

## 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. Funds included are:

- **Risk Management Fund** - accounts for the County's risk management activities including insurance coverage.
- **Fleet Management Fund** - accounts for the County's motor vehicle fleet operations and electronics.
- **Information Technology Fund** - accounts for the County's data processing operations.
- **Mail / Distribution Fund** - accounts for the County's mail / distribution operations.
- **Facilities Management Fund** - accounts for the management of all County owned and leased property.
- **Business Services Fund** – accounts for the internal service reimbursements, revenues and expenses associated with the administration and operation of the County's human resource operations, financial operations and enterprise support system.

**MULTNOMAH COUNTY, OREGON**

**Internal Service Funds**

**Combining Statement of Net Assets**

**June 30, 2006**

**(amounts expressed in thousands)**

	<b>Government Activities - Internal Service Funds</b>		
	<b><u>Risk Management</u></b>	<b><u>Fleet Management</u></b>	<b><u>Information Technology</u></b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 25,990	\$ 4,001	\$ 8,619
Accounts receivable	2	256	125
Inventories	-	512	695
Prepaid items	285	-	333
Total current assets	<u>26,277</u>	<u>4,769</u>	<u>9,772</u>
Noncurrent assets:			
Capital assets (net of accumulated depreciation)	52	3,141	1,569
Total assets	<u>\$ 26,329</u>	<u>\$ 7,910</u>	<u>\$ 11,341</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 1,397	\$ 242	\$ 1,699
Claims and judgments payable	10,627	-	-
Payroll payable	66	45	290
Deferred revenue	-	-	-
Compensated absences	84	30	264
Total current liabilities	<u>12,174</u>	<u>317</u>	<u>2,253</u>
Noncurrent liabilities:			
Compensated absences	147	71	780
Incremental leases payable	-	-	-
Total noncurrent liabilities	<u>147</u>	<u>71</u>	<u>780</u>
Total liabilities	<u>12,321</u>	<u>388</u>	<u>3,033</u>
<b>NET ASSETS</b>			
Invested in capital assets	52	3,141	1,569
Unrestricted	13,956	4,381	6,739
Total net assets	<u>\$ 14,008</u>	<u>\$ 7,522</u>	<u>\$ 8,308</u>

<u>Mail / Distribution</u>	<u>Facilities Management</u>	<u>Business Services</u>	<u>Total Internal Service Funds</u>
\$ 831	\$ 3,160	\$ -	\$ 42,601
176	712	-	1,271
515	-	-	1,722
-	-	-	618
<u>1,522</u>	<u>3,872</u>	<u>-</u>	<u>46,212</u>
1	-	-	4,763
<u>\$ 1,523</u>	<u>\$ 3,872</u>	<u>\$ -</u>	<u>\$ 50,975</u>
\$ 303	\$ 1,430	\$ -	\$ 5,071
-	-	-	10,627
27	148	-	576
-	107	-	107
30	174	-	582
<u>360</u>	<u>1,859</u>	<u>-</u>	<u>16,963</u>
59	391	-	1,448
-	1,551	-	1,551
59	1,942	-	2,999
<u>419</u>	<u>3,801</u>	<u>-</u>	<u>19,962</u>
1	-	-	4,763
1,103	71	-	26,250
<u>\$ 1,104</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 31,013</u>

**MULTNOMAH COUNTY, OREGON**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2006**  
(amounts expressed in thousands)

	<b>Government Activities - Internal Service Funds</b>		
	<b>Risk Management</b>	<b>Fleet Management</b>	<b>Information Technology</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 53,643	\$ 6,078	\$ 27,892
Insurance premiums	5,720	-	-
Experience ratings and other	676	71	-
Total operating revenues	60,039	6,149	27,892
<b>OPERATING EXPENSES</b>			
Cost of sales and services	60,211	4,597	25,943
Administration	476	403	419
Depreciation	3	942	1,642
Total operating expenses	60,690	5,942	28,004
Operating income (loss)	(651)	207	(112)
<b>NONOPERATING REVENUES</b>			
Interest revenue	957	143	286
Gain on disposal of capital assets	-	377	30
Loss on disposal of capital assets	-	(121)	-
Total nonoperating revenues	957	399	316
Income before contributions and transfers	306	606	204
Capital contributions in	-	-	30
Capital contributions out	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Change in net assets	306	606	234
Total net assets - beginning	13,702	6,916	8,074
Total net assets - ending	\$ 14,008	\$ 7,522	\$ 8,308

<u>Mail / Distribution</u>	<u>Facilities Management</u>	<u>Business Services</u>	<u>Total Internal Service Funds</u>
\$ 5,378	\$ 36,698	\$ 15,524	\$ 145,213
-	-	-	5,720
3	-	34	784
<u>5,381</u>	<u>36,698</u>	<u>15,558</u>	<u>151,717</u>
4,789	33,436	15,039	144,015
398	253	494	2,443
2	5	-	2,594
<u>5,189</u>	<u>33,694</u>	<u>15,533</u>	<u>149,052</u>
<u>192</u>	<u>3,004</u>	<u>25</u>	<u>2,665</u>
17	-	5	1,408
-	-	-	407
-	-	-	(121)
<u>17</u>	<u>-</u>	<u>5</u>	<u>1,694</u>
209	3,004	30	4,359
-	-	-	30
-	-	(30)	(30)
642	-	-	642
-	(3,641)	-	(3,641)
851	(637)	-	1,360
253	708	-	29,653
<u>\$ 1,104</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 31,013</u>

**MULTNOMAH COUNTY, OREGON**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2006**  
(amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Risk Management</b>	<b>Fleet Management</b>	<b>Information Technology</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 60,038	\$ 6,047	\$ 28,387
Payments to suppliers	(47,977)	(2,050)	(9,013)
Payments to employees	(5,954)	(2,127)	(15,548)
Internal activity - payments to other funds	(973)	(865)	(2,307)
Net cash provided by (used in) operating activities	<u>5,134</u>	<u>1,005</u>	<u>1,519</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(55)	(1,110)	(718)
Proceeds on sales of capital assets	-	120	30
Net cash used in capital and related financing activities	<u>(55)</u>	<u>(990)</u>	<u>(688)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>957</u>	<u>143</u>	<u>286</u>
Net cash provided by investing activities	<u>957</u>	<u>143</u>	<u>286</u>
Net increase (decrease) in cash and cash equivalents	6,036	158	1,117
Balances at beginning of the year	19,954	3,843	7,502
Balances at the end of the year	<u>\$ 25,990</u>	<u>\$ 4,001</u>	<u>\$ 8,619</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	<u>\$ (651)</u>	<u>\$ 207</u>	<u>\$ (112)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	3	942	1,642
Changes in assets and liabilities:			
Receivables	(2)	(102)	509
Inventories	-	(23)	(593)
Due from other funds	5,250	-	-
Prepaid items	113	-	208
Accounts payable	58	10	(143)
Claims and judgments payable	387	-	-
Deferred revenue	-	-	-
Compensated absences	4	(29)	10
Due to other funds	-	-	-
Incremental leases payable	-	-	-
Payroll payable	(28)	-	(2)
Total adjustments	<u>5,785</u>	<u>798</u>	<u>1,631</u>
Net cash provided by (used in) operating activities	<u>\$ 5,134</u>	<u>\$ 1,005</u>	<u>\$ 1,519</u>
<b>Noncash financing activities:</b>			
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>

Mail / Distribution	Facilities Management	Business Services	Total Internal Service Funds
\$ 5,366	\$ 36,309	\$ 15,558	\$ 151,705
(3,291)	(9,836)	(1,394)	(73,561)
(1,553)	(6,638)	(10,379)	(42,199)
(853)	(15,706)	(4,486)	(25,190)
(331)	4,129	(701)	10,755
642	-	-	642
-	(3,641)	-	(3,641)
642	(3,641)	-	(2,999)
-	-	(30)	(1,913)
-	-	-	150
-	-	(30)	(1,763)
17	-	5	1,408
17	-	5	1,408
328	488	(726)	7,401
503	2,672	726	35,200
\$ 831	\$ 3,160	\$ -	\$ 42,601
\$ 192	\$ 3,004	\$ 25	\$ 2,665
2	5	-	2,594
(15)	(484)	-	(94)
52	-	-	(564)
-	-	-	5,250
-	-	-	321
80	(116)	(411)	(522)
-	-	-	387
-	107	-	107
3	57	(82)	(37)
(642)	-	-	(642)
-	1,551	-	1,551
(3)	5	(233)	(261)
(523)	1,125	(726)	8,090
\$ (331)	\$ 4,129	\$ (701)	\$ 10,755
\$ -	\$ -	\$ (30)	\$ -

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Risk Management Fund**  
**For the Year Ended June 30, 2006**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>REVENUES</b>				
Charges for services	\$ 4,915	\$ 4,915	\$ 5,800	\$ 885
Interest	400	400	957	557
Other:				
Service reimbursements	55,530	55,954	53,632	(2,322)
Experience ratings and other	202	202	607	405
Total revenues	61,047	61,471	60,996	(475)
<b>EXPENDITURES</b>				
County management	72,281	72,705	58,346	14,359
Nondepartmental	2,604	2,604	2,396	208
Total expenditures	74,885	75,309	60,742	14,567
Excess (deficiency) of revenues over (under) expenditures	(13,838)	(13,838)	254	14,092
Fund balances - beginning	13,838	13,838	13,702	(136)
Fund balances - ending	\$ -	\$ -	13,956	\$ 13,956
Reconciliation to GAAP basis:				
Invested in capital assets			52	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 121			\$ 14,008	



**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fleet Management Fund**  
**For the Year Ended June 30, 2006**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>REVENUES</b>				
Charges for services	\$ 941	\$ 941	\$ 1,054	\$ 113
Interest	60	60	143	83
Other:				
Miscellaneous	57	57	71	14
Service reimbursements	5,110	5,115	5,024	(91)
Total revenues	6,168	6,173	6,292	119
<b>EXPENDITURES</b>				
County management	7,476	7,481	6,110	1,371
Nondepartmental	2,718	2,718	-	2,718
Total expenditures	10,194	10,199	6,110	4,089
Excess (deficiency) of revenues over (under) expenditures	(4,026)	(4,026)	182	4,208
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	-	-	120	120
Net change in fund balances	(4,026)	(4,026)	302	4,328
Fund balances - beginning	4,026	4,026	4,079	53
Fund balances - ending	\$ -	\$ -	4,381	\$ 4,381
Reconciliation to GAAP basis:				
Invested in capital assets			3,141	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 121			\$ 7,522	

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Information Technology Fund**  
**For the Year Ended June 30, 2006**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>REVENUES</b>				
Charges for services	\$ 1,491	\$ 1,491	\$ 873	\$ (618)
Interest	100	100	286	186
Other:				
Service reimbursements	25,933	25,948	27,019	1,071
Total revenues	27,524	27,539	28,178	639
<b>EXPENDITURES</b>				
County management	31,157	31,172	27,080	4,092
Excess (deficiency) of revenues over (under) expenditures	(3,633)	(3,633)	1,098	4,731
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	-	-	30	30
Net changes in fund balances	(3,633)	(3,633)	1,128	4,761
Fund balances - beginning	3,633	3,633	5,611	1,978
Fund balances - ending	\$ -	\$ -	6,739	\$ 6,739
Reconciliation to GAAP basis:				
Invested in capital assets			1,569	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 121			\$ 8,308	

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Mail/Distribution Fund**  
**For the Year Ended June 30, 2006**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>REVENUES</b>				
Intergovernmental:				
Federal, state, and local	\$ 236	\$ 236	\$ 299	\$ 63
Interest	2	2	17	15
Other - service reimbursements	3,342	5,841	5,082	(759)
Total revenues	<u>3,580</u>	<u>6,079</u>	<u>5,398</u>	<u>(681)</u>
<b>EXPENDITURES</b>				
County management	4,283	6,782	5,187	1,595
Nondepartmental	249	249	-	249
Total expenditures	<u>4,532</u>	<u>7,031</u>	<u>5,187</u>	<u>1,844</u>
Excess (deficiency) of revenues				
over (under) expenditures	(952)	(952)	211	1,163
<b>OTHER FINANCING SOURCES</b>				
Transfers in	642	642	642	-
Net changes in fund balances	(310)	(310)	853	1,163
Fund balances - beginning	310	310	250	(60)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,103</u>	<u>\$ 1,103</u>
Reconciliation to GAAP basis:				
Invested in capital assets			1	
Net Assets as reported on the Statement of Revenues,				
Expenses and Changes in Fund Net Assets, page 122			<u>\$ 1,104</u>	

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Facilities Management Fund**  
**For the Year Ended June 30, 2006**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>favorable</b>
				<b>(unfavorable)</b>
<b>REVENUES</b>				
Charges for services	\$ 2,270	\$ 2,270	\$ 2,772	\$ 502
Intergovernmental - Federal	-	-	27	27
Other:				
Miscellaneous	3,333	3,058	-	(3,058)
Service reimbursements	35,296	35,663	33,899	(1,764)
Total revenues	40,899	40,991	36,698	(4,293)
<b>EXPENDITURES</b>				
County management	35,889	37,081	33,689	3,392
Excess of revenues over expenditures	5,010	3,910	3,009	(901)
<b>OTHER FINANCING USES</b>				
Transfers out	(5,010)	(3,910)	(3,641)	269
Net change in fund balances	-	-	(632)	(632)
Fund balances - beginning	-	-	703	703
Fund balances - ending	\$ -	\$ -	71	\$ 71
Reconciliation to GAAP basis:				
Invested in capital assets			-	
Net Assets as reported on the Statement of Revenues,				
Expenses and Changes in Fund Net Assets, page 122			\$ 71	

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Business Services Fund**  
**For the Year Ended June 30, 2006**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 5	\$ 5
Other:				
Miscellaneous	-	-	41	41
Service reimbursements	15,974	16,118	15,517	(601)
Total revenues	15,974	16,118	15,563	(555)
<b>EXPENDITURES</b>				
County management	15,974	16,118	15,563	555
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	-	\$ -
Reconciliation to GAAP basis:				
Invested in capital assets			-	
Net Assets as reported on the Statement of Revenues,				
Expenses and Changes in Fund Net Assets, page 122			\$ -	