

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, 2012
(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	\$ 46,306	\$ 3,954	\$ 11,093	\$ 1,693	\$ 6,632	\$ 69,678
Accounts receivable	2	172	93	207	330	804
Inventories	-	506	192	156	167	1,021
Prepaid items	563	-	935	-	42	1,540
Total current assets	<u>46,871</u>	<u>4,632</u>	<u>12,313</u>	<u>2,056</u>	<u>7,171</u>	<u>73,043</u>
Noncurrent assets:						
Contracts receivable	-	-	-	-	215	215
Construction in progress	-	-	516	-	-	516
Capital assets (net of accumulated depreciation)	-	2,825	3,675	-	18	6,518
Total noncurrent assets	<u>-</u>	<u>2,825</u>	<u>4,191</u>	<u>-</u>	<u>233</u>	<u>7,249</u>
Total assets	<u>\$ 46,871</u>	<u>\$ 7,457</u>	<u>\$ 16,504</u>	<u>\$ 2,056</u>	<u>\$ 7,404</u>	<u>\$ 80,292</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,503	\$ 435	\$ 2,112	\$ 153	\$ 1,812	\$ 6,015
Claims and judgments payable	11,384	-	-	-	-	11,384
Payroll payable	82	36	385	28	159	690
Unearned revenue	-	-	-	28	-	28
Compensated absences	81	44	324	19	168	636
Total current liabilities	<u>13,050</u>	<u>515</u>	<u>2,821</u>	<u>228</u>	<u>2,139</u>	<u>18,753</u>
Noncurrent liabilities:						
Compensated absences	297	95	1,089	77	454	2,012
Incremental leases payable	-	-	-	-	1,851	1,851
Total noncurrent liabilities	<u>297</u>	<u>95</u>	<u>1,089</u>	<u>77</u>	<u>2,305</u>	<u>3,863</u>
Total liabilities	<u>13,347</u>	<u>610</u>	<u>3,910</u>	<u>305</u>	<u>4,444</u>	<u>22,616</u>
NET POSITION						
Net investment in capital assets	-	2,825	4,191	-	18	7,034
Unrestricted	33,524	4,022	8,403	1,751	2,942	50,642
Total net position	<u>\$ 33,524</u>	<u>\$ 6,847</u>	<u>\$ 12,594</u>	<u>\$ 1,751</u>	<u>\$ 2,960</u>	<u>\$ 57,676</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2012
(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	\$ 82,130	\$ 6,652	\$ 28,842	\$ 5,588	\$ 31,627	\$ 154,839
Insurance premiums	8,389	-	-	-	-	8,389
Experience ratings and other	910	124	16	7	120	1,177
Total operating revenues	<u>91,429</u>	<u>6,776</u>	<u>28,858</u>	<u>5,595</u>	<u>31,747</u>	<u>164,405</u>
OPERATING EXPENSES						
Cost of sales and services	82,174	5,396	32,180	5,311	31,136	156,197
Administration	749	231	1,337	515	246	3,078
Depreciation	1	1,132	1,097	6	5	2,241
Total operating expenses	<u>82,924</u>	<u>6,759</u>	<u>34,614</u>	<u>5,832</u>	<u>31,387</u>	<u>161,516</u>
Operating income (loss)	<u>8,505</u>	<u>17</u>	<u>(5,756)</u>	<u>(237)</u>	<u>360</u>	<u>2,889</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	194	18	63	8	24	307
Gain on disposal of capital assets	-	82	-	-	-	82
Loss on disposal of capital assets	-	(14)	(75)	-	-	(89)
Total nonoperating revenues (expenses)	<u>194</u>	<u>86</u>	<u>(12)</u>	<u>8</u>	<u>24</u>	<u>300</u>
Income (loss) before contributions and transfers	8,699	103	(5,768)	(229)	384	3,189
Capital contributions out	-	-	(4)	-	-	(4)
Transfers in	-	-	1,000	-	380	1,380
Transfers out	-	-	-	-	(528)	(528)
Change in net position	<u>8,699</u>	<u>103</u>	<u>(4,772)</u>	<u>(229)</u>	<u>236</u>	<u>4,037</u>
Total net position - beginning	24,825	6,744	17,366	1,980	2,724	53,639
Total net position - ending	<u>\$ 33,524</u>	<u>\$ 6,847</u>	<u>\$ 12,594</u>	<u>\$ 1,751</u>	<u>\$ 2,960</u>	<u>\$ 57,676</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2012
(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	\$ 9,359	\$ 1,035	\$ 455	\$ 2,529	\$ 3,057	\$ 16,435
Receipts connected with interfund activities	82,029	5,863	28,380	3,140	28,762	148,174
Payments to suppliers	(76,397)	(2,529)	(10,722)	(2,945)	(20,620)	(113,213)
Payments to employees	(6,114)	(2,169)	(20,635)	(1,730)	(8,004)	(38,652)
Payments connected with interfund activities	(789)	(865)	(2,246)	(908)	(2,580)	(7,388)
Net cash provided by (used in) operating activities	<u>8,088</u>	<u>1,335</u>	<u>(4,768)</u>	<u>86</u>	<u>615</u>	<u>5,356</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	-	380	380
Transfers out	-	-	-	-	(528)	(528)
Net cash used in noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148)</u>	<u>(148)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	(1,233)	(1,123)	-	(3)	(2,359)
Transfers in	-	-	1,000	-	-	1,000
Proceeds on sales of capital assets	-	82	-	-	-	82
Net cash used in capital and related financing activities	<u>-</u>	<u>(1,151)</u>	<u>(123)</u>	<u>-</u>	<u>(3)</u>	<u>(1,277)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	194	18	63	8	24	307
Net cash provided by investing activities	<u>194</u>	<u>18</u>	<u>63</u>	<u>8</u>	<u>24</u>	<u>307</u>
Net increase (decrease) in cash and cash equivalents	8,282	202	(4,828)	94	488	4,238
Balances at beginning of the year	38,024	3,752	15,921	1,599	6,144	65,440
Balances at the end of the year	<u>\$ 46,306</u>	<u>\$ 3,954</u>	<u>\$ 11,093</u>	<u>\$ 1,693</u>	<u>\$ 6,632</u>	<u>\$ 69,678</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	<u>\$ 8,505</u>	<u>\$ 17</u>	<u>\$ (5,756)</u>	<u>\$ (237)</u>	<u>\$ 360</u>	<u>\$ 2,889</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	1	1,132	1,097	6	5	2,241
Changes in assets and liabilities:						
Receivables	(1)	122	(20)	46	(77)	70
Inventories	-	10	(78)	488	5	425
Prepaid items	(35)	-	(246)	-	(7)	(288)
Contracts receivable	-	-	-	-	149	149
Accounts payable	(45)	100	215	(230)	(41)	(1)
Claims and judgments payable	(314)	-	-	-	-	(314)
Payroll payable	1	(12)	7	(6)	(47)	(57)
Unearned revenue	(40)	-	(3)	28	-	(15)
Compensated absences	16	(34)	16	(9)	39	28
Incremental leases payable	-	-	-	-	229	229
Total adjustments	<u>(417)</u>	<u>1,318</u>	<u>988</u>	<u>323</u>	<u>255</u>	<u>2,467</u>
Net cash provided by (used in) operating activities	<u>\$ 8,088</u>	<u>\$ 1,335</u>	<u>\$ (4,768)</u>	<u>\$ 86</u>	<u>\$ 615</u>	<u>\$ 5,356</u>
Noncash financing activities:						
Contributions of capital assets to governmental funds	-	-	(4)	-	-	(4)

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 6,935	\$ 6,935	\$ 8,437	\$ 1,502
Interest	265	265	194	(71)
Other:				
Service reimbursements	86,937	87,584	82,029	(5,555)
Experience ratings and other	281	281	963	682
Total revenues	<u>94,418</u>	<u>95,065</u>	<u>91,623</u>	<u>(3,442)</u>
EXPENDITURES				
County management	90,417	91,064	79,638	11,426
Nondepartmental	3,749	3,749	3,285	464
Total expenditures	<u>94,166</u>	<u>94,813</u>	<u>82,923</u>	<u>11,890</u>
Excess of revenues over expenditures	<u>252</u>	<u>252</u>	<u>8,700</u>	<u>8,448</u>
OTHER FINANCING SOURCES				
Cash transfers in	25,083	25,083	-	(25,083)
Total other financing sources	<u>25,083</u>	<u>25,083</u>	<u>-</u>	<u>(25,083)</u>
Contingency	(1,765)	(1,765)	-	1,765
Net change in fund balances	<u>23,570</u>	<u>23,570</u>	<u>8,700</u>	<u>(14,870)</u>
Fund balances - beginning	1,430	1,430	24,824	23,394
Fund balances - ending	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 33,524</u>	<u>\$ 8,524</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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 896	\$ 896	\$ 789	\$ (107)
Interest	25	25	18	(7)
Other:				
Service reimbursements	5,774	5,787	5,863	76
Miscellaneous	57	57	124	67
Total revenues	<u>6,752</u>	<u>6,765</u>	<u>6,794</u>	<u>29</u>
EXPENDITURES				
County assets	<u>10,436</u>	<u>10,449</u>	<u>6,860</u>	<u>3,589</u>
Deficiency of revenues under expenditures	<u>(3,684)</u>	<u>(3,684)</u>	<u>(66)</u>	<u>3,618</u>
OTHER FINANCING SOURCES				
Proceeds from sale of assets	<u>200</u>	<u>200</u>	<u>82</u>	<u>(118)</u>
Total other financing sources	<u>200</u>	<u>200</u>	<u>82</u>	<u>(118)</u>
Contingency	<u>(459)</u>	<u>(459)</u>	<u>-</u>	<u>459</u>
Net change in fund balances	<u>(3,943)</u>	<u>(3,943)</u>	<u>16</u>	<u>3,959</u>
Fund balances - beginning	<u>3,943</u>	<u>3,943</u>	<u>4,006</u>	<u>63</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,022</u>	<u>\$ 4,022</u>
Reconciliation to GAAP basis:				
Net investment in capital assets			<u>2,825</u>	
Net Position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 123			<u>\$ 6,847</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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 408	\$ 408	\$ 462	\$ 54
Interest	113	113	63	(50)
Other:				
Service reimbursements	29,907	29,991	28,380	(1,611)
Miscellaneous	-	-	16	16
Total revenues	<u>30,428</u>	<u>30,512</u>	<u>28,921</u>	<u>(1,591)</u>
EXPENDITURES				
County assets	37,349	37,433	33,970	3,463
Nondepartmental	4,352	4,352	670	3,682
Total expenditures	<u>41,701</u>	<u>41,785</u>	<u>34,640</u>	<u>7,145</u>
Deficiency of revenues under expenditures	<u>(11,273)</u>	<u>(11,273)</u>	<u>(5,719)</u>	<u>5,554</u>
OTHER FINANCING SOURCES				
Transfers in	1,000	1,000	1,000	-
Total other financing sources	1,000	1,000	1,000	-
Contingency	(1,686)	(1,686)	-	1,686
Net change in fund balances	<u>(11,959)</u>	<u>(11,959)</u>	<u>(4,719)</u>	<u>7,240</u>
Fund balances - beginning	11,959	11,959	13,122	1,163
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>8,403</u>	<u>\$ 8,403</u>
Reconciliation to GAAP basis:				
Net investment in capital assets			4,191	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 123			<u>\$ 12,594</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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 3,373	\$ 3,373	\$ 2,448	\$ (925)
Interest	10	10	8	(2)
Other:				
Service reimbursements	3,175	3,177	3,140	(37)
Miscellaneous	35	35	7	(28)
Total revenues	<u>6,593</u>	<u>6,595</u>	<u>5,603</u>	<u>(992)</u>
EXPENDITURES				
County assets	<u>7,340</u>	<u>7,342</u>	<u>5,826</u>	<u>1,516</u>
Deficiency of revenues under expenditures	(747)	(747)	(223)	524
Contingency	<u>(782)</u>	<u>(782)</u>	<u>-</u>	<u>782</u>
Net change in fund balances	(1,529)	(1,529)	(223)	1,306
Fund balances - beginning	<u>1,529</u>	<u>1,529</u>	<u>1,974</u>	<u>445</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,751</u>	<u>\$ 1,751</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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget favorable (unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 2,760	\$ 2,760	\$ 3,017	\$ 257
Interest	45	45	24	(21)
Other:				
Non-governmental grants	-	-	41	41
Service reimbursements	30,327	30,663	28,762	(1,901)
Miscellaneous	5,020	5,020	76	(4,944)
Total revenues	<u>38,152</u>	<u>38,488</u>	<u>31,920</u>	<u>(6,568)</u>
EXPENDITURES				
County assets	<u>39,113</u>	<u>39,449</u>	<u>31,385</u>	<u>8,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(961)</u>	<u>(961)</u>	<u>535</u>	<u>1,496</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	380	380	380	-
Transfers out	<u>(528)</u>	<u>(528)</u>	<u>(528)</u>	<u>-</u>
Total other financing sources (uses)	<u>(148)</u>	<u>(148)</u>	<u>(148)</u>	<u>-</u>
Contingency	<u>(791)</u>	<u>(791)</u>	<u>-</u>	<u>791</u>
Net change in fund balances	<u>(1,900)</u>	<u>(1,900)</u>	<u>387</u>	<u>2,287</u>
Fund balances - beginning	1,900	1,900	2,340	440
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>2,727</u></u>	<u><u>\$ 2,727</u></u>
Reconciliation to GAAP basis:				
Long-term contracts receivable			215	
Net investment in capital assets			<u>18</u>	
Net position as reported on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 123			<u><u>\$ 2,960</u></u>	