

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, 2013
(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	\$ 63,489	\$ 4,086	\$ 9,076	\$ 1,088	\$ 6,267	\$ 84,006
Accounts receivable	-	203	48	30	715	996
Inventories	-	473	12	65	155	705
Prepaid items	935	-	1,098	-	45	2,078
Total current assets	<u>64,424</u>	<u>4,762</u>	<u>10,234</u>	<u>1,183</u>	<u>7,182</u>	<u>87,785</u>
Noncurrent assets:						
Contracts receivable	-	-	-	-	67	67
Construction in progress	-	-	1,678	-	-	1,678
Capital assets (net of accumulated depreciation)	-	2,817	3,720	11	27	6,575
Total noncurrent assets	<u>-</u>	<u>2,817</u>	<u>5,398</u>	<u>11</u>	<u>94</u>	<u>8,320</u>
Total assets	<u>64,424</u>	<u>7,579</u>	<u>15,632</u>	<u>1,194</u>	<u>7,276</u>	<u>96,105</u>
LIABILITIES						
Current liabilities:						
Accounts payable	1,529	398	1,589	56	2,500	6,072
Claims and judgments payable	11,230	-	-	-	-	11,230
Payroll payable	88	34	324	21	150	617
Deferred revenue	42	-	2	-	-	44
Compensated absences	329	125	1,267	46	600	2,367
Total current liabilities	<u>13,218</u>	<u>557</u>	<u>3,182</u>	<u>123</u>	<u>3,250</u>	<u>20,330</u>
Noncurrent liabilities:						
Compensated absences	53	-	-	-	-	53
Incremental leases payable	-	-	-	-	2,034	2,034
Total noncurrent liabilities	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,034</u>	<u>2,087</u>
Total liabilities	<u>13,271</u>	<u>557</u>	<u>3,182</u>	<u>123</u>	<u>5,284</u>	<u>22,417</u>
NET POSITION						
Invested in capital assets	-	2,817	5,398	11	27	8,253
Unrestricted	51,153	4,205	7,052	1,060	1,965	65,435
Total net position	<u>\$ 51,153</u>	<u>\$ 7,022</u>	<u>\$ 12,450</u>	<u>\$ 1,071</u>	<u>\$ 1,992</u>	<u>\$ 73,688</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2013
(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	\$ 84,875	\$ 6,585	\$ 32,838	\$ 2,184	\$ 32,417	\$ 158,899
Insurance premiums	8,157	-	-	-	-	8,157
Experience ratings and other	485	103	102	-	62	752
Total operating revenues	<u>93,517</u>	<u>6,688</u>	<u>32,940</u>	<u>2,184</u>	<u>32,479</u>	<u>167,808</u>
OPERATING EXPENSES						
Cost of sales and services	84,064	5,653	31,612	2,432	31,595	155,356
Administration	1,142	176	1,860	120	1,321	4,619
Depreciation	-	1,017	987	2	7	2,013
Total operating expenses	<u>85,206</u>	<u>6,846</u>	<u>34,459</u>	<u>2,554</u>	<u>32,923</u>	<u>161,988</u>
Operating income (loss)	<u>8,311</u>	<u>(158)</u>	<u>(1,519)</u>	<u>(370)</u>	<u>(444)</u>	<u>5,820</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	233	18	41	6	24	322
Gain on disposal of capital assets	-	102	-	-	-	102
Loss on disposal of capital assets	-	(16)	(106)	-	-	(122)
Total nonoperating revenues (expenses)	<u>233</u>	<u>104</u>	<u>(65)</u>	<u>6</u>	<u>24</u>	<u>302</u>
Income (loss) before contributions and transfers	8,544	(54)	(1,584)	(364)	(420)	6,122
Capital contributions in	-	16	-	-	-	16
Transfers in	9,085	213	1,500	-	-	10,798
Transfers out	-	-	(60)	(316)	(548)	(924)
Change in net position	<u>17,629</u>	<u>175</u>	<u>(144)</u>	<u>(680)</u>	<u>(968)</u>	<u>16,012</u>
Total net position - beginning	33,524	6,847	12,594	1,751	2,960	57,676
Total net position - ending	<u>\$ 51,153</u>	<u>\$ 7,022</u>	<u>\$ 12,450</u>	<u>\$ 1,071</u>	<u>\$ 1,992</u>	<u>\$ 73,688</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013
(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	\$ 8,729	\$ 755	\$ 517	\$ 236	\$ 2,504	\$ 12,741
Receipts connected with interfund activities	84,833	5,894	32,470	2,099	29,738	155,034
Payments to suppliers	(78,295)	(2,900)	(10,949)	(1,018)	(21,606)	(114,768)
Payments to employees	(6,483)	(2,056)	(19,177)	(1,010)	(7,788)	(36,514)
Payments connected with interfund activities	(919)	(885)	(4,058)	(588)	(2,673)	(9,123)
Net cash provided by (used in) operating activities	<u>7,865</u>	<u>808</u>	<u>(1,197)</u>	<u>(281)</u>	<u>175</u>	<u>7,370</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	9,085	213	1,500	-	-	10,798
Transfers out	-	-	(60)	(316)	(548)	(924)
Net cash provided by (used in) noncapital and related financing activities	<u>9,085</u>	<u>213</u>	<u>1,440</u>	<u>(316)</u>	<u>(548)</u>	<u>9,874</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	(1,018)	(2,301)	(14)	(16)	(3,349)
Proceeds on sales of capital assets	-	111	-	-	-	111
Net cash used in capital and related financing activities	<u>-</u>	<u>(907)</u>	<u>(2,301)</u>	<u>(14)</u>	<u>(16)</u>	<u>(3,238)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	233	18	41	6	24	322
Net cash provided by investing activities	<u>233</u>	<u>18</u>	<u>41</u>	<u>6</u>	<u>24</u>	<u>322</u>
Net increase (decrease) in cash and cash equivalents	17,183	132	(2,017)	(605)	(365)	14,328
Balances at beginning of the year	46,306	3,954	11,093	1,693	6,632	69,678
Balances at the end of the year	<u>\$ 63,489</u>	<u>\$ 4,086</u>	<u>\$ 9,076</u>	<u>\$ 1,088</u>	<u>\$ 6,267</u>	<u>\$ 84,006</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 8,311	\$ (158)	\$ (1,519)	\$ (370)	\$ (444)	\$ 5,820
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	1,017	987	2	7	2,013
Changes in assets and liabilities:						
Receivables	2	(31)	45	177	(385)	(192)
Inventories	-	33	180	91	12	316
Prepaid items	(372)	-	(162)	-	(3)	(537)
Contracts receivable	-	-	-	-	148	148
Accounts payable	26	(37)	(523)	(97)	688	57
Claims and judgments payable	(154)	-	-	-	-	(154)
Payroll payable	6	(2)	(61)	(7)	(9)	(73)
Unearned revenue	42	-	2	(28)	-	16
Compensated absences	4	(14)	(146)	(49)	(22)	(227)
Incremental leases payable	-	-	-	-	183	183
Total adjustments	<u>(446)</u>	<u>966</u>	<u>322</u>	<u>89</u>	<u>619</u>	<u>1,550</u>
Net cash provided by (used in) operating activities	<u>\$ 7,865</u>	<u>\$ 808</u>	<u>\$ (1,197)</u>	<u>\$ (281)</u>	<u>\$ 175</u>	<u>\$ 7,370</u>
Noncash financing activities:						
Contributions of capital assets to governmental funds	\$ -	\$ 16	\$ -	\$ -	\$ -	\$ 16

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 8,334	\$ 8,334	\$ 8,222	\$ (112)
Interest	-	-	233	233
Other:				
Service reimbursements	89,686	89,894	84,833	(5,061)
Experience ratings and other	320	320	462	142
Total revenues	<u>98,340</u>	<u>98,548</u>	<u>93,750</u>	<u>(4,798)</u>
EXPENDITURES				
County management	94,633	94,841	81,618	13,223
Nondepartmental	3,905	3,905	3,588	317
Total expenditures	<u>98,538</u>	<u>98,746</u>	<u>85,206</u>	<u>13,540</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(198)</u>	<u>(198)</u>	<u>8,544</u>	<u>8,742</u>
OTHER FINANCING SOURCES				
Cash transfers in	9,065	9,085	9,085	-
Total other financing sources	9,065	9,085	9,085	-
Contingency	(6,867)	(6,887)	-	6,887
Net change in fund balances	2,000	2,000	17,629	15,629
Fund balances - beginning	28,000	28,000	33,524	5,524
Fund balances - ending	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 51,153</u>	<u>\$ 21,153</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, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 839	\$ 839	\$ 691	\$ (148)
Interest	19	19	18	(1)
Other:				
Service reimbursements	6,034	6,035	5,894	(141)
Miscellaneous	41	41	102	61
Total revenues	<u>6,933</u>	<u>6,934</u>	<u>6,705</u>	<u>(229)</u>
EXPENDITURES				
County assets	<u>10,184</u>	<u>10,185</u>	<u>6,846</u>	<u>3,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,251)</u>	<u>(3,251)</u>	<u>(141)</u>	<u>3,110</u>
OTHER FINANCING SOURCES				
Proceeds from sale of assets	130	130	111	(19)
Cash transfers in	213	213	213	-
Total other financing sources	<u>343</u>	<u>343</u>	<u>324</u>	<u>(19)</u>
Contingency	<u>(473)</u>	<u>(473)</u>	<u>-</u>	<u>473</u>
Net change in fund balances	<u>(3,381)</u>	<u>(3,381)</u>	<u>183</u>	<u>3,564</u>
Fund balances - beginning	3,381	3,381	4,022	641
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,205</u>	<u>\$ 4,205</u>
Reconciliation to GAAP basis:				
Net investment in capital assets			<u>2,817</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 127			<u>\$ 7,022</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, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 318	\$ 318	\$ 368	\$ 50
Interest	-	-	41	41
Other:				
Service reimbursements	34,846	34,848	32,470	(2,378)
Miscellaneous	-	-	103	103
Total revenues	<u>35,164</u>	<u>35,166</u>	<u>32,982</u>	<u>(2,184)</u>
EXPENDITURES				
County assets	39,672	43,466	35,773	7,693
Nondepartmental	3,302	-	-	-
Total expenditures	<u>42,974</u>	<u>43,466</u>	<u>35,773</u>	<u>7,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,810)</u>	<u>(8,300)</u>	<u>(2,791)</u>	<u>5,509</u>
OTHER FINANCING SOURCES				
Transfers in	1,500	1,500	1,500	-
Transfers out	(60)	(60)	(60)	-
Total other financing sources	<u>1,440</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
Contingency	(1,089)	(1,089)	-	1,089
Net changes in fund balances	<u>(7,459)</u>	<u>(7,949)</u>	<u>(1,351)</u>	<u>6,598</u>
Fund balances - beginning	7,459	7,949	8,403	454
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>7,052</u>	<u>\$ 7,052</u>
Reconciliation to GAAP basis:				
Net investment in capital assets			<u>5,398</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 127			<u>\$ 12,450</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, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 80	\$ 80	\$ 86	\$ 6
Interest	8	8	6	(2)
Other:				
Service reimbursements	2,211	2,211	2,098	(113)
Total revenues	<u>2,299</u>	<u>2,299</u>	<u>2,190</u>	<u>(109)</u>
EXPENDITURES				
County assets	<u>3,263</u>	<u>3,263</u>	<u>2,565</u>	<u>698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(964)</u>	<u>(964)</u>	<u>(375)</u>	<u>589</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(316)</u>	<u>(316)</u>	<u>(316)</u>	<u>-</u>
Total other financing sources	<u>(316)</u>	<u>(316)</u>	<u>(316)</u>	<u>-</u>
Contingency	<u>(189)</u>	<u>(189)</u>	<u>-</u>	<u>189</u>
Net changes in fund balances	<u>(1,469)</u>	<u>(1,469)</u>	<u>(691)</u>	<u>778</u>
Fund balances - beginning	1,469	1,469	1,751	282
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,060</u>	<u>\$ 1,060</u>
Reconciliation to GAAP basis:				
Net investment in capital assets			<u>11</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 127			<u>\$ 1,071</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, 2013
(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	\$ 2,611	\$ 2,611	\$ 2,850	\$ 239
Interest	30	30	24	(6)
Other:				
Service reimbursements	32,269	32,269	29,738	(2,531)
Miscellaneous	5,367	5,367	39	(5,328)
Total revenues	<u>40,277</u>	<u>40,277</u>	<u>32,651</u>	<u>(7,626)</u>
EXPENDITURES				
County management	41,104	41,484	32,932	8,552
Excess (deficiency) of revenues over (under) expenditures	<u>(827)</u>	<u>(1,207)</u>	<u>(281)</u>	<u>926</u>
OTHER FINANCING USES				
Transfers out	(548)	(548)	(548)	-
Total other financing uses	(548)	(548)	(548)	-
Contingency	(525)	(525)	-	525
Net change in fund balances	(1,900)	(2,280)	(829)	1,451
Fund balances - beginning	1,900	2,280	2,727	447
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,898</u>	<u>\$ 1,898</u>
Reconciliation to GAAP basis:				
Long-term contracts receivable			67	
Net investment in capital assets			27	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 127			<u>\$ 1,992</u>	