

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 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
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014
(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	\$ 9,360	\$ 291	\$ 455	\$ 110	\$ 3,419	\$ 13,635
Receipts connected with interfund activities	85,556	5,256	36,914	2,122	30,773	160,621
Payments to suppliers	(83,120)	(2,138)	(14,134)	(809)	(17,230)	(117,431)
Payments to employees	(7,054)	(1,203)	(21,165)	(884)	(8,944)	(39,250)
Payments connected with interfund activities	(989)	(895)	(2,017)	(584)	(8,598)	(13,083)
Net cash provided by (used in) operating activities	<u>3,753</u>	<u>1,311</u>	<u>53</u>	<u>(45)</u>	<u>(580)</u>	<u>4,492</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	500	-	-	500
Transfers out	-	-	-	-	(604)	(604)
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>(604)</u>	<u>(104)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(12)	(1,279)	(2,880)	(5)	(17)	(4,193)
Transfers in	-	1,204	1,000	-	-	2,204
Proceeds on sales of capital assets	-	380	-	-	-	380
Net cash used in capital and related financing activities	<u>(12)</u>	<u>305</u>	<u>(1,880)</u>	<u>(5)</u>	<u>(17)</u>	<u>(1,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	254	18	33	4	13	322
Net cash provided by investing activities	<u>254</u>	<u>18</u>	<u>33</u>	<u>4</u>	<u>13</u>	<u>322</u>
Net increase (decrease) in cash and cash equivalents	3,995	1,634	(1,294)	(46)	(1,188)	3,101
Balances at beginning of the year	63,489	4,086	9,076	1,088	6,267	84,006
Balances at the end of the year	<u>\$ 67,484</u>	<u>\$ 5,720</u>	<u>\$ 7,782</u>	<u>\$ 1,042</u>	<u>\$ 5,079</u>	<u>\$ 87,107</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 3,159	\$ (30)	\$ (250)	\$ (47)	\$ (276)	\$ 2,556
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2	948	913	5	9	1,877
Changes in assets and liabilities:						
Receivables	(4)	94	1	23	53	167
Inventories	-	78	(319)	(25)	(11)	(277)
Prepaid items	636	-	(469)	-	(20)	147
Contracts receivable	-	-	-	-	67	67
Accounts payable	356	297	152	18	(306)	517
Claims and judgments payable	(438)	-	-	-	-	(438)
Payroll payable	13	(10)	42	(5)	41	81
Unearned revenue	(1)	-	(2)	-	-	(3)
Compensated absences	30	(66)	(15)	(14)	98	33
Incremental leases payable	-	-	-	-	(235)	(235)
Total adjustments	<u>594</u>	<u>1,341</u>	<u>303</u>	<u>2</u>	<u>(304)</u>	<u>1,936</u>
Net cash provided by (used in) operating activities	<u>\$ 3,753</u>	<u>\$ 1,311</u>	<u>\$ 53</u>	<u>\$ (45)</u>	<u>\$ (580)</u>	<u>\$ 4,492</u>
Noncash financing activities:						
Contributions of capital assets to governmental funds	\$ -	\$ 7	\$ 10	\$ -	\$ -	\$ 17

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 8,407	\$ 8,407	\$ 8,568	\$ 161
Interest	250	250	254	4
Other:				
Service reimbursements	89,357	90,172	85,556	(4,616)
Experience ratings and other	465	465	796	331
Total revenues	98,479	99,294	95,174	(4,120)
EXPENDITURES				
County management	94,136	94,923	87,960	6,963
Nondepartmental	4,093	4,093	3,811	282
Total expenditures	98,229	99,016	91,771	7,245
Excess of revenues over expenditures	250	278	3,403	3,125
Contingency	(14,695)	(14,723)	-	14,723
Net change in fund balances	(14,445)	(14,445)	3,403	17,848
Fund balances - beginning	45,000	45,000	51,153	6,153
Fund balances - ending	\$ 30,555	\$ 30,555	54,556	\$ 24,001
Reconciliation to GAAP basis:				
Invested in capital assets			10	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			\$ 54,566	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fleet Management Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 74	\$ 74	\$ 75	\$ 1
Interest	19	19	18	(1)
Other:				
Service reimbursements	5,358	5,358	5,256	(102)
Miscellaneous	80	80	122	42
Total revenues	5,531	5,531	5,471	(60)
EXPENDITURES				
County assets	10,112	10,112	5,814	4,298
Deficiency of revenues under expenditures	(4,581)	(4,581)	(343)	4,238
OTHER FINANCING SOURCES				
Proceeds from sale of assets	130	130	380	250
Cash transfers in	1,204	1,204	1,204	-
Total other financing sources	1,334	1,334	1,584	250
Contingency	(660)	(660)	-	660
Net change in fund balances	(3,907)	(3,907)	1,241	5,148
Fund balances - beginning	3,907	3,907	4,205	298
Fund balances - ending	\$ -	\$ -	5,446	\$ 5,446
Reconciliation to GAAP basis:				
Invested in capital assets			3,002	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			\$ 8,448	

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Information Technology Fund
For the Year Ended June 30, 2014
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 454	\$ 454
Interest	-	-	33	33
Other:				
Service reimbursements	38,156	38,160	36,915	(1,245)
Miscellaneous	-	-	2	2
Total revenues	<u>38,156</u>	<u>38,160</u>	<u>37,404</u>	<u>(756)</u>
EXPENDITURES				
County assets	<u>46,319</u>	<u>46,323</u>	<u>39,588</u>	<u>6,735</u>
Deficiency of revenues under expenditures	<u>(8,163)</u>	<u>(8,163)</u>	<u>(2,184)</u>	<u>5,979</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total other financing sources	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Contingency	<u>(670)</u>	<u>(670)</u>	<u>-</u>	<u>670</u>
Net changes in fund balances	<u>(7,333)</u>	<u>(7,333)</u>	<u>(684)</u>	<u>6,649</u>
Fund balances - beginning	<u>7,333</u>	<u>7,333</u>	<u>7,052</u>	<u>(281)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,368</u>	<u>\$ 6,368</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>7,376</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			<u>\$ 13,744</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, 2014
(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	\$ 63	\$ 63	\$ 95	\$ 32
Interest	8	8	4	(4)
Other:				
Service reimbursements	2,196	2,196	2,122	(74)
Total revenues	<u>2,267</u>	<u>2,267</u>	<u>2,221</u>	<u>(46)</u>
EXPENDITURES				
County assets	<u>3,052</u>	<u>3,052</u>	<u>2,264</u>	<u>788</u>
Deficiency of revenues under expenditures	(785)	(785)	(43)	742
Contingency	(487)	(487)	-	487
Net changes in fund balances	<u>(1,272)</u>	<u>(1,272)</u>	<u>(43)</u>	<u>1,229</u>
Fund balances - beginning	1,272	1,272	1,060	(212)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,017</u>	<u>\$ 1,017</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>11</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			<u>\$ 1,028</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, 2014
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget favorable (unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 2,835	\$ 2,835	\$ 3,030	\$ 195
Intergovernmental	-	-	310	310
Interest	30	30	13	(17)
Other:				
Service reimbursements	33,079	33,079	30,773	(2,306)
Miscellaneous	4,656	4,656	39	(4,617)
Total revenues	40,600	40,600	34,165	(6,435)
EXPENDITURES				
County management	41,896	41,896	34,369	7,527
Deficiency of revenues under expenditures	(1,296)	(1,296)	(204)	1,092
OTHER FINANCING USES				
Transfers out	(604)	(604)	(604)	-
Total other financing uses	(604)	(604)	(604)	-
Contingency	(525)	(525)	-	525
Net change in fund balances	(2,425)	(2,425)	(808)	1,617
Fund balances - beginning	2,425	2,425	1,898	(527)
Fund balances - ending	\$ -	\$ -	1,090	\$ 1,090
Reconciliation to GAAP basis:				
Invested in capital assets			35	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 125.			\$ 1,125	