

Multnomah County, Oregon

Countywide Cost Allocation Plan

For the Fiscal Year Ended June 30, 2016

(Based on the Year Ending June 30, 2014)

(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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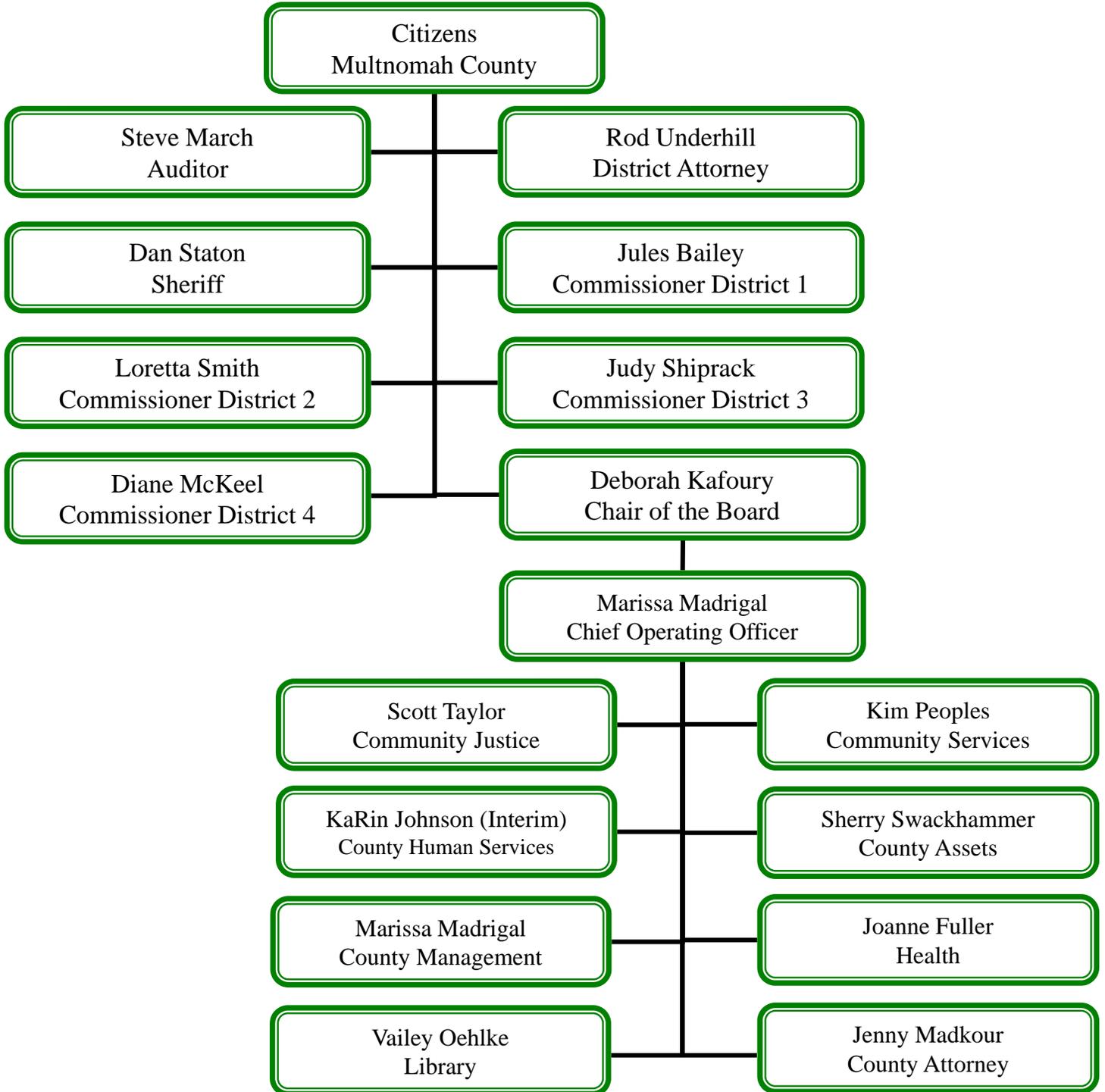
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The rates contained in this document are applicable to grants in existence during the fiscal year beginning July 1, 2015 and ending June 30, 2016.

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

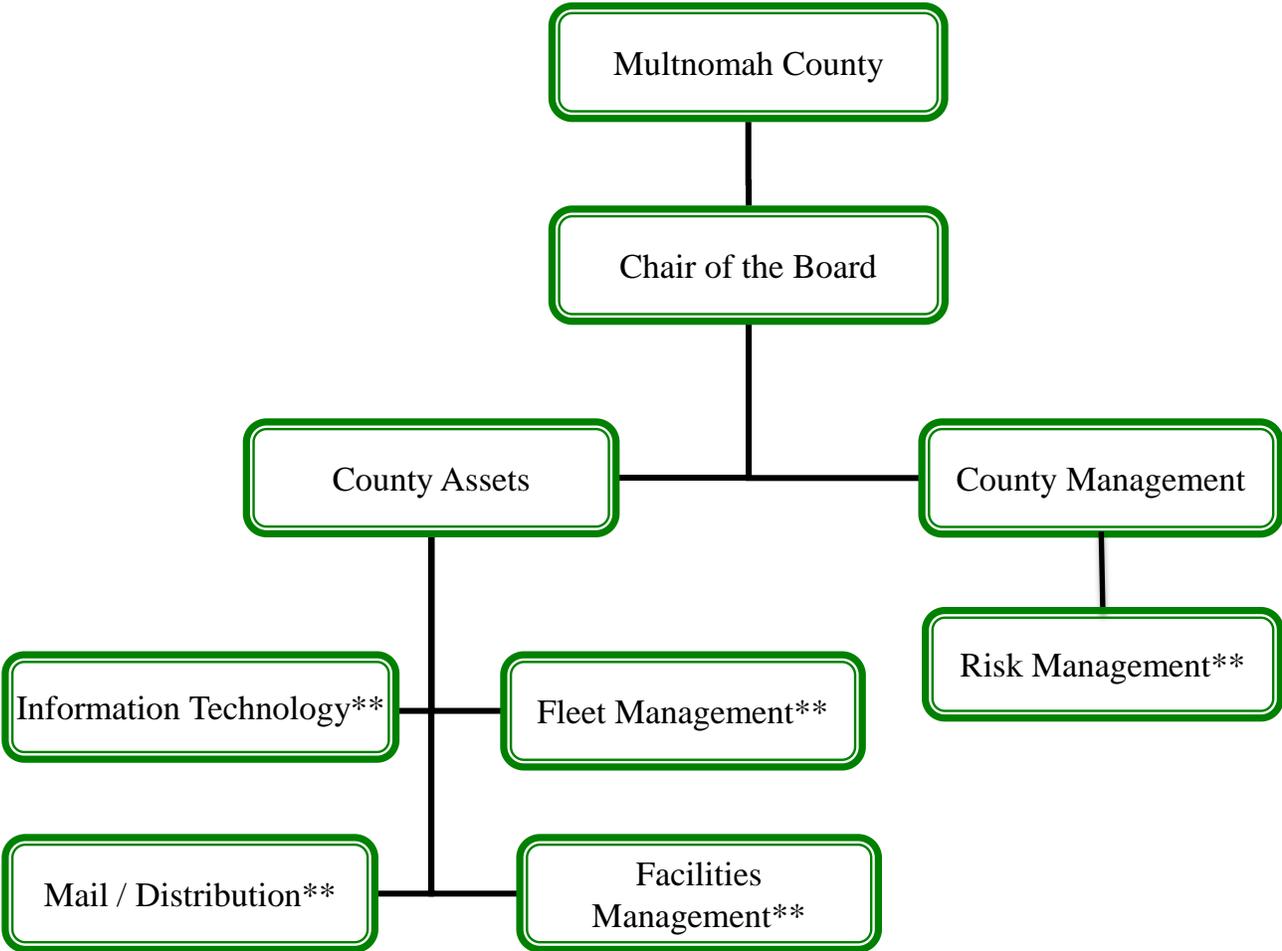
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MULTNOMAH COUNTY, OREGON



Multnomah County, Oregon
Internal Service Providers

June 30, 2014



**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.

2015-2016 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	2.71%	4.54%	7.25%
Community Justice	11	2.71%	8.48%	11.19%
Health Services	12	2.71%	6.57%	9.28%
District Attorney	13	2.71%	7.49%	10.20%
Sheriff's Office	14	2.71%	5.90%	8.61%
Community Services*	15	2.71%	2.74%	5.45%
Library Services**	-	2.71%	0.00%	2.71%
Other County***	-	2.71%	0.00%	2.71%

* The Department of Community Services charges a separate administrative rate on Revenue Sharing Agreements for road maintenance in the Road Fund. For FY15 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.

Central Service Allocations

SUMMARY OF CENTRAL SERVICE ALLOCATION

Central Service	Total
Auditor	\$ 1,373,472
Budget Office	1,971,519
Finance	6,089,517
Human Resources	5,408,973
Strategic Sourcing	940,211
Equipment Use	5,328,572
Total Allocation	\$ 21,112,264

$$\begin{array}{r}
 \text{Central Service Costs} \quad \$ \quad 21,112,264 \\
 \text{All Other Allowable Costs} \quad \$ \quad 780,343,709
 \end{array}
 = 2.71\%$$

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 2012	Actual FY 2014	Roll Forward Adj	Fixed FY 2016
Personnel Services	\$ 902,607	\$ 1,056,451		
Material & Services	\$ 290,508	\$ 325,922		
Unallowable	\$ (183,659)	\$ (190,909)		
Total Allowable	\$ 1,009,456	\$ 1,191,464	\$ 182,008	\$ 1,373,472

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 2012	Actual FY 2014	Roll Forward Adj	Fixed FY 2016
Personnel Services	\$ 777,174	\$ 1,313,989		
Material & Services	\$ 406,647	\$ 178,196		
Unallowable	\$ -	\$ -		
Total Allowable	\$ 1,012,851	\$ 1,492,185	\$ 479,334	\$ 1,971,519

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 2012	Actual FY 2014	Roll Forward Adj	Fixed FY 2016
Personnel Services	\$ 5,090,545	\$ 4,996,353		
Material & Services	\$ 2,450,645	\$ 2,516,359		
Unallowable	\$ (957,480)	\$ (1,176,099)		
Total Allowable	\$ 6,583,710	\$ 6,336,613	\$ (247,097)	\$ 6,089,516

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 2012	Actual FY 2014	Roll Forward Adj	Fixed FY 2016
Personnel Services	\$ 2,667,551	\$ 3,315,180		
Material & Services	\$ 813,698	\$ 1,140,604		
Unallowable	\$ (2,028)	\$ (11,687)		
Total Allowable	\$ 3,479,221	\$ 4,444,097	\$ 964,876	\$ 5,408,973

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 2012	Actual FY 2014	Roll Forward Adj	Fixed FY 2016
Personnel Services	\$ 105,989	\$ 521,110		
Material & Services	\$ 17	\$ 2,043		
Unallowable	\$ -	\$ (44)		
Total Allowable	\$ 106,007	\$ 523,109	\$ 417,102	\$ 940,211

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 2012	Actual FY 2014	Roll Forward Adj	Fixed FY 2016
Machinery & Equip	\$ 114,413,526	\$ 114,850,945		
Unallowable	\$ (31,050,771)	\$ (33,225,255)		
Basis of Allocation	\$ 83,362,754	\$ 81,625,690		
Rate*	6.67%	6.67 %		
Actual Allowable	\$ 5,560,296	\$ 5,444,434	\$ (115,862)	\$ 5,328,572

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

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Department Indirect Allocations

DEPARTMENT OF COUNTY HUMAN SERVICES

	Department Total	Department Indirect Total	Department Direct Total
Personnel Services	\$ 39,853,679	\$ 3,021,545	\$ 36,832,134
Materials & Services	63,293,021	737,017	62,556,004
Unallowable M&S	(1,550,340)	-	(1,550,340)
Roll Forward	684,479	684,479	-
	\$ 102,280,839	\$ 4,443,041	\$ 97,837,798

Central Services

Indirect	21,112,264	2.71%
Direct	780,343,709	

Departmental

Indirect	4,443,041	4.54%
Direct	97,837,798	

Account #	Account Description	FY14 Actual
60170	Professional Svcs	\$ 175,305
60180	Printing	16,868
60200	Communications	18,096
60210	Rentals	1,049
60220	Repairs and Maint	-
60230	Postage	12
60240	Supplies	78,061
60245	Lib Books & Matrls	-
60246	Medical Supplies	352
60250	Food	-
60260	Travel & Training	12,254
60270	Local Travel/Mileage	1,345
60290	Software Lic / Maint	1,816
60320	Refunds	-
60330	Claims Paid	3,995
60340	Dues & Subscriptions	453
60370	Intl Svc Telephone	22,192
60380	Intl Svc Data Proc	134,739
60390	Intl Svc PC Flat Fee	-
60410	Intl Svc Motor Pool	954
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	112,672
60440	Intl Svc Other	3,797
60460	Intl Svc Dist/Postge	8,575
60680	Cash Discounts Taken	-
90001	ATYP Posting (CATS)	1,693
95101	Settle Matrl & Svcs	(855)
95102	Settle Labor	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Acct	-
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	143,646
Total Materials & Services*		\$ 737,017

Account #	Account Description	FY14 Actual
60000	Permanent	\$ 1,808,365
60100	Temporary	88,963
60110	Overtime	651
60120	Premium	210
60130	Salary Related Expns	578,940
60135	Non Base Fringe	23,927
60140	Insurance Benefits	499,263
60145	Non Base Insurance	21,226
90052	ATYP On Call (CATS)	-
Total Personnel Services		\$ 3,021,545

Roll Forward Computation	
Actual 2012	\$ 3,074,083
Actual 2014	3,758,562
Roll Forward Adjustment	684,479
Fixed FY16	\$ 4,443,041

* This amount does not include any cost element accounts that are unallowable such as Pass-Thru, Indirect, Capital Equipment, and Debt Service Expense.

DEPARTMENT OF COMMUNITY JUSTICE

	Department Total	Department Indirect Total	Department Direct Total
Personnel Services	\$ 52,972,053	\$ 5,340,677	\$ 47,631,376
Materials & Services	31,025,892	935,229	30,090,664
Unallowable M&S	(2,619,350)	-	(2,619,350)
Capitalization Adj	-	-	-
Roll Forward	92,709	92,709	-
	\$ 81,471,305	\$ 6,368,614	\$ 75,102,690

Central Services Rate:

Indirect	21,112,264	
Direct	780,343,709	2.71%

Departmental Rate:

Indirect	6,368,614	
Direct	75,102,690	8.48%

Account #	Account Description	FY14 Actual
60170	Professional Svcs	\$ 29,597
60180	Printing	24,566
60200	Communications	6,785
60210	Rentals	8,599
60220	Repairs and Maint	1,261
60230	Postage	501
60240	Supplies	46,088
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	65,906
60270	Local Travel/Mileage	29,787
60290	Software Lic / Maint	1,792
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	2,098
60370	Intl Svc Telephone	9,118
60380	Intl Svc Data Proc	-
60410	Intl Svc Motor Pool	8,849
60420	Intl Svc Electronics	8,653
60430	Intl Svc Bldg Mgmt	554,953
60440	Intl Svc Other	1,688
60460	Intl Svc Dist/Postge	115,594
60500	Interest	91
60680	Cash Discounts Taken	-
95101	Settle Matrl & Svcs	2
95106	Settle Passthru/Supp	-
95107	Settle Int Svc Expns	-
95110	Settle Inv Acct	9
95430	Settle Service Requests	19,294
Total Materials & Services*		\$ 935,229

Account #	Account Description	FY14 Actual
60000	Permanent	\$ 3,150,994
60100	Temporary	161,260
60110	Overtime	12,687
60120	Premium	32
60130	Salary Related Expns	1,085,172
60135	Non Base Fringe	17,051
60140	Insurance Benefits	895,475
60145	Non Base Insurance	18,387
90001	ATYP Posting (CATS)	4,499
90002	ATYP On Call (CATS)	-
93002	Assess Labor	-
95102	Settle Labor	(4,879)
Total Personnel Services		\$ 5,340,677

Roll Forward Computation	
Actual 2012	\$ 6,183,196
Actual 2014	6,275,905
Roll Forward Adjustment	92,709
Fixed FY16	\$ 6,368,614

* This amount does not include any cost element accounts that are unallowable such as Pass-Thru, Indirect, Capital Equipment, and Debt Service Expense.

HEALTH DEPARTMENT

	Department Total	Department Indirect Total	Department Direct Total
Personnel Services	\$ 120,580,445	\$ 9,803,951	\$ 110,776,493
Materials & Services	102,263,565	1,943,764	100,319,801
Capitalization Adj	(1,184,554)	-	(1,184,554)
Roll Forward	2,040,512	2,040,512	-
	\$ 223,699,969	\$ 13,788,228	\$ 209,911,741

Central Services

Indirect	21,112,264			
Direct	780,343,709			2.71%

Departmental

Indirect	13,788,228			
Direct	209,911,741			6.57%

Account #	Account Description	FY14 Actual
60170	Professional Svcs	\$ 272,431
60180	Printing	45,575
60200	Communications	3,590
60210	Rentals	850
60220	Repairs and Maint	293
60230	Postage	268
60240	Supplies	80,448
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	62,131
60270	Local Travel/Mileage	3,385
60290	Software Lic / Maint	25,766
60310	Drugs	-
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	75,918
60350	Central Indirect	-
60355	Dept Indirect	-
60370	Intl Svc Telephone	114,665
60380	Intl Svc Data Proc	613,773
60390	Intl Svc PC Flat Fee	-
60410	Intl Svc Motor Pool	10,553
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	488,272
60440	Intl Svc Other	5,995
60460	Intl Svc Dist/Postge	38,088
60550	Capital Equipment	-
60680	Cash Discounts Taken	-
93001	Assess Material & services	-
93007	Assess Internal Service	9,227
93009	Assess Capital	-
95110	Settle Int Account	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	92,537
Total Materials & Services*		\$ 1,943,764

Account #	Account Description	FY14 Actual
60000	Permanent	\$ 5,976,469
60100	Temporary	101,205
60110	Overtime	17,564
60120	Premium	4,536
60130	Salary Related Expns	1,952,864
60135	Non Base Fringe	17,528
60140	Insurance Benefits	1,676,214
60145	Non Base Insurance	12,273
90001	ATYP Posting (CATS)	28,056
90002	ATYP On Call (CATS)	71,302
93002	Assess Labor	(63,455)
95102	Settle Labor	19
95200	ATYP Clean Up (Cent)	9,376
Total Personnel Services		\$ 9,803,951

Roll Forward Computation	
Actual 2012	\$ 9,707,203
Actual 2014	11,747,715
Roll Forward Adjustment	2,040,512
Fixed FY16	\$ 13,788,228

* This amount does not include any cost element accounts that are unallowable such as Pass-Thru, Indirect, Capital Equipment, and Debt Service Expense.

DISTRICT ATTORNEY

	Department Total	Department Indirect Total	Department Direct Total
Personnel Services	\$ 22,218,876	\$ 1,139,758	\$ 21,079,118
Materials & Services	4,090,270	350,618	3,739,652
Unallowable M&S	(169,808)	-	(169,808)
Capitalization Adj	-	-	-
Roll Forward	355,521	355,521	-
	\$ 26,494,859	\$ 1,845,897	\$ 24,648,962

Central Services

Indirect	21,112,264	2.71%
Direct	780,343,709	

Departmental

Indirect	1,845,897	7.49%
Direct	24,648,962	

Account #	Account Description	FY14 Actual
60170	Professional Svcs	\$ 47,816
60180	Printing	4,068
60200	Communications	6,484
60210	Rentals	1,200
60220	Repairs and Maint	1,238
60230	Postage	48
60240	Supplies	132,244
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60260	Travel & Training	3,753
60270	Local Travel/Mileage	1,891
60290	Software Lic / Maint	109,313
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	33,461
60370	Intl Svc Telephone	-
60380	Intl Svc Data Proc	-
60410	Intl Svc Motor Pool	-
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	-
60440	Intl Svc Other	-
60460	Intl Svc Dist/Postge	-
60550	Capital Equipment	-
60680	Cash Discounts Taken	(37)
95107	Settle Int Svc Expns	-
95110	Settle Inv Acct	-
95112	Settle Equip Use	-
95116	Settle Med Supplies	-
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	9,138
Total Materials & Services*		\$ 350,618

Account #	Account Description	FY14 Actual
60000	Permanent	\$ 707,366
60100	Temporary	1,500
60110	Overtime	139
60120	Premium	-
60130	Salary Related Expns	240,762
60135	Non Base Fringe	125
60140	Insurance Benefits	188,242
60145	Non Base Insurance	48
90051	ATYP Posting (CATS)	-
90052	ATYP On Call (CATS)	-
93002	Assess Labor	1,575
95152	Settle Labor	-
Total Personnel Services		\$ 1,139,758

Roll Forward Computation	
Actual 2012	\$ 1,134,854
Actual 2014	1,490,376
Roll Forward Adjustment	355,521
Fixed FY16	\$ 1,845,897

* This amount does not include any cost element accounts that are unallowable such as Pass-Thru, Indirect, Capital Equipment, and Debt Service Expense.

SHERIFF'S OFFICE

	Department Total	Department Indirect Total	Department Direct Total
Personnel Services	\$ 101,714,287	\$ 5,374,723	\$ 96,339,564
Materials & Services	22,674,796	1,171,408	21,503,387
Unallowable M&S	(1,092,393)	-	(1,092,393)
Capitalization Adj	-	-	-
Roll Forward	337,594	337,594	-
	\$ 123,634,283	\$ 6,883,724	\$ 116,750,559

Central Services

Indirect	21,112,264	
Direct	<u>780,343,709</u>	2.71%

Departmental

Indirect	6,883,724	
Direct	<u>116,750,559</u>	5.90%

Account #	Account Description	FY14 Actual
60170	Professional Svcs	\$ 1,072
60180	Printing	8,654
60190	Utilities	9
60200	Communications	5,628
60210	Rentals	-
60220	Repairs and Maint	1,098
60230	Postage	24
60240	Supplies	36,003
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	597
60270	Local Travel/Mileage	218
60290	Software Lic / Maint	66,594
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	451
60370	Intl Svc Telephone	18,212
60380	Intl Svc Data Proc	643,414
60410	Intl Svc Motor Pool	3,591
60420	Intl Svc Electronics	149
60430	Intl Svc Bldg Mgmt	349,118
60440	Intl Svc Other	1,426
60460	Intl Svc Dist/Postge	29,085
60610	Loss-Inv Revaluation	-
60615	Physical Inven Adj	-
60620	Inv Cost (Price) Diff	-
60680	Cash Discounts Taken	(2)
92002	Equipment Use	8
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	6,058
Total Materials & Services*		\$ 1,171,408

Account #	Account Description	FY14 Actual
60000	Permanent	\$ 2,689,850
60100	Temporary	66,056
60110	Overtime	375,211
60120	Premium	66,130
60130	Salary Related Expns	1,232,600
60135	Non Base Fringe	5,572
60140	Insurance Benefits	825,563
60145	Non Base Insurance	3,984
90001	ATYP Posting (CATS)	(72,463)
90002	ATYP On Call (CATS)	-
92001	Sheriff's OT (CATS)	(495,820)
93002	Assess Labor	(0)
95102	Settle Labor	688,424
95104	Settle Revenue	(10,385)
Total Personnel Services		\$ 5,374,723

Roll Forward Computation	
Actual 2012	\$ 6,208,537
Actual 2014	6,546,131
Roll Forward Adjustment	337,594
Fixed FY16	\$ 6,883,724

* This amount does not include any cost element accounts that are unallowable such as Pass-Thru, Indirect, Capital Equipment, and Debt Service Expense.

DEPARTMENT OF COMMUNITY SERVICES

	Department Total	Department Indirect Total	Department Direct Total
Personnel Services	\$ 20,848,297	\$ 1,045,614	\$ 19,802,683
Materials & Services	132,657,797	216,967	132,440,830
Unallowable M&S	(12,638,903)	-	(12,638,903)
Capitalizaton Adj	(84,347,094)	-	(84,347,094)
Roll Forward	254,230	254,230	-
	\$ 56,774,327	\$ 1,516,811	\$ 55,257,516

Central Services

Indirect	21,112,264	
Direct	<u>780,343,709</u>	2.71%

Departmental

Indirect	1,516,811	
Direct	<u>55,257,516</u>	2.74%

Account #	Account Description	FY14 Actual
60170	Professional Svcs	\$ 62,506
60180	Printing	4,720
60200	Communications	1,535
60210	Rentals	-
60220	Repairs and Maint	-
60230	Postage	4
60240	Supplies	15,605
60245	Lib Books & Matrls	-
60246	Medical Supplies	-
60250	Food	-
60260	Travel & Training	7,770
60270	Local Travel/Mileage	3,245
60290	Software Lic / Maint	3,835
60320	Refunds	-
60330	Claims Paid	-
60340	Dues & Subscriptions	1,152
60370	Intl Svc Telephone	5,698
60380	Intl Svc Data Proc	56,276
60410	Intl Svc Motor Pool	1,090
60420	Intl Svc Electronics	-
60430	Intl Svc Bldg Mgmt	41,127
60440	Intl Svc Other	-
60460	Intl Svc Dist/Postge	4,097
60680	Cash Discounts Taken	-
95101	Settle Matrl & Svcs	85
95151	Settle Matrl & Svcs	-
95430	Settle Service Requests	8,224
Total Materials & Services*		\$ 216,967

Account #	Account Description	FY14 Actual
60000	Permanent	\$ 717,835
60100	Temporary	-
60110	Overtime	-
60120	Premium	-
60130	Salary Related Expns	240,103
60135	Non Base Fringe	-
60140	Insurance Benefits	167,725
60145	Non Base Insurance	-
90001	ATYP Posting (CATS)	(81,209)
90002	ATYP On Call (CATS)	287
93002	Assess Labor	-
95102	Settle Labor	872
Total Personnel Services		\$ 1,045,614

Roll Forward Computation	
Actual 2012	\$ 1,008,351
Actual 2014	1,262,581
Roll Forward Adjustment	254,230
Fixed FY16	\$ 1,516,811

* This amount does not include any cost element accounts that are unallowable such as Pass-Thru, Indirect, Capital Equipment, and Debt Service Expense.

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 four 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) Time and materials charges for work done on specialized equipment.
- 4) 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 2016 rates

- 1) Fleet utilizes four separate rates to account for its cost:
 - a) Replacement Charge - Varies by type of vehicle, cost to replace and estimated life.
 - b) Mileage Rate – Ranges from \$.37 to \$.82 per mile, shop rate for labor cost is \$100, fuel markup is 7% and parts markup is 25%.
 - c) Overhead Charge – Calculated at \$75 per vehicle per month.
 - d) Specialized Equipment – Calculated at \$240 per year per piece of equipment.
- 2) Motor Pool charges \$6.00 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 2016 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 \$4.94 – \$10.24 per square foot per year, 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 \$65 – \$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 2016, 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 2016 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 2014 was 11.85% in accordance with the December 31, 2011 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 2014 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 6.25% of payroll to departments to fund the repayment of the pension obligation bonds issued in 1999.

Annual pension cost. For 2014, the County's annual pension cost of \$47,178 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2011 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, 2011, was 20 years.

Three Year Trend Information for PERS:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$ 46,536	100%	\$ -
6/30/13	48,259	100%	-
6/30/14	47,178	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, 2014, 3,932 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, 2014, the amount deferred and investment earnings thereon, adjusted to fair market value, amount to \$288,879. 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, 2014, there were 690 retirees that were enrolled in the postemployment medical benefit and 737 enrolled in dental. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2014, the County contributed \$7,218 to the plan. Of this amount, \$2,578 was explicitly contributed as part of the contractual obligation described above. The remaining \$4,640 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, 2014, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 12,279
Interest on net OPEB obligation	3,875
Adjustment to annual required contribution	<u>(3,690)</u>
Annual OPEB cost (expense)	12,464
Contributions made	<u>(7,218)</u>
Increase in net OPEB obligation	5,246
Net OPEB obligation - beginning of year	<u>110,700</u>
Net OPEB obligation - end of year	<u><u>\$ 115,946</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/11	14,689	50%	\$ 97,403
6/30/12	15,261	49%	105,187
6/30/13	11,980	54%	110,700
6/30/14	12,464	58%	115,946

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 \$289,938 for fiscal year 2014 and the ratio of the UAAL to the covered payroll was 46%.

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, 2014 is 30 years.

MULTNOMAH COUNTY, OREGON

Combining Statement of Net Position

Internal Service Funds

June 30, 2014

(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	\$ 67,484	\$ 5,720	\$ 7,782	\$ 1,042	\$ 5,079	\$ 87,107
Accounts receivable	3	109	47	7	662	828
Inventories	-	395	331	90	166	982
Prepaid items	298	-	1,567	-	65	1,930
Total current assets	<u>67,785</u>	<u>6,224</u>	<u>9,727</u>	<u>1,139</u>	<u>5,972</u>	<u>90,847</u>
Noncurrent assets:						
Capital assets:						
Construction in progress	-	6	2,402	-	-	2,408
Other capital assets (net of accumulated depreciation)	10	2,996	4,974	11	35	8,026
Total noncurrent assets	<u>10</u>	<u>3,002</u>	<u>7,376</u>	<u>11</u>	<u>35</u>	<u>10,434</u>
Total assets	<u>67,795</u>	<u>9,226</u>	<u>17,103</u>	<u>1,150</u>	<u>6,007</u>	<u>101,281</u>
LIABILITIES						
Current liabilities:						
Accounts payable	1,884	694	1,741	74	2,193	6,586
Claims and judgments payable	10,792	-	-	-	-	10,792
Payroll payable	101	25	366	17	191	700
Deferred revenue	41	-	-	-	-	41
Compensated absences	346	59	1,252	31	649	2,337
Total current liabilities	<u>13,164</u>	<u>778</u>	<u>3,359</u>	<u>122</u>	<u>3,033</u>	<u>20,456</u>
Noncurrent liabilities:						
Compensated absences	65	-	-	-	50	115
Incremental leases payable	-	-	-	-	1,799	1,799
Total noncurrent liabilities	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,849</u>	<u>1,914</u>
Total liabilities	<u>13,229</u>	<u>778</u>	<u>3,359</u>	<u>122</u>	<u>4,882</u>	<u>22,370</u>
NET POSITION						
Invested in capital assets	10	3,002	7,376	11	35	10,434
Unrestricted	54,556	5,446	6,368	1,017	1,090	68,477
Total net position	<u>\$ 54,566</u>	<u>\$ 8,448</u>	<u>\$ 13,744</u>	<u>\$ 1,028</u>	<u>\$ 1,125</u>	<u>\$ 78,911</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Government Activities - Internal Service Funds					Total Internal Service Funds
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	
OPERATING REVENUES						
Charges for services	\$ 85,607	\$ 5,331	\$ 37,369	\$ 2,217	\$ 34,040	\$ 164,564
Insurance premiums	8,521	-	-	-	-	8,521
Experience ratings and other	792	122	2	-	45	961
Total operating revenues	<u>94,920</u>	<u>5,453</u>	<u>37,371</u>	<u>2,217</u>	<u>34,085</u>	<u>174,046</u>
OPERATING EXPENSES						
Cost of sales and services	90,682	4,321	34,803	2,174	32,878	164,858
Administration	1,077	214	1,905	85	1,474	4,755
Depreciation	2	948	913	5	9	1,877
Total operating expenses	<u>91,761</u>	<u>5,483</u>	<u>37,621</u>	<u>2,264</u>	<u>34,361</u>	<u>171,490</u>
Operating income (loss)	<u>3,159</u>	<u>(30)</u>	<u>(250)</u>	<u>(47)</u>	<u>(276)</u>	<u>2,556</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	254	18	33	4	13	322
Gain on disposal of capital assets	-	278	1	-	-	279
Loss on disposal of capital assets	-	(51)	-	-	-	(51)
Total nonoperating revenues	<u>254</u>	<u>245</u>	<u>34</u>	<u>4</u>	<u>13</u>	<u>550</u>
Income before contributions and transfers	3,413	215	(216)	(43)	(263)	3,106
Capital contributions in	-	7	10	-	-	17
Transfers in	-	1,204	1,500	-	-	2,704
Transfers out	-	-	-	-	(604)	(604)
Change in net position	<u>3,413</u>	<u>1,426</u>	<u>1,294</u>	<u>(43)</u>	<u>(867)</u>	<u>5,223</u>
Total net position - beginning	51,153	7,022	12,450	1,071	1,992	73,688
Total net position - ending	<u>\$ 54,566</u>	<u>\$ 8,448</u>	<u>\$ 13,744</u>	<u>\$ 1,028</u>	<u>\$ 1,125</u>	<u>\$ 78,911</u>

MULTNOMAH COUNTY, OREGON
Internal Service Funds
Non-Operating Transfers In/Out
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Operating Transfers In							
	General Fund	Library Operating Fund	Equipment Acquisition Fund	Asset Preservation Fund	Capital Improvement Fund	Internal Service Fleet Fund	Internal Service Information Technology Fund	Total Operating Transfers Out
Operating Transfers Out								
General Fund	\$ -	\$ -	\$ 226	\$ 275	\$ 8,587	\$ 1,204	\$ 1,500	\$ 11,792
Federal State Fund	787	-	-	-	-	-	-	787
Library District	-	62,881	-	-	-	-	-	62,881
Animal Control Fund	1,827	-	-	-	-	-	-	1,827
Internal Service Facilities Management Fund	-	-	-	266	338	-	-	604
Total Operating Transfers In	\$ 2,614	\$ 62,881	\$ 226	\$ 541	\$ 8,925	\$ 1,204	\$ 1,500	\$ 77,891

APPENDICES

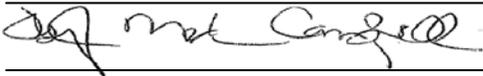
CERTIFICATE OF INDIRECT COSTS

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, 2014 to establish billing or final indirect cost rates for the fiscal year July 1, 2015 through June 30, 2016 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, 2014

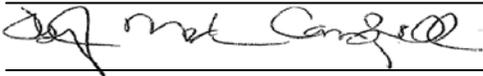
CERTIFICATE OF COST ALLOCATION PLAN

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, 2014 to establish cost allocations or billings for the fiscal year July 1, 2015 through June 30, 2016 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, 2014