

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, 2010
(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	\$ 40,312	\$ 3,958	\$ 18,249	\$ 1,475	\$ 7,901	\$ 71,895
Accounts receivable	52	264	95	250	416	1,077
Due from other funds	14	-	-	-	-	14
Inventories	-	491	208	629	161	1,489
Prepaid items	513	-	651	-	34	1,198
Total current assets	<u>40,891</u>	<u>4,713</u>	<u>19,203</u>	<u>2,354</u>	<u>8,512</u>	<u>75,673</u>
Noncurrent assets:						
Advances to other funds	89	-	-	-	-	89
Contracts receivable	-	-	-	-	500	500
Capital assets (net of accumulated depreciation)	33	3,321	2,902	18	26	6,300
Total assets	<u>\$ 41,013</u>	<u>\$ 8,034</u>	<u>\$ 22,105</u>	<u>\$ 2,372</u>	<u>\$ 9,038</u>	<u>\$ 82,562</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 3,585	\$ 285	\$ 1,781	\$ 248	\$ 2,528	8,427
Claims and judgments payable	12,189	-	-	-	-	12,189
Payroll payable	85	51	352	32	169	689
Unearned revenue	42	-	3	-	-	45
Due to other funds	-	-	-	-	-	-
Compensated absences	143	50	341	32	179	745
Total current liabilities	<u>16,044</u>	<u>386</u>	<u>2,477</u>	<u>312</u>	<u>2,876</u>	<u>22,095</u>
Noncurrent liabilities:						
Compensated absences	252	121	995	74	461	1,903
Incremental leases payable	-	-	-	-	1,697	1,697
Total noncurrent liabilities	<u>252</u>	<u>121</u>	<u>995</u>	<u>74</u>	<u>2,158</u>	<u>3,600</u>
Total liabilities	<u>16,296</u>	<u>507</u>	<u>3,472</u>	<u>386</u>	<u>5,034</u>	<u>25,695</u>
NET ASSETS						
Invested in capital assets	33	3,321	2,902	18	26	6,300
Unrestricted	24,684	4,206	15,731	1,968	3,978	50,567
Total net assets	<u>\$ 24,717</u>	<u>\$ 7,527</u>	<u>\$ 18,633</u>	<u>\$ 1,986</u>	<u>\$ 4,004</u>	<u>\$ 56,867</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2010
(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	\$ 71,803	\$ 6,086	\$ 35,867	\$ 6,261	\$ 35,925	\$ 155,942
Insurance premiums	7,548	-	-	-	-	7,548
Experience ratings and other	1,242	45	1	8	121	1,417
Total operating revenues	<u>80,593</u>	<u>6,131</u>	<u>35,868</u>	<u>6,269</u>	<u>36,046</u>	<u>164,907</u>
OPERATING EXPENSES						
Cost of sales and services	75,094	5,064	28,743	5,522	30,476	144,899
Administration	875	413	925	484	646	3,343
Depreciation	7	1,259	1,016	17	6	2,305
Total operating expenses	<u>75,976</u>	<u>6,736</u>	<u>30,684</u>	<u>6,023</u>	<u>31,128</u>	<u>150,547</u>
Operating income (loss)	<u>4,617</u>	<u>(605)</u>	<u>5,184</u>	<u>246</u>	<u>4,918</u>	<u>14,360</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	265	31	111	10	38	455
Gain on disposal of capital assets	-	217	1	-	-	218
Loss on disposal of capital assets	-	(439)	-	-	-	(439)
Total nonoperating revenues (expenses)	<u>265</u>	<u>(191)</u>	<u>112</u>	<u>10</u>	<u>38</u>	<u>234</u>
Income (loss) before contributions and transfers	4,882	(796)	5,296	256	4,956	14,594
Capital contributions in	-	12	-	-	-	12
Capital contributions out	-	(13)	(4)	-	-	(17)
Transfers in	-	-	170	-	1,493	1,663
Transfers out	-	(500)	-	-	(5,808)	(6,308)
Change in net assets	4,882	(1,297)	5,462	256	641	9,944
Total net assets - beginning	19,835	8,824	13,171	1,730	3,363	46,923
Total net assets - ending	<u>\$ 24,717</u>	<u>\$ 7,527</u>	<u>\$ 18,633</u>	<u>\$ 1,986</u>	<u>\$ 4,004</u>	<u>\$ 56,867</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010
(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	\$ 80,544	\$ 6,256	\$ 35,835	\$ 6,180	\$ 36,626	\$ 165,441
Payments to suppliers	(67,560)	(2,479)	(9,332)	(3,395)	(14,591)	(97,357)
Payments to employees	(6,233)	(2,377)	(18,525)	(1,738)	(7,897)	(36,770)
Internal activity - payments to other funds	(739)	(867)	(1,466)	(813)	(7,857)	(11,742)
Net cash provided by operating activities	<u>6,012</u>	<u>533</u>	<u>6,512</u>	<u>234</u>	<u>6,281</u>	<u>19,572</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	170	-	1,493	1,663
Transfers out	-	(500)	-	-	(5,808)	(6,308)
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>(500)</u>	<u>170</u>	<u>-</u>	<u>(4,315)</u>	<u>(4,645)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	(865)	(2,399)	-	(7)	(3,271)
Internal loan repayment	150	-	-	-	-	150
Proceeds on sales of capital assets	-	217	1	-	-	218
Net cash provided by (used in) capital and related financing activities	<u>150</u>	<u>(648)</u>	<u>(2,398)</u>	<u>-</u>	<u>(7)</u>	<u>(2,903)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	265	31	111	10	38	455
Net cash provided by investing activities	<u>265</u>	<u>31</u>	<u>111</u>	<u>10</u>	<u>38</u>	<u>455</u>
Net increase (decrease) in cash and cash equivalents	6,427	(584)	4,395	244	1,997	12,479
Balances at beginning of the year	33,885	4,542	13,853	1,231	5,904	59,415
Balances at the end of the year	<u>\$ 40,312</u>	<u>\$ 3,958</u>	<u>\$ 18,248</u>	<u>\$ 1,475</u>	<u>\$ 7,901</u>	<u>\$ 71,894</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 4,617	\$ (605)	\$ 5,184	\$ 246	\$ 4,918	\$ 14,360
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	7	1,259	1,016	17	6	2,305
Changes in assets and liabilities:						
Receivables	(52)	85	(33)	(89)	429	340
Inventories	-	6	175	86	(161)	106
Prepaid items	(5)	-	(139)	-	7	(137)
Contracts receivable	-	-	-	-	150	150
Accounts payable	2,076	(212)	151	(27)	954	2,942
Claims and judgments payable	(672)	-	-	-	-	(672)
Payroll payable	2	6	(1)	(1)	(22)	(16)
Unearned revenue	4	-	-	-	-	4
Compensated absences	35	(6)	159	2	26	216
Incremental leases payable	-	-	-	-	(26)	(26)
Total adjustments	<u>1,395</u>	<u>1,138</u>	<u>1,328</u>	<u>(12)</u>	<u>1,363</u>	<u>5,212</u>
Net cash provided by operating activities	<u>\$ 6,012</u>	<u>\$ 533</u>	<u>\$ 6,512</u>	<u>\$ 234</u>	<u>\$ 6,281</u>	<u>\$ 19,572</u>
Noncash financing activities:						
Contributions of capital assets from government funds	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ 12
Contributions of capital assets to government funds	<u>-</u>	<u>(13)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(17)</u>

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2010
(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	\$ 7,635	\$ 7,635	\$ 7,941	\$ 306
Interest	400	400	265	(135)
Other:				
Service reimbursements	71,363	72,496	71,591	(905)
Experience ratings and other	414	414	1,210	796
Total revenues	<u>79,812</u>	<u>80,945</u>	<u>81,007</u>	<u>62</u>
EXPENDITURES				
County management	73,749	74,882	72,640	2,242
Nondepartmental	3,604	3,604	3,328	276
Total expenditures	<u>77,353</u>	<u>78,486</u>	<u>75,968</u>	<u>2,518</u>
Excess of revenues over expenditures	2,459	2,459	5,039	2,580
Contingency	(5,175)	(5,175)	-	5,175
Net change in fund balances	(2,716)	(2,716)	5,039	7,755
Fund balances - beginning	19,600	19,600	19,542	(58)
Fund balances - ending	<u>\$ 16,884</u>	<u>\$ 16,884</u>	24,581	<u>\$ 7,697</u>
Reconciliation to GAAP basis:				
Advance to service district			103	
Invested in capital assets			<u>33</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 120			<u>\$ 24,717</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, 2010
(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	\$ 1,110	\$ 1,188	\$ 1,055	\$ (133)
Interest	82	82	31	(51)
Other:				
Miscellaneous	55	56	45	(11)
Service reimbursements	5,019	5,020	5,072	52
Total revenues	<u>6,266</u>	<u>6,346</u>	<u>6,203</u>	<u>(143)</u>
EXPENDITURES				
County management	8,456	8,036	6,384	1,652
Deficiency of revenues under expenditures	<u>(2,190)</u>	<u>(1,690)</u>	<u>(181)</u>	<u>(1,795)</u>
OTHER FINANCING SOURCES				
Proceeds from sale of assets	100	100	217	117
Transfers out	-	(500)	(500)	-
Total other financing proceeds	100	(400)	(283)	117
Contingency	(269)	(269)	-	269
Net change in fund balances	(2,359)	(2,359)	(464)	1,895
Fund balances - beginning	2,359	2,359	4,670	2,311
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,206</u>	<u>\$ 4,206</u>
Reconciliation to GAAP basis:				
Invested in capital assets			3,321	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 120			<u>\$ 7,527</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, 2010
(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	\$ 492	\$ 492	\$ 642	\$ 150
Interest	-	-	111	111
Other:				
Miscellaneous	-	-	1	1
Service reimbursements	34,840	35,026	35,226	200
Total revenues	<u>35,332</u>	<u>35,518</u>	<u>35,980</u>	<u>462</u>
EXPENDITURES				
Nondepartmental	<u>50,034</u>	<u>50,220</u>	<u>32,067</u>	<u>18,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,702)</u>	<u>(14,702)</u>	<u>3,913</u>	<u>18,615</u>
OTHER FINANCING SOURCES				
Proceeds from issuance of debt	6,000	6,000	-	(6,000)
Proceeds from sale of capital assets	-	-	1	1
Transfers in	170	170	170	-
Total other financing sources	6,170	6,170	171	(5,999)
Contingency	(2,246)	(2,246)	-	2,246
Net changes in fund balances	(10,778)	(10,778)	4,084	14,862
Fund balances - beginning	10,778	10,778	11,647	869
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>15,731</u>	<u>\$ 15,731</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>2,902</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 120			<u>\$ 18,633</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, 2010
(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	\$ 3,374	\$ 3,374	\$ 2,888	\$ (486)
Interest	25	25	10	(15)
Other:				
Miscellaneous	30	30	9	(21)
Service reimbursements	3,396	3,412	3,372	(40)
Total revenues	<u>6,825</u>	<u>6,841</u>	<u>6,279</u>	<u>(562)</u>
EXPENDITURES				
County management	<u>6,812</u>	<u>6,828</u>	<u>6,006</u>	<u>822</u>
Excess of revenues over expenditures	13	13	273	260
Contingency	<u>(901)</u>	<u>(901)</u>	<u>-</u>	<u>901</u>
Net changes in fund balances	(888)	(888)	273	1,161
Fund balances - beginning	<u>888</u>	<u>888</u>	<u>1,695</u>	<u>807</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,968</u>	<u>\$ 1,968</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>18</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 120			<u>\$ 1,986</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, 2010
(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	\$ 2,331	\$ 2,331	\$ 3,044	\$ 713
Interest	-	-	38	38
Other:				
Miscellaneous	997	997	121	(876)
Service reimbursements	<u>37,068</u>	<u>37,149</u>	<u>33,031</u>	<u>(4,118)</u>
Total revenues	<u>40,396</u>	<u>40,477</u>	<u>36,234</u>	<u>(4,243)</u>
EXPENDITURES				
County management	<u>35,337</u>	<u>35,811</u>	<u>31,130</u>	<u>4,681</u>
Excess of revenues over expenditures	5,059	4,666	5,104	438
OTHER FINANCING USES				
Transfers in	1,100	1,493	1,493	-
Transfers out	<u>(5,365)</u>	<u>(5,808)</u>	<u>(5,808)</u>	<u>-</u>
Total other financing uses	(4,265)	(4,315)	(4,315)	-
Contingency	<u>(2,396)</u>	<u>(1,953)</u>	<u>-</u>	<u>1,953</u>
Net change in fund balances	(1,602)	(1,602)	789	2,391
Fund balances - beginning	<u>1,602</u>	<u>1,602</u>	<u>2,689</u>	<u>1,087</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>3,478</u>	<u>\$ 3,478</u>
Reconciliation to GAAP basis:				
Long-term contracts receivable			500	
Invested in capital assets			<u>26</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 120			<u>\$ 4,004</u>	