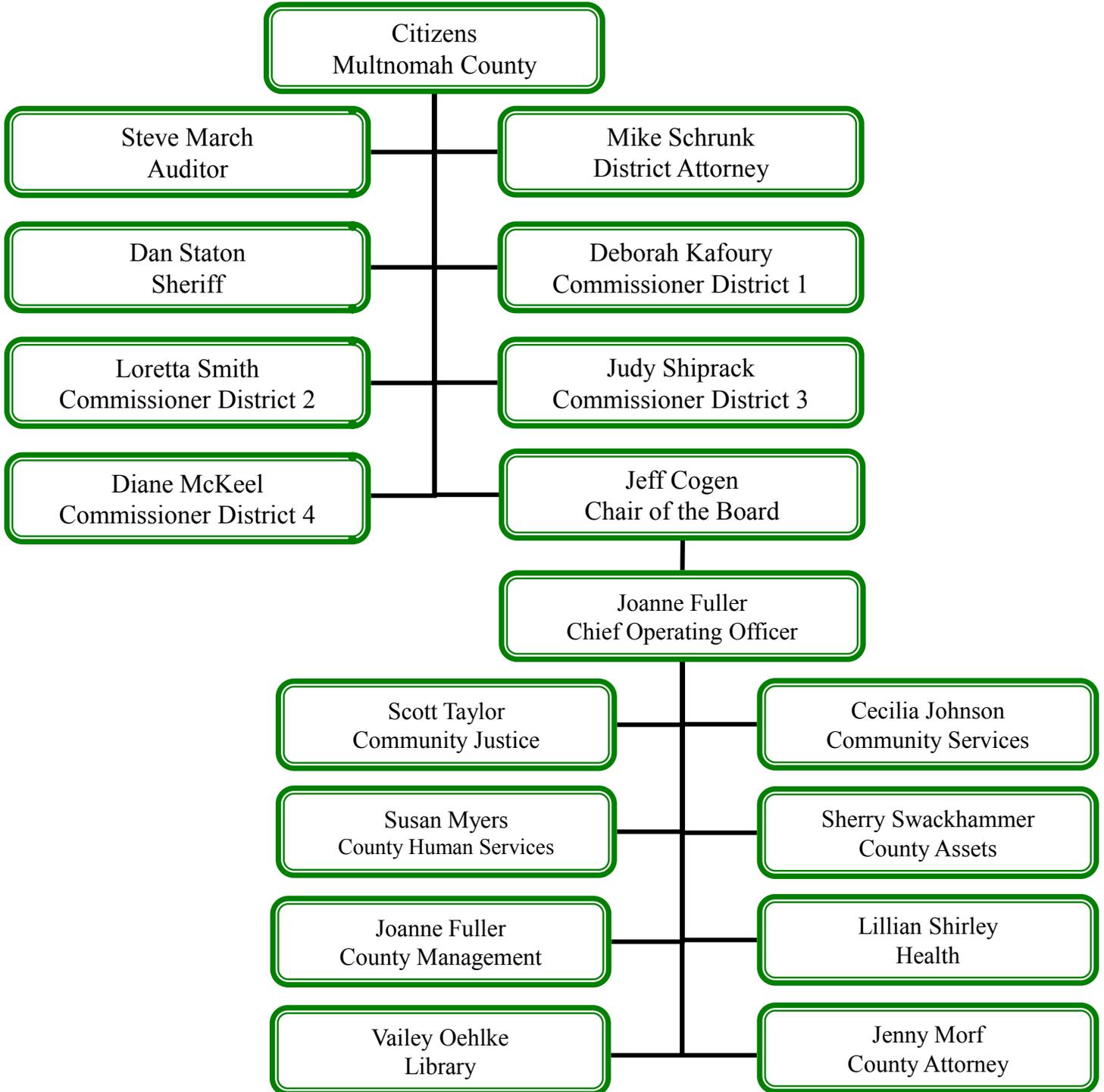
The rates contained in this document are applicable to grants in existence during the fiscal year beginning July 1, 2013 and ending June 30, 2014.

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

Multnomah County Finance  
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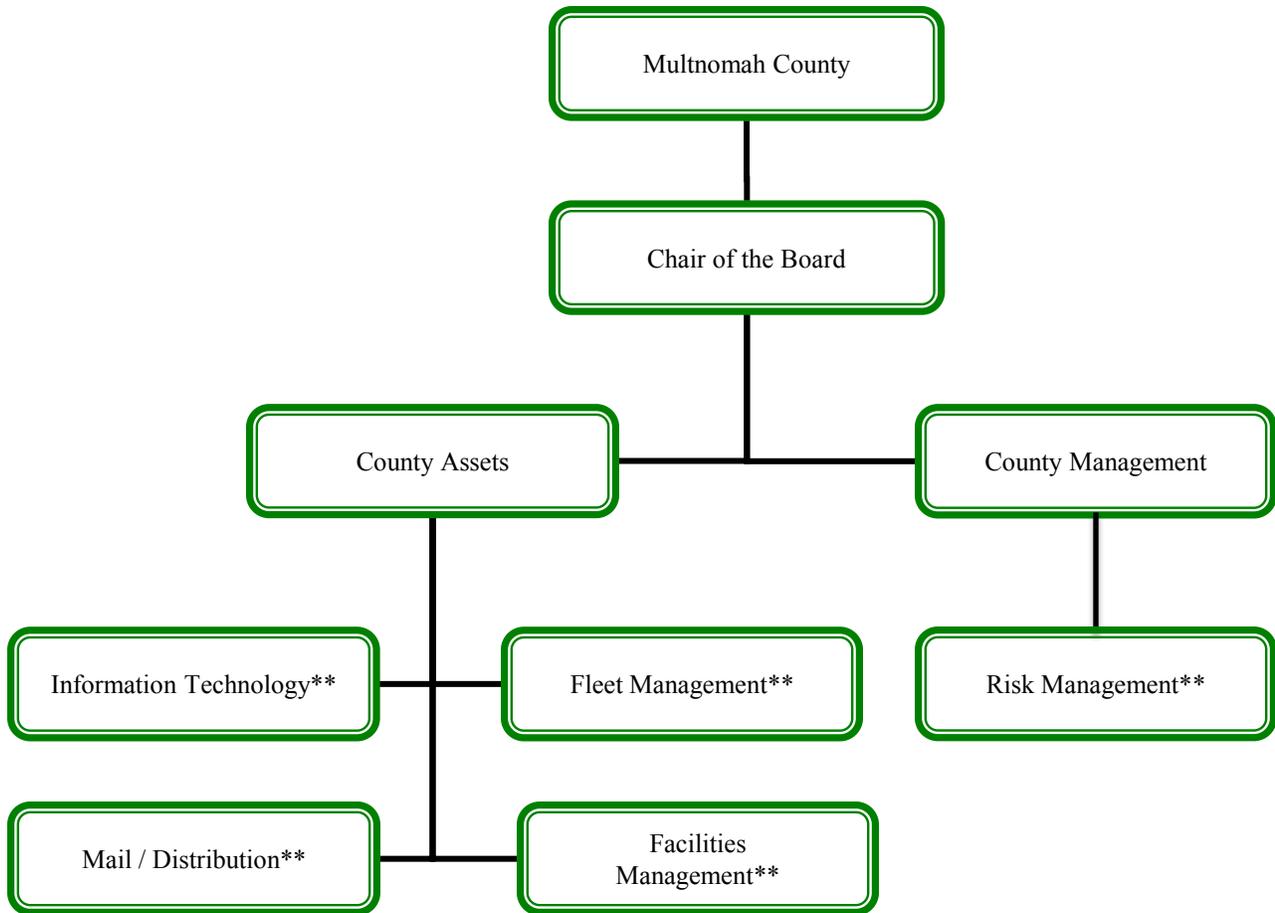
# Organizational Chart

## Fiscal Year 2012



# Organizational Chart – Internal Service Providers

## Fiscal Year 2012



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

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## **Section I**

# **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.

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.

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.

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

**2013-2014 SUMMARY OF OMB A-87 INDIRECT COST RATES**

**MULTNOMAH COUNTY**

RATES AS CALCULATED (USE FOR ALL GRANTS)

<b>Department</b>	<b>Page #</b>	<b>Central Indirect Cost Rate</b>	<b>Departmental Indirect Cost Rate</b>	<b>Combined Indirect Cost Rate</b>
County Human Services	13	2.16%	2.37%	4.53%
Community Justice	14	2.16%	9.24%	11.40%
Health Services	15	2.16%	7.00%	9.16%
District Attorney	16	2.16%	5.00%	7.16%
Sheriff's Office	17	2.16%	5.61%	7.77%
Community Services	18	2.16%	1.95%	4.11%
Library Services*	-	2.16%	0.00%	2.16%
Other County**	-	2.16%	0.00%	2.16%

\* The library does not have a departmental rate as the general fund supports the library operations with cash transfers.

\*\*Other County represents miscellaneous non-departmental groups that primarily direct charge operations to grant awards or aren't supported by federal dollars.

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# **Central Service Allocations**

**SUMMARY OF CENTRAL SERVICE ALLOCATION**

<b>Central Service</b>	<b>Total</b>
Auditor	\$ 1,047,366
Budget Office	838,902
Finance	4,937,336
Human Resources	3,657,494
Strategic Sourcing	106,007
Equipment Use	5,505,385
<b>Total Allocation</b>	<b>\$ 16,092,490</b>

$$\begin{array}{r}
 \text{Central Service Costs} \quad \$ \quad \underline{16,092,490} \\
 \text{All Other Allowable Costs} \quad \$ \quad 743,489,246
 \end{array}
 = 2.16\%$$

## 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.

<b>Expenditure Category</b>	<b>Actual FY 2010</b>	<b>Actual FY 2012</b>	<b>Roll Forward Adj</b>	<b>Fixed FY 2014</b>
Personnel Services	\$ 879,371	\$ 902,607		
Material & Services	\$ 261,351	\$ 290,508		
Unallowable		\$ (183,659)		
<b>Total Allowable</b>	<b>\$ 971,546</b>	<b>\$ 1,009,456</b>	<b>\$ 37,910</b>	<b>\$ 1,047,366</b>

## BUDGET OFFICE

### DESCRIPTION OF SERVICES

The Budget Office 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 the Budget Office provides oversight necessary for the successful operation of federal programs, the Budget Services allocation is deemed allowable.

<b>Expenditure Category</b>	<b>Actual FY 2010</b>	<b>Actual FY 2012</b>	<b>Roll Forward Adj</b>	<b>Fixed FY 2014</b>
Personnel Services	\$ 777,174	\$ 804,396		
Material & Services	\$ 406,647	\$ 208,455		
Unallowable		\$ -		
<b>Total Allowable</b>	<b>\$ 1,186,800</b>	<b>\$ 1,012,851</b>	<b>\$ (173,949)</b>	<b>\$ 838,902</b>

## 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.

<b>Expenditure Category</b>	<b>Actual FY 2010</b>	<b>Actual FY 2012</b>	<b>Roll Forward Adj</b>	<b>Fixed FY 2014</b>
Personnel Services	\$ 4,695,332	\$ 5,090,545		
Material & Services	\$ 4,086,244	\$ 2,450,645		
Unallowable	\$ (551,492)	\$ (957,480)		
<b>Total Allowable</b>	<b>\$ 8,230,084</b>	<b>\$ 6,583,710</b>	<b>\$ (1,646,374)</b>	<b>\$ 4,937,336</b>

## 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 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 / County Training Section ensure that current employees are fairly compensated and provided the tools to do their jobs.

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

Labor Relations, Classification Compensation 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 is 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.

The Office of Diversity and Equality (ODE) resides within the Human Resources Division. ODE 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 ODE 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.

<b>Expenditure Category</b>	<b>Actual FY 2010</b>	<b>Actual FY 2012</b>	<b>Roll Forward Adj</b>	<b>Fixed FY 2014</b>
Personnel Services	\$ 4,445,346	\$ 2,667,551		
Material & Services	\$ 892,137	\$ 813,698		
Unallowable	\$ (36,535)	\$ (2,028)		
<b>Total Allowable</b>	<b>\$ 3,300,948</b>	<b>\$ 3,479,221</b>	<b>\$ 178,273</b>	<b>\$ 3,657,494</b>

## STRATEGIC SOURCING

### DESCRIPTION OF SERVICES

The Strategic Sourcing Department offer components of the Strategic Sourcing, Procurement and Contract Administration unit, which is part of the Department of County Assets' (DCA) Administrative Services Hub. This unit works collectively with the other DCA Administrative Service Hub units to deliver services to both departments and divisions supported by DCA as well as the entire County.

They also focus on the development, implementation, oversight and direct delivery of the strategic sourcing practices across the County. This unit provides strategy, leadership, expertise, and analytical information to the County and its Departments relative these strategic sourcing practices.

<b>Expenditure Category</b>	<b>Actual FY 2010</b>	<b>Actual FY 2012</b>	<b>Roll Forward Adj</b>	<b>Fixed FY 2014</b>
Personnel Services	\$ -	\$ 105,989		
Material & Services	\$ -	\$ 17		
Unallowable	\$ -	\$ -		
<b>Total Allowable</b>	\$ -	\$ 106,007	\$ -	\$ 106,007

## EQUIPMENT USE

### DESCRIPTION OF SERVICES

Multnomah County has no depreciation schedule for equipment. As per the Office of Management and Budget 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.

Expenditure Category	Actual FY 2010	Actual FY 2012	Roll Forward Adj	Fixed FY 2014
Machinery & Equip	\$ 112,631,956	\$ 114,413,526		
Unallowable	\$ (28,445,937)	\$ (31,050,771)		
Basis of Allocation	\$ 84,186,019	\$ 83,362,754		
Rate*	6.67%	6.67 %		
<b>Actual Allowable</b>	<b>\$ 5,615,207</b>	<b>\$5,560,296</b>	<b>\$ (54,911)</b>	<b>\$ 5,505,385</b>

\*Rate is the flat % rate as established and approved by the Federal government per OMB A-87

# **Department Indirect Allocations**

**DEPARTMENT OF COUNTY HUMAN SERVICES**

	<b>Department Indirect Total</b>	<b>Department Direct Total</b>
Personnel Services	\$ 2,814,346.68	\$ 22,562,358.02
Materials & Services	259,736.55	113,483,412.07
Unallowable M&S	0.02	(3,248,521.57)
	<b>\$ 3,074,083.25</b>	<b>\$ 132,797,248.52</b>

**Central Services**

Indirect	16,092,489.52	<b>2.16%</b>
Direct	743,489,245.68	

**Departmental**

Indirect	3,074,083.25	<b>2.37%</b>
Direct	129,723,165.27	

Account #	Account Description	FY12 Actual
60155	Direct Client Asst.	\$ 750.00
60170	Professional Svcs	122,856.54
60180	Printing	14,114.86
60200	Communications	4,617.25
60210	Rentals	2,100.00
60220	Repairs and Maint	-
60230	Postage	60.29
60240	Supplies	21,626.97
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	297.93
60260	Travel & Training	5,451.53
60270	Local Travel/Mileage	628.75
60290	Software Lic / Maint	2,685.07
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	149.00
60370	Intl Svc Telephone	5,300.90
60380	Intl Svc Data Proc	23,093.59
60390	Intl Svc PC Flat Fee	-
60410	Intl Svc Motor Pool	70.00
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	41,115.67
60440	Intl Svc Other	2,150.85
60460	Intl Svc Dist/Postge	5,120.02
60680	Cash Discounts Taken	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Acctnt	0.84
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95152	Settle Labor	-
95430	Settle Service Requests	6,931.81
<b>Total Materials &amp; Services</b>		<b>\$ 259,121.87</b>

Account #	Account Description	FY12 Actual
60000	Permanent	\$ 1,705,745.22
60100	Temporary	68,575.38
60110	Overtime	521.17
60120	Premium	2,198.84
60130	Salary Related Expns	505,468.73
60135	Non Base Fringe	8,432.83
60140	Insurance Benefits	507,917.18
60145	Non Base Insurance	15,469.99
90052	ATYP On Call (CATS)	-
<b>Total Personnel Services</b>		<b>\$ 2,814,329.34</b>

Account #	Account Description	FY12 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	-
60350	Central Indirect	(0.02)
60355	Dept Indirect	-
60500	Interest	-
60550	Capital Equipment	-
60570	Bad Debt Expense	-
<b>Total Unallowable</b>		<b>\$ (0.02)</b>

**DEPARTMENT OF COMMUNITY JUSTICE**

	<b>Department Indirect Total</b>	<b>Department Direct Total</b>
Personnel Services	\$ 5,078,509.43	\$ 46,155,160.37
Materials & Services	1,123,604.92	29,233,788.89
Unallowable M&S	(18,918.23)	(2,310,521.65)
	<b>\$ 6,183,196.12</b>	<b>\$ 73,078,427.62</b>

**Central Services Rate:**

Indirect	16,092,489.52	
Direct	<u>743,489,245.68</u>	<b>2.16%</b>

**Departmental Rate:**

Indirect	6,183,196.12	
Direct	<u>66,895,231.50</u>	<b>9.24%</b>

Account #	Account Description	FY12 Actual
60155	Direct Client Asst.	-
60170	Professional Svcs	177,866.01
60180	Printing	23,571.95
60200	Communications	19,727.89
60210	Rentals	153.99
60220	Repairs and Maint	2,981.22
60230	Postage	63.34
60240	Supplies	57,395.90
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	40,490.53
60270	Local Travel/Mileage	19,291.09
60290	Software Lic / Maint	-
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	15,769.66
60370	Intl Svc Telephone	1,015.47
60380	Intl Svc Data Proc	-
60410	Intl Svc Motor Pool	6,442.58
60420	Intl Svc Electronics	9,949.49
60430	Intl Svc Bldg Mgmt	546,908.78
60440	Intl Svc Other	2,387.44
60460	Intl Svc Dist/Postge	165,329.34
60550	Capital Equipment	18,918.23
60680	Cash Discounts Taken	-
95102	Settle Labor	(3,355.51)
95106	Settle Passthru/Supp	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Acct	7.45
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	18,690.07
<b>Total Materials &amp; Services</b>		<b>\$ 1,123,604.92</b>

Account #	Account Description	FY12 Actual
60000	Permanent	3,114,761.19
60100	Temporary	59,281.30
60110	Overtime	9,906.52
60120	Premium	1,591.83
60130	Salary Related Expns	1,008,049.84
60135	Non Base Fringe	5,090.02
60140	Insurance Benefits	877,844.30
60145	Non Base Insurance	5,025.46
90001	ATYP Posting (CATS)	(7,092.60)
90002	ATYP On Call (CATS)	4,051.57
93002	Assess Labor	-
<b>Total Personnel Services</b>		<b>\$ 5,078,509.43</b>

Account #	Account Description	FY12 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	-
60350	Central Indirect	-
60355	Dept Indirect	-
60390	Intl Svc PC Flat Fee	-
60500	Interest	-
60550	Capital Equipment	18,918.23
60570	Bad Debt Expense	-
61100	Capital Outlay	-
<b>Total Unallowable</b>		<b>\$ 18,918.23</b>

## HEALTH DEPARTMENT

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 7,952,066.29	\$ 100,516,638.50
Materials & Services	1,764,489.43	55,827,187.37
Unallowable M&S	(9,352.67)	(7,801,518.35)
Capitalization Adj		(91,710.00)
	<b>\$ 9,707,203.04</b>	<b>\$ 148,450,597.52</b>

### Central Services

Indirect	16,092,489.52	<b>2.16%</b>
Direct	743,489,245.68	

### Departmental

Indirect	9,707,203.04	<b>7.00%</b>
Direct	138,743,394.48	

Account #	Account Description	FY12 Actual
60155	Direct Client Assist	\$ -
60160	Pass-Thru & Pgm Supt	195.31
60170	Professional Svcs	419,637.49
60180	Printing	44,609.85
60200	Communications	56,059.94
60210	Rentals	1,459.06
60220	Repairs and Maint	559.04
60230	Postage	914.58
60240	Supplies	77,031.48
60245	Lib Books & Matrls	602.80
60246	Medical Supplies	-
60250	Food	3,806.88
60260	Travel & Training	55,361.36
60270	Local Travel/Mileage	3,944.01
60290	Software Lic / Maint	86,303.33
60310	Drugs	-
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	80,904.03
60350	Central Indirect	2,549.90
60355	Dept Indirect	6,607.47
60370	Intl Svc Telephone	48,349.59
60380	Intl Svc Data Proc	496,155.15
60390	Intl Svc PC Flat Fee	-
60410	Intl Svc Motor Pool	9,005.12
60420	Intl Svc Electronics	126.38
60430	Intl Svc Bldg Mgmt	287,522.74
60440	Intl Svc Other	8,159.07
60460	Intl Svc Dist/Postge	35,840.57
60550	Capital Equipment	-
60680	Cash Discounts Taken	-
93001	Assess Material & services	(45.96)
93007	Assess Internal Service	1,702.97
93009	Assess Capital	-
95107	Settle Int Svc Expns	-
95112	Settle Equip Use	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	37,127.28
<b>Total Materials &amp; Services</b>		<b>\$ 1,764,489.43</b>

Account #	Account Description	FY12 Actual
60000	Permanent	\$ 4,953,361.50
60100	Temporary	68,730.85
60110	Overtime	10,679.03
60120	Premium	5,550.06
60130	Salary Related Expns	1,454,293.45
60135	Non Base Fringe	13,621.21
60140	Insurance Benefits	1,474,988.67
60145	Non Base Insurance	5,729.51
90001	ATYP Posting (CATS)	(105,853.20)
90002	ATYP On Call (CATS)	72,136.34
93002	Assess Labor	388.60
95102	Settle Labor	-
95200	ATYP Clean Up (Cent)	(1,559.72)
<b>Total Personnel Services</b>		<b>\$ 7,952,066.29</b>

Account #	Account Description	FY12 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	195.31
60350	Central Indirect	2,549.90
60355	Dept Indirect	6,607.47
60390	Intl Svc PC Flat Fee	-
60500	Interest	-
60550	Capital Equipment	-
60570	Bad Debt Expense	-
93009	Assess Capital	-
98000	Settle Capital	-
<b>Total Unallowable</b>		<b>\$ 9,352.67</b>

**DISTRICT ATTORNEY**

	<b>Department Indirect Total</b>	<b>Department Direct Total</b>
Personnel Services	\$ 841,695.85	\$ 20,591,577.42
Materials & Services	293,158.45	3,445,210.98
Unallowable M&S	-	(185,991.66)
	<b>\$ 1,134,854.30</b>	<b>\$ 23,850,796.74</b>

**Central Services**

Indirect	<u>16,092,489.52</u>	<b>2.16%</b>
Direct	743,489,245.68	

**Departmental**

Indirect	<u>1,134,854.30</u>	<b>5.00%</b>
Direct	22,715,942.44	

Account #	Account Description	FY12 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	30,086.55
60180	Printing	34.24
60200	Communications	3,817.83
60210	Rentals	-
60220	Repairs and Maint	3,105.21
60230	Postage	11.00
60240	Supplies	9,183.57
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60260	Travel & Training	1,780.42
60270	Local Travel/Mileage	396.73
60290	Software Lic / Maint	84,680.17
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	1,164.84
60370	Intl Svc Telephone	4,480.51
60380	Intl Svc Data Proc	154,126.27
60390	Intl Svc PC Flat Fee	-
60410	Intl Svc Motor Pool	285.62
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	-
60440	Intl Svc Other	-
60460	Intl Svc Dist/Postge	-
60680	Cash Discounts Taken	(2.79)
95107	Settle Int Svc Expns	-
95110	Settle Inv Acctnt	-
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95152	Settle Labor	-
95430	Settle Service Requests	8.28
<b>Total Materials &amp; Services</b>		<b>\$ 293,158.45</b>

Account #	Account Description	FY12 Actual
60000	Permanent	\$ 501,225.13
60100	Temporary	45,277.37
60110	Overtime	81.70
60120	Premium	-
60130	Salary Related Expns	150,497.21
60135	Non Base Fringe	2,862.28
60140	Insurance Benefits	132,742.68
60145	Non Base Insurance	9,009.48
90051	ATYP Posting (CATS)	-
90052	ATYP On Call (CATS)	-
93002	Assess Labor	-
<b>Total Personnel Services</b>		<b>\$ 841,695.85</b>

Account #	Account Description	FY12 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	-
60350	Central Indirect	-
60355	Dept Indirect	-
60390	Intl Svc PC Flat Fee	-
60500	Interest	-
60550	Capital Equipment	-
61100	Capital Outlay	-
60570	Bad Debt Expense	-
<b>Total Unallowable</b>		<b>\$ -</b>

**SHERIFF'S OFFICE**

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 4,967,567.86	\$ 96,394,869.26
Materials & Services	1,243,452.95	21,278,736.03
Unallowable M&S	(2,483.49)	(741,239.47)
Capitalization Adj		12,085.00
	<b>\$ 6,208,537.32</b>	<b>\$ 116,944,450.82</b>

**Central Services**

Indirect	16,092,489.52	<b>2.16%</b>
Direct	<u>743,489,245.68</u>	

**Departmental**

Indirect	6,208,537.32	<b>5.61%</b>
Direct	<u>110,735,913.50</u>	

Account #	Account Description	FY12 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	1,449.47
60180	Printing	25,997.22
60190	Utilities	48.73
60200	Communications	19,556.86
60210	Rentals	53.24
60220	Repairs and Maint	6,088.67
60230	Postage	127.15
60240	Supplies	73,108.34
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	1,752.53
60270	Local Travel/Mileage	824.29
60290	Software Lic / Maint	41,127.11
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	718.99
60370	Intl Svc Telephone	36,938.02
60380	Intl Svc Data Proc	359,893.30
60410	Intl Svc Motor Pool	17,078.94
60420	Intl Svc Electronics	1,830.08
60430	Intl Svc Bldg Mgmt	576,687.29
60440	Intl Svc Other	3,622.44
60460	Intl Svc Dist/Postge	53,134.54
60550	Capital Equipment	2,483.49
60610	Loss-Inv Revaluation	-
60615	Physical Inven Adj	2,550.88
60620	Inv Cost (Price) Diff	(1.68)
60680	Cash Discounts Taken	(58.51)
93001	Assess Material & Svc	5,496.54
95101	Settle Matrl & Svcs	68.58
95106	Settle Passthru/Supp	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Accnt	9.97
95112	Settle Equip Use	1.91
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	12,864.55
<b>Total Materials &amp; Services</b>		<b>\$ 1,243,452.95</b>

Account #	Account Description	FY12 Actual
60000	Permanent	\$ 2,768,484.20
60100	Temporary	88,917.57
60110	Overtime	70,997.87
60120	Premium	6,379.13
60130	Salary Related Expns	950,929.67
60135	Non Base Fringe	9,562.41
60140	Insurance Benefits	800,596.12
60145	Non Base Insurance	6,368.60
90001	ATYP Posting (CATS)	(11,471.09)
90002	ATYP On Call (CATS)	-
92001	Sheriff's OT (CATS)	(71,348.92)
93002	Assess Labor	(95,812.06)
95102	Settle Labor	443,964.36
<b>Total Personnel Services</b>		<b>\$ 4,967,567.86</b>

Account #	Account Description	FY12 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	-
60350	Central Indirect	-
60355	Dept Indirect	-
60390	Intl Svc PC Flat Fee	-
60500	Interest	-
60550	Capital Equipment	2,483.49
60570	Bad Debt Expense	-
<b>Total Unallowable</b>		<b>\$ 2,483.49</b>

**DEPARTMENT OF COMMUNITY SERVICES**

	<b>Department Indirect Total</b>	<b>Department Direct Total</b>
Personnel Services	\$ 859,306.85	\$ 19,428,645.09
Materials & Services	149,043.81	105,220,159.73
Unallowable M&S	-	(17,192,493.30)
Capitalization Adj		(54,815,392.79)
	<b>\$ 1,008,350.66</b>	<b>\$ 52,640,918.73</b>

**Central Services**

Indirect	16,092,489.52	<b>2.16%</b>
Direct	743,489,245.68	

**Departmental**

Indirect	1,008,350.66	<b>1.95%</b>
Direct	51,632,568.07	

Account #	Account Description	FY12 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	38,775.00
60180	Printing	3,979.44
60200	Communications	2,797.57
60210	Rentals	21.82
60220	Repairs and Maint	-
60230	Postage	-
60240	Supplies	9,744.44
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	10,951.57
60270	Local Travel/Mileage	106.52
60290	Software Lic / Maint	-
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	587.00
60370	Intl Svc Telephone	9,081.10
60380	Intl Svc Data Proc	30,608.80
60410	Intl Svc Motor Pool	260.00
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	39,792.09
60440	Intl Svc Other	-
60460	Intl Svc Dist/Postge	1,052.02
60680	Cash Discounts Taken	-
95101	Settle Matrl & Svcs	
95102	Settle Labor	786.07
95106	Settle Passthru/Supp	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Acct	0.80
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	499.57
<b>Total Materials &amp; Services</b>		<b>\$ 149,043.81</b>

Account #	Account Description	FY12 Actual
60000	Permanent	\$ 600,307.02
60100	Temporary	5,415.82
60110	Overtime	55.71
60120	Premium	-
60130	Salary Related Expns	181,323.93
60135	Non Base Fringe	447.25
60140	Insurance Benefits	144,059.34
60145	Non Base Insurance	2,355.43
90001	ATYP Posting (CATS)	(74,657.65)
90002	ATYP On Call (CATS)	-
93002	Assess Labor	-
<b>Total Personnel Services</b>		<b>\$ 859,306.85</b>

Account #	Account Description	FY12 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	-
60350	Central Indirect	-
60355	Dept Indirect	-
60390	Intl Svc PC Flat Fee	-
60500	Interest	-
60550	Capital Equipment	-
60570	Bad Debt Expense	-
61100	Capital Outlay	-
<b>Total Unallowable</b>		<b>\$ -</b>

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**Section II**

**INTERNAL SERVICE FUNDS**

## 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: [Internal Service Rates](#)

**FLEET MANAGEMENT FUND** accounts for the County's Motor Pool and Fleet Operations.

### 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.

Fiscal year 2014 rates:

- 1) Fleet uses 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, shop rate for labor cost is \$86, fuel markup is 7% and parts markup is 25%.
  - 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.

**INFORMATION TECHNOLOGY (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 uses a cost allocation method that charges the cost of IT operations to each department based on an appropriate rate driver for each type of service provided. Costs are estimated based on prior year actual expenses and current year budgeted expenses. Rate drivers and the services allocated by each are:

- 1) Desktop and Server Device Count. Desktop Devices include laptops, personal computers, thin clients, and actual and virtual file servers. Services allocated by desktop device count by department are Help Desk, Network Security, Desktop Services, General Government & Open Source Applications, some GIS services, and some Server & Support Services.
- 2) Circuits. Network Services costs are allocated to each department based on wide-area network circuit counts by department.
- 3) Planview Data. Planview is a software tool in which IT staff account for all hours worked. Services allocated by Planview data are Application Support Services, Data & Reporting Services, and some GIS Services.
- 4) SAP employee count. SAP Support services are allocated based on the number of employees in each department.

Beginning in FY14, County mobile devices will be charged \$9 per month per mobile device. This cost is for tracking software along with third party contractors who manage and monitor usage.

**MAIL AND DISTRIBUTION FUND** accounts for the County's Mail / Distribution 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) Records program 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.

Fiscal year 2014 rates

- 1) Standard ground mail is charged out by the following rates:

Type	Quantity	Cost
Pre-Sort Mail	per piece admin handling fees "15"	\$0.10
Pre-Sort Flats	per piece "1Q"	\$0.48
Other USPS Mail	per piece "All Else"	\$0.07
Vended Mail	per piece handling costs	\$0.01
Shop Rate	per hour for special delivery	\$85
Account Charge	per month with mail "account"	\$15
Postage	pass-thru	USPS rates
Stop Charge	per point	\$3,260

**FACILITIES MANAGEMENT FUND** accounts for the management of all County owned and leased facilities, and for Electronics Services.

Facilities utilize 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 calculate 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 \$4.70 - \$9.75 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 \$66 - \$95 per hour.

Electronic Services charge for services via a contract equipment charge or a time and material charge. Time and Material charges use 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.

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 labor costs is \$95/hour. 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.

**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 7.00% to 9.75% of payroll. In addition, departments are charged a flat rate for active employee healthcare. That rate is set at \$1,180 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 2014. The liability is approximately \$154.5 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 2014, 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 Policy**

The County provides a comprehensive fringe benefits package to employees depending on the contract, position and employment status. 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 BENEFITS

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 voluntary retirement savings. There are three different tiers of membership based on the individual's original hire date with an Oregon PERS employer.

### **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. The reports may be obtained by writing:

PERS  
PO Box 23700  
Tigard, OR 97281-3700

Summary of significant accounting policies – basis of accounting and valuation of investments. The financial statements of PERS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair market value.

*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 and represents a blended rate for all three different tiers of membership. 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 2012, the County's annual pension cost of \$48,570 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2012 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 6.9% in 2012 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, 2012, was 20 years.

Three Year Trend Information for PERS:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$34,550	100%	\$ -
6/30/11	\$34,233	100%	\$ -
6/30/12	\$48,570	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. Contributions are made through salary withholdings from participating employees up to the amounts specified in the Code. No contributions are required from the County. As of June 30, 2012, 3,541 individuals were participating in the 457 plan. 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, 2012, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$215,323. The amounts accumulated under the Plan including investment earnings, are excluded from the financial statements of the County.

**Other Postemployment Benefits**

*Plan description.* The County administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides for postemployment healthcare insurance for eligible retirees and their spouses through the County’s group health insurance plans, which covers 50% of the premium cost for retirees who meet certain eligibility requirements. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. The County’s postemployment medical plan does not issue a publicly available financial report.

*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 offers retirees a health benefit equal to half of their monthly premium and retirees are required to pay the other half. The benefit is generally offered from age 58 to age 65. The County’s regular health care benefit providers underwrite the retirees’ policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The County is contractually obligated by collective bargaining agreements to contribute 2.00% of annual covered payroll to fund this retiree benefit. At June 30, 2012, there were 660 retirees that were receiving the postemployment healthcare benefit. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2012, the County contributed \$7,476 to the plan. Of this amount, \$3,481 was explicitly contributed as part of the contractual obligation described above. The remaining \$3,995 represents the implicit subsidy derived from active employee contributions.

*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, 2012, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 14,725
Interest on net OPEB obligation	3,896
Adjustment to annual required contribution	<u>(3,361)</u>
Annual OPEB cost (expense)	15,260
Contributions made	<u>(7,476)</u>
Increase in net OPEB obligation	7,784
Net OPEB obligation - beginning of year	<u>97,403</u>
Net OPEB obligation - end of year	<u><u>\$ 105,187</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	12,232	18%	\$ 80,173
6/30/10	12,313	20%	90,048
6/30/11	14,689	50%	97,403
6/30/12	15,260	49%	105,187

*Funded status and funding progress.* As of the most recent actuarial report, January 1, 2011, the actuarial accrued liability for benefits was \$154,498 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$154,498. The covered payroll (annual payroll of active employees covered by the plan) was \$273,983 for fiscal year 2012 and the ratio of the UAAL to the covered payroll was 56%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the most recently conducted, actuarial valuation (as of January 1, 2011), the projected 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 4.0% was used in the most recent actuarial valuation for the closed period. The actuarial report incorporates the projected effect of the healthcare reform law, The Patient Protection and Affordable Care Act (PPACA), passed into law in March 2010. A significant item in the law begins in 2018 when the County's plan may be subject to a 40% excise tax on the value of benefits provided above a certain dollar level. Because of some uncertainties in the excise tax component, the calculation of a precise obligation for this tax is impossible at this time. The report also states health care costs rates are trending down from 8.1% in 2012 to 6.8% in 2017 for the major medical component, which is representative for the overall plan. The report includes assumptions for inflation at 2.75%, annual payroll growth of 3.75% and 1.00% real wage growth. The County's unfunded actuarial accrued liability is re-determined each valuation and amortized over a 30 year open period as a level percentage of payroll. The remaining amortization period at June 30, 2012 is 30 years.

**Combining Statement of Net Position**

**MULTNOMAH COUNTY, OREGON  
Internal Service Funds  
For the Year Ended June 30, 2012**

**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>
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 46,306	\$ 3,954	\$ 11,093	\$ 1,693	\$ 6,632	\$ 69,678
Accounts receivable	2	172	93	207	330	804
Inventories	-	506	192	156	167	1,021
Prepaid items	563	-	935	-	42	1,540
Total current assets	<u>46,871</u>	<u>4,632</u>	<u>12,313</u>	<u>2,056</u>	<u>7,171</u>	<u>73,043</u>
Noncurrent assets:						
Contracts receivable	-	-	-	-	215	215
Construction in progress	-	-	516	-	-	516
Capital assets (net of accumulated depreciation)	-	2,825	3,675	-	18	6,518
Total noncurrent assets	<u>-</u>	<u>2,825</u>	<u>4,191</u>	<u>-</u>	<u>233</u>	<u>7,249</u>
Total assets	<u>\$ 46,871</u>	<u>\$ 7,457</u>	<u>\$ 16,504</u>	<u>\$ 2,056</u>	<u>\$ 7,404</u>	<u>\$ 80,292</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 1,503	\$ 435	\$ 2,112	\$ 153	\$ 1,812	\$ 6,015
Claims and judgments payable	11,384	-	-	-	-	11,384
Payroll payable	82	36	385	28	159	690
Unearned revenue	-	-	-	28	-	28
Compensated absences	81	44	324	19	168	636
Total current liabilities	<u>13,050</u>	<u>515</u>	<u>2,821</u>	<u>228</u>	<u>2,139</u>	<u>18,753</u>
Noncurrent liabilities:						
Compensated absences	297	95	1,089	77	454	2,012
Incremental leases payable	-	-	-	-	1,851	1,851
Total noncurrent liabilities	<u>297</u>	<u>95</u>	<u>1,089</u>	<u>77</u>	<u>2,305</u>	<u>3,863</u>
Total liabilities	<u>13,347</u>	<u>610</u>	<u>3,910</u>	<u>305</u>	<u>4,444</u>	<u>22,616</u>
<b>NET POSITION</b>						
Net investment in capital assets	-	2,825	4,191	-	18	7,034
Unrestricted	33,524	4,022	8,403	1,751	2,942	50,642
Total net position	<u>\$ 33,524</u>	<u>\$ 6,847</u>	<u>\$ 12,594</u>	<u>\$ 1,751</u>	<u>\$ 2,960</u>	<u>\$ 57,676</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**

**MULTNOMAH COUNTY, OREGON  
Internal Service Funds  
For the Year Ended June 30, 2012**

	Government Activities - Internal Service Funds					Total Internal Service Funds
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 82,130	\$ 6,652	\$ 28,842	\$ 5,588	\$ 31,627	\$ 154,839
Insurance premiums	8,389	-	-	-	-	8,389
Experience ratings and other	910	124	16	7	120	1,177
Total operating revenues	<u>91,429</u>	<u>6,776</u>	<u>28,858</u>	<u>5,595</u>	<u>31,747</u>	<u>164,405</u>
<b>OPERATING EXPENSES</b>						
Cost of sales and services	82,174	5,396	32,180	5,311	31,136	156,197
Administration	749	231	1,337	515	246	3,078
Depreciation	1	1,132	1,097	6	5	2,241
Total operating expenses	<u>82,924</u>	<u>6,759</u>	<u>34,614</u>	<u>5,832</u>	<u>31,387</u>	<u>161,516</u>
Operating income (loss)	<u>8,505</u>	<u>17</u>	<u>(5,756)</u>	<u>(237)</u>	<u>360</u>	<u>2,889</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest revenue	194	18	63	8	24	307
Gain on disposal of capital assets	-	82	-	-	-	82
Loss on disposal of capital assets	-	(14)	(75)	-	-	(89)
Total nonoperating revenues (expenses)	<u>194</u>	<u>86</u>	<u>(12)</u>	<u>8</u>	<u>24</u>	<u>300</u>
Income (loss) before contributions and transfers	8,699	103	(5,768)	(229)	384	3,189
Capital contributions out	-	-	(4)	-	-	(4)
Transfers in	-	-	1,000	-	380	1,380
Transfers out	-	-	-	-	(528)	(528)
Change in net position	<u>8,699</u>	<u>103</u>	<u>(4,772)</u>	<u>(229)</u>	<u>236</u>	<u>4,037</u>
Total net position - beginning	<u>24,825</u>	<u>6,744</u>	<u>17,366</u>	<u>1,980</u>	<u>2,724</u>	<u>53,639</u>
Total net position - ending	<u>\$ 33,524</u>	<u>\$ 6,847</u>	<u>\$ 12,594</u>	<u>\$ 1,751</u>	<u>\$ 2,960</u>	<u>\$ 57,676</u>

**Non-Operating Transfers In/Out**

**MULTNOMAH COUNTY, OREGON**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

**Operating Transfers Out**

	<b>Capital Projects Capital Improvement</b>	<b>Capital Projects Asset Preservation</b>	<b>Internal Service Information Technology</b>	<b>Internal Service Facilities</b>	<b>Total Operating Transfers Out</b>
<b>Operating Transfers In</b>					
General Fund	\$ -	\$ -	\$ 1,000,000	\$ 380,000	\$ 1,380,000
Internal Service Facilities Management	368,559	159,469	-	-	528,028
<b>Total Operating Transfers In</b>	<b>\$ 368,559</b>	<b>\$ 159,469</b>	<b>\$ 1,000,000</b>	<b>\$ 380,000</b>	<b>\$ 1,908,028</b>

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# **APPENDICES**

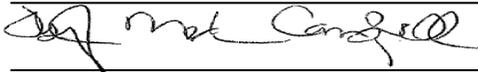
## CERTIFICATE OF INDIRECT COSTS

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, 2012 to establish billing or final indirect cost rates for the fiscal year July 1, 2013 through June 30, 2014 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:	Mark Campbell
Title:	Chief Financial Officer
Date of Execution:	December 20, 2012

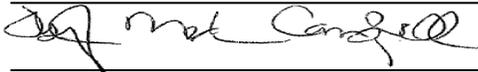
## CERTIFICATE OF COST ALLOCATION PLAN

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, 2012 to establish cost allocations or billings for the fiscal year July 1, 2013 through June 30, 2014 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:	Mark Campbell
Title:	Chief Financial Officer
Date of Execution:	December 20, 2012

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