

Multnomah County, Oregon

Countywide Cost Allocation Plan

For the Fiscal Year Ended June 30, 2015

(Based on the Year Ending June 30, 2013)

(Prepared in Accordance with OMB Circular A-87)



Prepared by:

Department of County Management

Joseph Mark Campbell, Chief Financial Officer

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Portland, Oregon 97214

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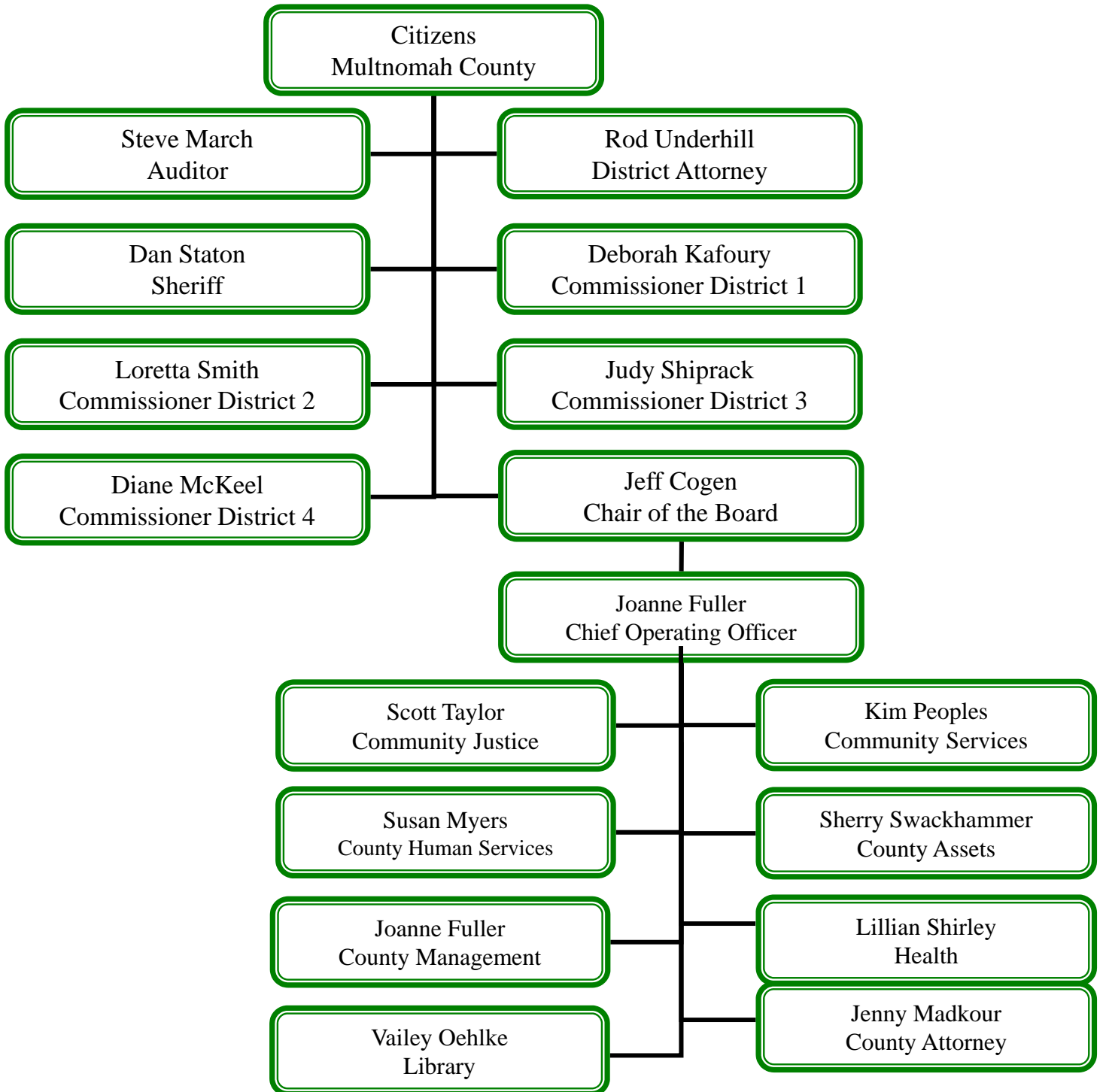
The rates contained in this document are applicable to grants in existence during the fiscal year beginning July 1, 2014 and ending June 30, 2015.

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

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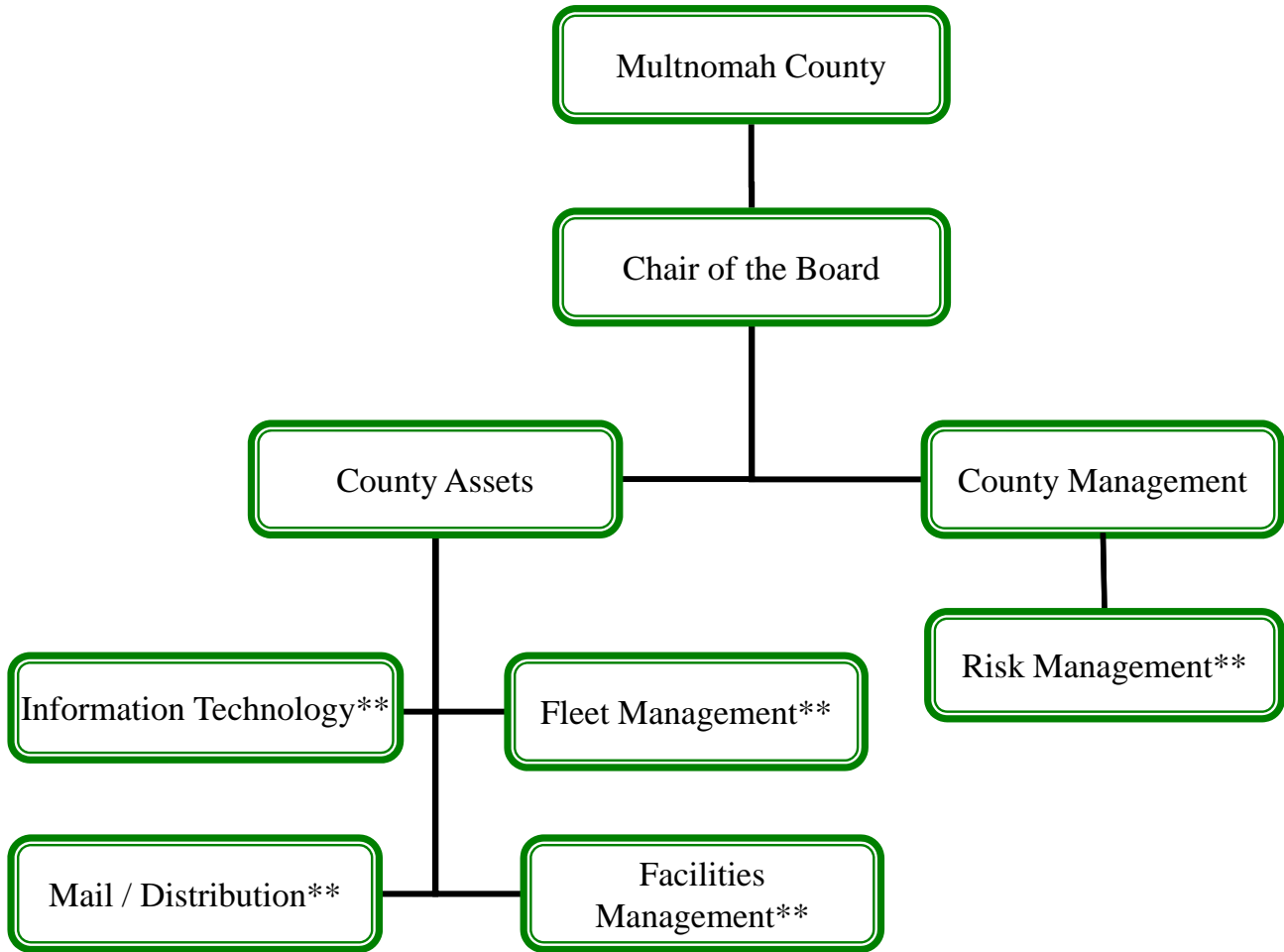
Multnomah County, Oregon

June 30, 2013



Multnomah County, Oregon
Internal Service Providers

June 30, 2013



**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.

2014-2015 SUMMARY OF OMB A-87 INDIRECT COST RATES

MULTNOMAH COUNTY

Department	Page #	Central Indirect Cost Rate	Departmental Indirect Cost Rate	Combined Indirect Cost Rate
County Human Services	10	2.34%	2.65%	4.99%
Community Justice	11	2.34%	8.29%	10.63%
Health Services	12	2.34%	7.48%	9.82%
District Attorney	13	2.34%	5.34%	7.68%
Sheriff's Office	14	2.34%	5.74%	8.08%
Community Services*	15	2.34%	1.96%	4.30%
Library Services**	-	2.34%	0.00%	2.34%
Other County***	-	2.34%	0.00%	2.34%

* The Department of Community Services charges a separate administrative rate on Revenue Sharing Agreements for road maintenance in the Road Fund. For FY14 this rate was .6% for Central Rate and .3% for the Departmental Rate.

** The library does not have a departmental rate as the Library is a special district with an Intergovernmental Agreement outside of the Cost Allocation Plan that includes support service costs.

*** 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

Central Service	Total
Auditor	\$ 1,200,701
Budget Office	1,266,624
Finance	5,108,925
Human Resources	4,271,800
Strategic Sourcing	153,773
Equipment Use	5,234,031
Total Allocation	\$ 17,235,854

$$\begin{array}{r} \text{Central Service Costs} \quad \$ \quad 17,235,854 \\ \text{All Other Allowable Costs} \quad \$ \quad 736,363,974 \end{array} = 2.34\%$$

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.

Expenditure Category	Actual FY 2011	Actual FY 2013	Roll Forward Adj	Fixed FY 2015
Personnel Services	\$ 900,293	\$ 972,314		
Material & Services	\$ 305,688	\$ 324,987		
Unallowable	\$ (184,454)	\$ (186,187)		
Total Allowable	\$ 1,021,527	\$ 1,111,114	\$ 89,587	\$ 1,200,701

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.

Expenditure Category	Actual FY 2011	Actual FY 2013	Roll Forward Adj	Fixed FY 2015
Personnel Services	\$ 837,375	\$ 1,021,192		
Material & Services	\$ 263,941	\$ 162,778		
Unallowable	\$ -	\$ -		
Total Allowable	\$ 1,101,316	\$ 1,183,970	\$ 82,654	\$ 1,266,624

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.

Expenditure Category	Actual FY 2011	Actual FY 2013	Roll Forward Adj	Fixed FY 2015
Personnel Services	\$ 5,192,545	\$ 4,823,510		
Material & Services	\$ 2,298,680	\$ 2,193,805		
Unallowable	\$ (1,021,838)	\$ (1,228,159)		
Total Allowable	\$ 6,469,387	\$ 5,789,156	\$ (680,231)	\$ 5,108,925

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.

Expenditure Category	Actual FY 2011	Actual FY 2013	Roll Forward Adj	Fixed FY 2015
Personnel Services	\$ 2,692,328	\$ 2,947,090		
Material & Services	\$ 949,578	\$ 1,022,116		
Unallowable	\$ (2,444)	\$ (13,575)		
Total Allowable	\$ 3,639,462	\$ 3,955,631	\$ 316,169	\$ 4,271,800

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.

Expenditure Category	Actual FY 2011	Actual FY 2013	Roll Forward Adj	Fixed FY 2015
Personnel Services	\$ -	\$ 146,789		
Material & Services	\$ -	\$ 6,984		
Unallowable	\$ -	\$ -		
Total Allowable	\$ -	\$ 153,773	\$ -	\$ 153,773

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 2011	Actual FY 2013	Roll Forward Adj	Fixed FY 2015
Machinery & Equip	\$ 115,157,125	\$ 112,446,203		
Unallowable	\$ (30,674,437)	\$ (30,969,243)		
Basis of Allocation	\$ 84,482,688	\$ 81,476,960		
Rate*	6.67%	6.67 %		
Actual Allowable	\$ 5,634,995	\$ 5,434,513	\$ (200,482)	\$ 5,234,031

*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

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 2,581,236	\$ 22,863,020
Materials & Services	506,380	99,582,490
Unallowable M&S	-	(2,964,480)
	\$ 3,087,617	\$ 119,481,030

Central Services

Indirect	17,235,854	2.34%
Direct	736,363,974	

Departmental

Indirect	3,087,617	2.65%
Direct	116,393,413	

Account #	Account Description	FY13 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	112,681
60180	Printing	11,560
60200	Communications	9,240
60210	Rentals	-
60220	Repairs and Maint	-
60230	Postage	123
60240	Supplies	48,889
60245	Lib Books & Matrls	-
60246	Medical Supplies	99
60250	Food	-
60260	Travel & Training	5,400
60270	Local Travel/Mileage	1,877
60290	Software Lic / Maint	302
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	4,426
60370	Intl Svc Telephone	13,030
60380	Intl Svc Data Proc	108,014
60390	Intl Svc PC Flat Fee	-
60410	Intl Svc Motor Pool	359
60420	Intl Svc Electronics	94
60430	Intl Svc Bldg Mgmt	178,880
60440	Intl Svc Other	887
60460	Intl Svc Dist/Postge	1,662
60680	Cash Discounts Taken	-
95101	Settle Matrl & Srvcs	(9,171)
95102	Settle Labor	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Accnt	-
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95152	Settle Labor	-
95430	Settle Service Requests	18,028
	Total Materials & Services	\$ 506,380

Account #	Account Description	FY13 Actual
60000	Permanent	\$ 1,474,357
60100	Temporary	155,740
60110	Overtime	523
60120	Premium	-
60130	Salary Related Expns	422,897
60135	Non Base Fringe	27,480
60140	Insurance Benefits	471,799
60145	Non Base Insurance	28,440
90052	ATYP On Call (CATS)	-
	Total Personnel Services	\$ 2,581,236

Account #	Account Description	FY13 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	-
60350	Central Indirect	-
60355	Dept Indirect	-
60500	Interest	-
60550	Capital Equipment	-
60570	Bad Debt Expense	-
	Total Unallowable	\$ -

DEPARTMENT OF COMMUNITY JUSTICE

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 5,233,124	\$ 51,263,501
Materials & Services	902,906	31,029,107
Unallowable M&S	-	(2,178,398)
	\$ 6,136,029	\$ 80,114,210

Central Services Rate:

Indirect	17,235,854	
Direct	<u>736,363,974</u>	2.34%

Departmental Rate:

Indirect	6,136,029	
Direct	<u>73,978,181</u>	8.29%

Account #	Account Description	FY13 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	65,961
60180	Printing	19,664
60200	Communications	13,739
60210	Rentals	286
60220	Repairs and Maint	2,760
60230	Postage	30
60240	Supplies	43,687
60245	Lib Books & Matrls	-
60246	Medical Supplies	(2,768)
60250	Food	-
60260	Travel & Training	51,704
60270	Local Travel/Mileage	20,590
60290	Software Lic / Maint	1,758
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	13,477
60370	Intl Svc Telephone	776
60380	Intl Svc Data Proc	-
60410	Intl Svc Motor Pool	10,874
60420	Intl Svc Electronics	9,416
60430	Intl Svc Bldg Mgmt	531,945
60440	Intl Svc Other	1,951
60460	Intl Svc Dist/Postge	112,489
60680	Cash Discounts Taken	-
95102	Settle Labor	(14,356)
95106	Lettle Passthru/Supp	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Acct	15
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	18,909
Total Materials & Services		\$ 902,906

Account #	Account Description	FY13 Actual
60000	Permanent	\$ 3,109,871
60100	Temporary	162,415
60110	Overtime	11,195
60120	Premium	2,019
60130	Salary Related Expns	1,023,298
60135	Non Base Fringe	15,041
60140	Insurance Benefits	868,122
60145	Non Base Insurance	18,331
90001	ATYP Posting (CATS)	12,968
90002	ATYP On Call (CATS)	9,863
93002	Assess Labor	-
Total Personnel Services		\$ 5,233,124

Account #	Account Description	FY13 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	-
Total Unallowable		\$ -

HEALTH DEPARTMENT

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 8,403,947	\$ 102,061,944
Materials & Services	\$ 1,856,549	\$ 56,193,871
Unallowable M&S	\$ -	\$ (8,921,883)
Capitalization Adj		\$ (1,811,344)
	\$ 10,260,496	\$ 147,522,588

Central Services

Indirect	17,235,854	2.34%
Direct	736,363,974	

Departmental

Indirect	10,260,496	7.48%
Direct	137,262,093	

Account #	Account Description	FY13 Actual
60155	Direct Client Assist	\$ 27
60160	Pass-Thru & Pgm Supt	-
60170	Professional Svcs	336,555
60180	Printing	41,585
60200	Communications	50,277
60210	Rentals	3,162
60220	Repairs and Maint	306
60230	Postage	986
60240	Supplies	78,298
60245	Lib Books & Matrls	-
60246	Medical Supplies	177
60250	Food	-
60260	Travel & Training	50,603
60270	Local Travel/Mileage	3,780
60290	Software Lic / Maint	24,852
60310	Drugs	-
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	80,589
60350	Central Indirect	-
60355	Dept Indirect	-
60370	Intl Svc Telephone	54,232
60380	Intl Svc Data Proc	529,885
60390	Intl Svc PC Flat Fee	-
60410	Intl Svc Motor Pool	9,684
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	448,432
60440	Intl Svc Other	8,784
60460	Intl Svc Dist/Postge	35,944
60550	Capital Equipment	-
60680	Cash Discounts Taken	-
93001	Assess Material & services	1,384
93007	Assess Internal Service	5,871
93009	Assess Capital	-
95110	Settle Int Account	3
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	91,135
Total Materials & Services		\$ 1,856,549

Account #	Account Description	FY13 Actual
60000	Permanent	\$ 5,100,030
60100	Temporary	75,199
60110	Overtime	22,129
60120	Premium	3,367
60130	Salary Related Expns	1,480,833
60135	Non Base Fringe	12,777
60140	Insurance Benefits	1,542,398
60145	Non Base Insurance	15,833
90001	ATYP Posting (CATS)	27,491
90002	ATYP On Call (CATS)	113,484
93002	Assess Labor	10,236
95102	Settle Labor	18
95200	ATYP Clean Up (Cent)	152
Total Personnel Services		\$ 8,403,947

Account #	Account Description	FY13 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	-
93009	Assess Capital	-
98000	Settle Capital	-
Total Unallowable		\$ -

DISTRICT ATTORNEY

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 916,441	\$ 21,232,067
Materials & Services	354,667	4,047,464
Unallowable M&S	-	(192,285)
	\$ 1,271,108	\$ 25,087,247

Central Services

Indirect	17,235,854	2.34%
Direct	736,363,974	

Departmental

Indirect	1,271,108	5.34%
Direct	23,816,139	

Account #	Account Description	FY13 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	18,579
60180	Printing	33
60200	Communications	3,361
60210	Rentals	-
60220	Repairs and Maint	5,702
60230	Postage	-
60240	Supplies	29,417
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60260	Travel & Training	813
60270	Local Travel/Mileage	-
60290	Software Lic / Maint	82,839
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	205
60370	Intl Svc Telephone	4,200
60380	Intl Svc Data Proc	203,060
60410	Intl Svc Motor Pool	241
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	-
60440	Intl Svc Other	-
60460	Intl Svc Dist/Postge	-
60550	Capital Equipment	6,332
60680	Cash Discounts Taken	(134)
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	18
Total Materials & Services		\$ 354,667

Account #	Account Description	FY13 Actual
60000	Permanent	\$ 577,495
60100	Temporary	19,563.58
60110	Overtime	217.67
60120	Premium	-
60130	Salary Related Expns	173,078.46
60135	Non Base Fringe	1,634.25
60140	Insurance Benefits	142,623.89
60145	Non Base Insurance	1,828.01
90051	ATYP Posting (CATS)	-
90052	ATYP On Call (CATS)	-
93002	Assess Labor	-
Total Personnel Services		\$ 916,441

Account #	Account Description	FY13 Actual
60150	County Match & Sharing	\$ -
60160	Pass-Thru & Pgm Supt	-
60350	Central Indirect	-
60355	Dept Indirect	-
60390	Intl Svc PC Flat Fee	-
60500	Interest	-
61100	Capital Outlay	-
60570	Bad Debt Expense	-
Total Unallowable		\$ -

SHERIFF'S OFFICE

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 5,160,171	\$ 99,582,177
Materials & Services	1,329,921	21,239,547
Unallowable M&S	-	(1,083,261)
Capitalization Adj		(238,762)
	\$ 6,490,092	\$ 119,499,700

Central Services

Indirect	17,257,991	
Direct	<u>736,341,837</u>	2.34%

Departmental

Indirect	6,490,092	
Direct	<u>113,009,608</u>	5.74%

Account #	Account Description	FY13 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	21
60180	Printing	8,980
60190	Utilities	-
60200	Communications	8,443
60210	Rentals	(1,282)
60220	Repairs and Maint	897
60230	Postage	122
60240	Supplies	53,008
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	12
60260	Travel & Training	596
60270	Local Travel/Mileage	76
60290	Software Lic / Maint	68,497
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	398
60370	Intl Svc Telephone	20,113
60380	Intl Svc Data Proc	550,882
60410	Intl Svc Motor Pool	205,873
60420	Intl Svc Electronics	2,984
60430	Intl Svc Bldg Mgmt	356,770
60440	Intl Svc Other	7,224
60460	Intl Svc Dist/Postge	23,770
60610	Loss-Inv Revaluation	-
60615	Physical Inven Adj	-
60620	Inv Cost (Price) Diff	(3)
60680	Cash Discounts Taken	(1)
93001	Assess Material & Svc	-
95101	Settle Matrl & Svcs	-
95106	Settle Passthru/Supp	-
95107	Settle Int Svc Expns	15,740
95110	Settle Inv Accnt	-
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	6,802
Total Materials & Services		\$ 1,329,921

Account #	Account Description	FY13 Actual
60000	Permanent	\$ 2,596,781
60100	Temporary	66,435
60110	Overtime	429,911
60120	Premium	63,167
60130	Salary Related Expns	1,099,389
60135	Non Base Fringe	11,775
60140	Insurance Benefits	847,035
60145	Non Base Insurance	4,761
90001	ATYP Posting (CATS)	(125,466)
90002	ATYP On Call (CATS)	(1,131)
92001	Sheriff's OT (CATS)	(585,799)
93002	Assess Labor	(52,644)
95102	Settle Labor	812,835
95104	Settle Revenue	(6,878)
Total Personnel Services		\$ 5,160,171

Account #	Account Description	FY13 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	\$ -
Total Unallowable		\$ -

DEPARTMENT OF COMMUNITY SERVICES

	Department Indirect Total	Department Direct Total
Personnel Services	\$ 863,019	\$ 19,789,770
Materials & Services	189,998	156,123,070
Unallowable M&S	-	(55,028,781)
Capitalizaton Adj		(66,071,986)
	\$ 1,053,017	\$ 54,812,073

Central Services

Indirect	17,235,854	2.34%
Direct	<u>736,363,974</u>	

Departmental

Indirect	1,053,017	1.96%
Direct	<u>53,759,055</u>	

Account #	Account Description	FY13 Actual
60155	Direct Client Asst.	\$ -
60170	Professional Svcs	62,691
60180	Printing	3,418
60200	Communications	2,114
60210	Rentals	-
60220	Repairs and Maint	-
60230	Postage	9
60240	Supplies	12,921
60245	Lib Books & Matrls	225
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	10,930
60270	Local Travel/Mileage	2,890
60290	Software Lic / Maint	-
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	772
60370	Intl Svc Telephone	4,435
60380	Intl Svc Data Proc	49,064
60410	Intl Svc Motor Pool	104
60420	Intl Svc Electronics	58
60430	Intl Svc Bldg Mgmt	35,842
60440	Intl Svc Other	-
60460	Intl Svc Dist/Postge	1,508
60680	Cash Discounts Taken	-
95101	Settle Matrl & Svcs	83
95102	Settle Labor	869
95106	Lettle Passthru/Supp	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Accnt	-
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	2,065
Total Materials & Services		\$ 189,998

Account #	Account Description	FY13 Actual
60000	Permanent	\$ 572,543
60100	Temporary	7,925
60110	Overtime	-
60120	Premium	-
60130	Salary Related Expns	164,634
60135	Non Base Fringe	662
60140	Insurance Benefits	136,293
60145	Non Base Insurance	410
90001	ATYP Posting (CATS)	(19,049)
90002	ATYP On Call (CATS)	(399)
93002	Assess Labor	-
Total Personnel Services		\$ 863,019

Account #	Account Description	FY13 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	-
Total Unallowable		\$ -

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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 2015 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 \$788 to \$9,990 per year.
 - b) Mileage Rate – Ranges from \$.28 to \$.57 per mile, for standard light duty vehicles only. For heavy duty or specialized vehicles actual cost is used, shop rate for labor cost is \$95, fuel markup is 7% and parts markup is 25%.
 - c) Overhead Charge – Calculated at \$75 per vehicle per month.
- 2) Motor Pool charges \$5.75 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.
- 5) Telecommunications services are allocated by phone number.
- 6) Mobile device costs are allocated by usage (minutes/data). Cost of program management is allocated by device at \$9.00 per month.

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) Distribution 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.

Fiscal year 2015 rates

- 1) Distribution costs are charged to departments based on a department's mail volume, number of stops, and special delivery requests. Stop charges are \$3,670/year. Special deliveries are charged at \$85 per hour.
- 2) The Records program is allocated to departments as a percentage of overall program usage based on records action. Costs are allocated at 1/12th of the budgeted amount each month.

FACILITIES MANAGEMENT FUND accounts for the management of all County owned and leased facilities and for Electronic 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 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 \$4.75 - \$9.85 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.

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 6.75% to 9.50% of payroll. In addition, departments are charged a flat rate for active employee healthcare.

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 2015. The liability is approximately \$134.7 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
- Active Employee and Retiree Healthcare
- Long-Term and Short-Term Disability
- Unemployment

In addition, costs associated with the County Attorney's Office 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 fiscal year 2015, the flat amounts are:

- \$14,152 for full-time employees
- \$10,614 for Local 88 three-quarter time employees
- \$8,073 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

Per code Multnomah County receives an annual actuarial assessment every three years for workers compensation and 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.

Additional information on the County's fiscal year 2015 budget process can be found on line at:

[County Budget Manual](#)

PENSION AND POST RETIREMENT BENEFITS
(dollar amounts expressed in thousands)

Oregon Public Employees Retirement System (PERS)

Pension plan descriptions. The County is a participating employer in the Oregon Public Employee Retirement System (PERS), a multiple-employer defined benefit public employee pension plan, and maintains a defined contribution plan for the purpose of individual retirement savings through PERS. PERS is administered under Oregon Revised Statutes Chapter 238 and Internal Revenue Service 401(a) by the Public Employees Retirement Board (PERB). County employees are eligible to participate in PERS after six months of employment and benefits vest after completing at least 600 hours in each of five years (the years do not need to be consecutive) or at normal retirement age provided the employee is an active member at the time.

PERS, a component of the State of Oregon, issues a comprehensive annual financial report that can be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281.

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

There are three different tiers of membership based on the individual's original hire date with an Oregon PERS employer. County employees participate in one or more PERS retirement plans that provide pension, death, disability and post-employment healthcare to members or their beneficiaries.

PERS Tier 1 and Tier 2 (Public Employee Retirement System) is an agent multiple-employer defined benefit pension plan provided to members who were hired prior to August 29, 2003. The County is a member of PERS and is rated with the State and Local Government Rate Pool (SLGRP). Employees are in either Tier 1 or Tier 2 depending upon their date of hire. Different benefit structures apply to the tiers – for example, Tier 2 employees do not receive a guaranteed rate of return on their accounts. Effective January 1, 2004 Tier 1 and Tier 2 program participant contributions fund individual retirement accounts under the separate defined contribution program, made part of the Oregon Public Service Retirement Plan, that is described below.

Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the PERB. The County's Tier 1/Tier 2 PERS rate for fiscal year 2013 was 11.85% in accordance with the December 31, 2009 actuarial valuation. This rate included a combined factor for the Tier One / Tier Two, OPSRP and Retiree Healthcare unfunded actuarial liability (UAL) totaling 4.98%.

OPSRP (Oregon Public Service Retirement Plan) is a cost-sharing multiple-employer defined benefit and defined contribution pension plan created by the Oregon Legislative Assembly in 2003 as a successor plan for PERS.

The defined benefit pension plan is provided to members who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the PERB. The annual required contribution rates for the OPSRP defined benefit pension plan during fiscal year 2013 were 8.26% for general service employees and 10.97% for police and fire employees. Similar to the PERS rate, these rates included a 4.98% factor for the combined UAL.

The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. Multnomah County has elected to pay all of the employees' required IAP contributions. Although PERS members retain their existing PERS account, all current member contributions are deposited into the member's IAP.

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 general service net employer contribution rate is 11.85% of annual covered payroll for PERS (Tier 1/Tier 2) and 8.26% of annual covered payroll for OPSRP. In addition to the funding requirements, the County also charges an internal rate of 6.50% of payroll to departments to fund the repayment of the pension obligation bonds issued in 1999.

Annual pension cost. For 2013, the County's annual pension cost of \$48,259 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. This actuarial valuation is the most recent available at the time of printing this report. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 2.75% per year, (c) projected wage growth, excluding seniority / merit raises, of 3.75% per year and (d) trending healthcare costs from 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, 2009, was 20 years.

Three Year Trend Information for PERS:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 34,233	100%	\$ -
6/30/12	48,570	100%	-
6/30/13	48,259	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, 2013, 3,691 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, 2013, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$245,818. 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. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units. In general, the plan states the County shall pay 50% of the monthly medical insurance premium on behalf of a County retiree and his/her eligible dependents from the retiree's fifty-eighth birthday or date of retirement, whichever is later, until the retiree's sixty-fifth birthday, death or eligibility for Medicare, whichever is earlier, if the retiree has: five years of continuous County service immediately preceding retirement at or after age fifty-eight years; or ten years of continuous County service immediately preceding retirement prior to age fifty-eight years. The County's postemployment medical plan does not issue a publicly available financial report.

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 cover 50% of the annual premium costs which is 2.00% of annual covered payroll to fund the retiree benefit. At June 30, 2013, there were 682 retirees that were enrolled in the postemployment medical benefit and 706 enrolled in dental. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2013, the County contributed \$6,467 to the plan. Of this amount, \$2,524 was explicitly contributed as part of the contractual obligation described above. The remaining \$3,943 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, 2013, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 11,805
Interest on net OPEB obligation	3,681
Adjustment to annual required contribution	<u>(3,506)</u>
Annual OPEB cost (expense)	11,980
Contributions made	<u>(6,467)</u>
Increase in net OPEB obligation	5,513
Net OPEB obligation - beginning of year	<u>105,187</u>
Net OPEB obligation - end of year	<u>\$ 110,700</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	12,313	20%	\$ 90,048
6/30/11	14,689	50%	97,403
6/30/12	15,261	49%	105,187
6/30/13	11,980	54%	110,700

Funded status and funding progress. As of the most recent actuarial report, January 1, 2013, the actuarial accrued liability for benefits was \$134,712 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$134,712. The covered payroll (annual payroll of active employees covered by the plan) was \$277,407 for fiscal year 2013 and the ratio of the UAAL to the covered payroll was 49%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following 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, 2013), 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 3.5% 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 grading down from 8.0% in 2013 to 7.2% in 2017. The report includes assumptions for medical inflation at 4.0% and annual payroll growth rate of 3.5%. The County's unfunded actuarial accrued liability is re-determined each valuation and amortized over a 30 year open period as a level percentage of payroll. The remaining amortization period at June 30, 2013 is 30 years.

MULTNOMAH COUNTY, OREGON
Combining Statement of Net Position
Internal Service Funds
June 30, 2013
(amounts expressed in thousands)

	Government Activities - Internal Service Funds					
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 63,489	\$ 4,086	\$ 9,076	\$ 1,088	\$ 6,267	\$ 84,006
Accounts receivable	-	203	48	30	715	996
Inventories	-	473	12	65	155	705
Prepaid items	935	-	1,098	-	45	2,078
Total current assets	<u>64,424</u>	<u>4,762</u>	<u>10,234</u>	<u>1,183</u>	<u>7,182</u>	<u>87,785</u>
Noncurrent assets:						
Contracts receivable	-	-	-	-	67	67
Construction in progress	-	-	1,678	-	-	1,678
Capital assets (net of accumulated depreciation)	-	2,817	3,720	11	27	6,575
Total noncurrent assets	<u>-</u>	<u>2,817</u>	<u>5,398</u>	<u>11</u>	<u>94</u>	<u>8,320</u>
Total assets	<u>64,424</u>	<u>7,579</u>	<u>15,632</u>	<u>1,194</u>	<u>7,276</u>	<u>96,105</u>
LIABILITIES						
Current liabilities:						
Accounts payable	1,529	398	1,589	56	2,500	6,072
Claims and judgments payable	11,230	-	-	-	-	11,230
Payroll payable	88	34	324	21	150	617
Deferred revenue	42	-	2	-	-	44
Compensated absences	329	125	1,267	46	600	2,367
Total current liabilities	<u>13,218</u>	<u>557</u>	<u>3,182</u>	<u>123</u>	<u>3,250</u>	<u>20,330</u>
Noncurrent liabilities:						
Compensated absences	53	-	-	-	-	53
Incremental leases payable	-	-	-	-	2,034	2,034
Total noncurrent liabilities	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,034</u>	<u>2,087</u>
Total liabilities	<u>13,271</u>	<u>557</u>	<u>3,182</u>	<u>123</u>	<u>5,284</u>	<u>22,417</u>
NET POSITION						
Invested in capital assets	-	2,817	5,398	11	27	8,253
Unrestricted	51,153	4,205	7,052	1,060	1,965	65,435
Total net position	<u>\$ 51,153</u>	<u>\$ 7,022</u>	<u>\$ 12,450</u>	<u>\$ 1,071</u>	<u>\$ 1,992</u>	<u>\$ 73,688</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2013
(amounts expressed in thousands)

	Government Activities - Internal Service Funds					
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	Total Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 84,875	\$ 6,585	\$ 32,838	\$ 2,184	\$ 32,417	\$ 158,899
Insurance premiums	8,157	-	-	-	-	8,157
Experience ratings and other	485	103	102	-	62	752
Total operating revenues	<u>93,517</u>	<u>6,688</u>	<u>32,940</u>	<u>2,184</u>	<u>32,479</u>	<u>167,808</u>
OPERATING EXPENSES						
Cost of sales and services	84,064	5,653	31,612	2,432	31,595	155,356
Administration	1,142	176	1,860	120	1,321	4,619
Depreciation	-	1,017	987	2	7	2,013
Total operating expenses	<u>85,206</u>	<u>6,846</u>	<u>34,459</u>	<u>2,554</u>	<u>32,923</u>	<u>161,988</u>
Operating income (loss)	<u>8,311</u>	<u>(158)</u>	<u>(1,519)</u>	<u>(370)</u>	<u>(444)</u>	<u>5,820</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	233	18	41	6	24	322
Gain on disposal of capital assets	-	102	-	-	-	102
Loss on disposal of capital assets	-	(16)	(106)	-	-	(122)
Total nonoperating revenues (expenses)	<u>233</u>	<u>104</u>	<u>(65)</u>	<u>6</u>	<u>24</u>	<u>302</u>
Income (loss) before contributions and transfers	8,544	(54)	(1,584)	(364)	(420)	6,122
Capital contributions in	-	16	-	-	-	16
Transfers in	9,085	213	1,500	-	-	10,798
Transfers out	-	-	(60)	(316)	(548)	(924)
Change in net position	<u>17,629</u>	<u>175</u>	<u>(144)</u>	<u>(680)</u>	<u>(968)</u>	<u>16,012</u>
Total net position - beginning	<u>33,524</u>	<u>6,847</u>	<u>12,594</u>	<u>1,751</u>	<u>2,960</u>	<u>57,676</u>
Total net position - ending	<u>\$ 51,153</u>	<u>\$ 7,022</u>	<u>\$ 12,450</u>	<u>\$ 1,071</u>	<u>\$ 1,992</u>	<u>\$ 73,688</u>

MULTNOMAH COUNTY, OREGON
Internal Service Funds
Non-Operating Transfers In/Out
For the Year Ended June 30, 2013
(amounts expressed in thousands)

Operating Transfers Out

	General Fund	Capital Projects Capital Improvement Fund	Capital Projects Asset Preservation Fund	Internal Service Risk Management Fund	Internal Service Fleet Fund	Internal Service Information Technology Fund	Total Operating Transfers Out
Operating Transfers In							
General Fund	\$ -	\$ -	\$ -	\$ -		\$ 1,500	\$ 1,500
Sellwood Bridge Fund				9,085			9,085
Internal Service Information Technology Fund	60						60
Internal Service Mail Distribution Fund	1,034				213		1,247
Internal Service Facilities Management Fund		379	168				548
Total Operating Transfers In	<u>\$ 1,094</u>	<u>\$ 379</u>	<u>\$ 168</u>	<u>\$ 9,085</u>	<u>\$ 213</u>	<u>\$ 1,500</u>	<u>\$ 12,440</u>

APPENDICES

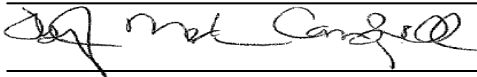
CERTIFICATE OF INDIRECT COSTS

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, 2013 to establish billing or final indirect cost rates for the fiscal year July 1, 2014 through June 30, 2015 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, 2013

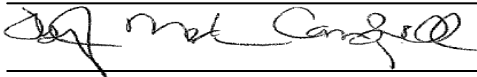
CERTIFICATE OF COST ALLOCATION PLAN

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, 2013 to establish cost allocations or billings for the fiscal year July 1, 2014 through June 30, 2015 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, 2013

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