

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 and telephone service operations.
- **Mail / Distribution Fund** - accounts for the County's mail / distribution, central stores and records management operations.
- **Facilities Management Fund** - accounts for the management of all County owned and leased property.

MULTNOMAH COUNTY, OREGON
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

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

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009
(amounts expressed in thousands)

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

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

	Governmental Activities - Internal Service Funds					Total Internal Service Funds
	Risk Management	Fleet Management	Information Technology	Mail / Distribution	Facilities Management	
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 74,322	\$ 6,687	\$ 32,573	\$ 5,733	\$ 35,509	\$ 154,824
Payments to suppliers	(66,272)	(1,886)	(11,813)	(3,137)	(14,927)	(98,035)
Payments to employees	(5,701)	(2,306)	(18,355)	(1,653)	(8,294)	(36,309)
Internal activity - payments to other funds	(720)	(918)	(1,191)	(833)	(7,745)	(11,407)
Net cash provided by operating activities	<u>1,629</u>	<u>1,577</u>	<u>1,214</u>	<u>110</u>	<u>4,543</u>	<u>9,073</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	300	-	-	1,360	1,660
Transfers out	-	-	(175)	-	(5,033)	(5,208)
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>300</u>	<u>(175)</u>	<u>-</u>	<u>(3,673)</u>	<u>(3,548)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(5)	(917)	(932)	(36)	(13)	(1,903)
Internal loan repayment	75	-	-	-	-	75
Proceeds on sales of capital assets	-	207	13	-	150	370
Net cash provided by (used in) capital and related financing activities	<u>70</u>	<u>(710)</u>	<u>(919)</u>	<u>(36)</u>	<u>137</u>	<u>(1,458)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	601	68	246	19	45	979
Net cash provided by investing activities	<u>601</u>	<u>68</u>	<u>246</u>	<u>19</u>	<u>45</u>	<u>979</u>
Net increase in cash and cash equivalents	2,300	1,235	366	93	1,052	5,046
Balances at beginning of the year	31,585	3,307	13,487	1,138	4,852	54,369
Balances at the end of the year	<u>\$ 33,885</u>	<u>\$ 4,542</u>	<u>\$ 13,853</u>	<u>\$ 1,231</u>	<u>\$ 5,904</u>	<u>\$ 59,415</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (37)	\$ 142	\$ 921	\$ 222	\$ 5,635	\$ 6,883
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	7	1,268	960	15	4	2,254
Bad debt expense	-	-	-	-	(193)	(193)
Changes in assets and liabilities:						
Receivables	-	(120)	21	(12)	(532)	(643)
Inventories	-	65	(119)	(50)	-	(104)
Prepaid items	(11)	-	(30)	-	10	(31)
Accounts payable	168	196	(509)	(94)	(395)	(634)
Claims and judgments payable	1,447	-	-	-	-	1,447
Deferred revenue	(11)	-	(29)	-	(35)	(75)
Compensated absences	59	25	(2)	23	20	125
Incremental leases payable	-	-	-	-	5	5
Payroll payable	7	1	1	6	24	39
Total adjustments	<u>1,666</u>	<u>1,435</u>	<u>293</u>	<u>(112)</u>	<u>(1,092)</u>	<u>2,190</u>
Net cash provided by operating activities	<u>\$ 1,629</u>	<u>\$ 1,577</u>	<u>\$ 1,214</u>	<u>\$ 110</u>	<u>\$ 4,543</u>	<u>\$ 9,073</u>
Noncash financing activities:						
Contributions of capital assets	\$ -	\$ 84	\$ 15	\$ -	\$ -	\$ 99

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 7,036	\$ 7,035	\$ 6,987	\$ (48)
Interest	400	400	601	201
Other:				
Service reimbursements	69,329	69,997	66,807	(3,190)
Experience ratings and other	452	453	615	162
Total revenues	<u>77,217</u>	<u>77,885</u>	<u>75,010</u>	<u>(2,875)</u>
EXPENDITURES				
County management	87,095	87,564	71,092	16,472
Nondepartmental	3,115	3,314	3,277	37
Total expenditures	<u>90,210</u>	<u>90,878</u>	<u>74,369</u>	<u>16,509</u>
Excess (deficiency) of revenues (over) under expenditures	(12,993)	(12,993)	641	13,634
Contingency	(4,671)	(4,671)	-	4,671
Net change in fund balances	<u>(17,664)</u>	<u>(17,664)</u>	<u>641</u>	<u>18,305</u>
Fund balances - beginning	17,664	17,664	18,901	1,237
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>19,542</u>	<u>\$ 19,542</u>
Reconciliation to GAAP basis:				
Advance to service district			253	
Invested in capital assets			40	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 117			<u>\$ 19,835</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fleet Management Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,349	\$ 1,349	\$ 965	\$ (384)
Interest	150	150	68	(82)
Other:				
Service reimbursements	5,831	6,122	5,742	(380)
Miscellaneous	56	56	100	44
Total revenues	<u>7,386</u>	<u>7,677</u>	<u>6,875</u>	<u>(802)</u>
EXPENDITURES				
County management	<u>10,423</u>	<u>10,714</u>	<u>6,314</u>	<u>4,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,037)</u>	<u>(3,037)</u>	<u>561</u>	<u>3,598</u>
OTHER FINANCING SOURCES				
Proceeds from sale of assets	54	54	207	153
Transfers in	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
Total other financing sources	354	354	507	153
Contingency	<u>(860)</u>	<u>(860)</u>	<u>-</u>	<u>860</u>
Net change in fund balances	(3,543)	(3,543)	1,068	4,611
Fund balances - beginning	<u>3,543</u>	<u>3,543</u>	<u>3,602</u>	<u>59</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,670</u>	<u>\$ 4,670</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>4,154</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 117			<u>\$ 8,824</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Information Technology Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,123	\$ 1,123	\$ 580	\$ (543)
Interest	210	210	246	36
Other:				
Service reimbursements	31,312	31,220	31,959	739
Miscellaneous	-	-	41	41
Total revenues	<u>32,645</u>	<u>32,553</u>	<u>32,826</u>	<u>273</u>
EXPENDITURES				
County management	<u>42,352</u>	<u>42,250</u>	<u>31,631</u>	<u>10,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,707)</u>	<u>(9,697)</u>	<u>1,195</u>	<u>10,892</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	13	13
Transfers out	<u>(175)</u>	<u>(175)</u>	<u>(175)</u>	<u>-</u>
Total other financing sources (uses)	<u>(175)</u>	<u>(175)</u>	<u>(162)</u>	<u>13</u>
Contingency	<u>(1,425)</u>	<u>(1,435)</u>	<u>-</u>	<u>1,435</u>
Net changes in fund balances	<u>(11,307)</u>	<u>(11,307)</u>	<u>1,033</u>	<u>12,340</u>
Fund balances - beginning	<u>11,307</u>	<u>11,307</u>	<u>10,614</u>	<u>(693)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>11,647</u>	<u>\$ 11,647</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>1,524</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 117			<u>\$ 13,171</u>	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Mail/Distribution Fund
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 3,357	\$ 3,357	\$ 2,574	\$ (783)
Interest	35	35	19	(16)
Other:				
Service reimbursements	3,159	3,169	3,168	(1)
Miscellaneous	30	30	4	(26)
Total revenues	<u>6,581</u>	<u>6,591</u>	<u>5,765</u>	<u>(826)</u>
EXPENDITURES				
County management	<u>7,738</u>	<u>7,748</u>	<u>5,545</u>	<u>2,203</u>
Excess (deficiency) of revenues over (under) expenditures	(1,157)	(1,157)	220	1,377
Contingency	<u>(397)</u>	<u>(397)</u>	-	397
Net changes in fund balances	(1,554)	(1,554)	220	1,774
Fund balances - beginning	<u>1,554</u>	<u>1,554</u>	<u>1,475</u>	<u>(79)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,695</u>	<u>\$ 1,695</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>35</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 117			<u>\$ 1,730</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, 2009
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,891	\$ 2,891	\$ 3,050	\$ 159
Interest	-	-	45	45
Other:				
Service reimbursements	32,827	33,692	33,105	(587)
Miscellaneous	4,305	4,305	113	(4,192)
Total revenues	<u>40,023</u>	<u>40,888</u>	<u>36,313</u>	<u>(4,575)</u>
EXPENDITURES				
County management	34,374	35,609	30,835	4,774
Excess of revenues over expenditures	5,649	5,279	5,478	199
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	150	150
Transfers in	1,075	1,360	1,360	-
Transfers out	(5,033)	(5,033)	(5,033)	-
Total other financing sources (uses)	(3,958)	(3,673)	(3,523)	150
Contingency	(1,691)	(1,606)	-	1,606
Net change in fund balances	-	-	1,955	1,955
Fund balances - beginning	-	-	734	734
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,689</u>	<u>\$ 2,689</u>
Reconciliation to GAAP basis:				
Long-term contracts receivable			650	
Invested in capital assets			24	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 117			<u>\$ 3,363</u>	