

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, 2011
(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	\$ 38,024	\$ 3,752	\$ 15,921	\$ 1,599	\$ 6,144	\$ 65,440
Accounts receivable	1	294	73	253	253	874
Inventories	-	516	114	644	172	1,446
Prepaid items	528	-	689	-	35	1,252
Total current assets	<u>38,553</u>	<u>4,562</u>	<u>16,797</u>	<u>2,496</u>	<u>6,604</u>	<u>69,012</u>
Noncurrent assets:						
Contracts receivable	-	-	-	-	364	364
Construction in progress	-	-	796	-	-	796
Capital assets (net of accumulated depreciation)	1	2,738	3,448	6	20	6,213
Total assets	<u>\$ 38,554</u>	<u>\$ 7,300</u>	<u>\$ 21,041</u>	<u>\$ 2,502</u>	<u>\$ 6,988</u>	<u>\$ 76,385</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,548	\$ 335	\$ 1,897	\$ 383	\$ 1,853	\$ 6,016
Claims and judgments payable	11,698	-	-	-	-	11,698
Payroll payable	81	48	378	34	206	747
Unearned revenue	40	-	3	-	-	43
Compensated absences	74	47	377	28	145	671
Total current liabilities	<u>13,441</u>	<u>430</u>	<u>2,655</u>	<u>445</u>	<u>2,204</u>	<u>19,175</u>
Noncurrent liabilities:						
Compensated absences	288	126	1,020	77	438	1,949
Incremental leases payable	-	-	-	-	1,622	1,622
Total noncurrent liabilities	<u>288</u>	<u>126</u>	<u>1,020</u>	<u>77</u>	<u>2,060</u>	<u>3,571</u>
Total liabilities	<u>13,729</u>	<u>556</u>	<u>3,675</u>	<u>522</u>	<u>4,264</u>	<u>22,746</u>
NET ASSETS						
Invested in capital assets	1	2,738	4,244	6	20	7,009
Unrestricted	24,824	4,006	13,122	1,974	2,704	46,630
Total net assets	<u>\$ 24,825</u>	<u>\$ 6,744</u>	<u>\$ 17,366</u>	<u>\$ 1,980</u>	<u>\$ 2,724</u>	<u>\$ 53,639</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2011
(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	\$ 80,603	\$ 6,511	\$ 33,076	\$ 5,954	\$ 31,615	\$ 157,759
Insurance premiums	8,440	-	-	-	-	8,440
Experience ratings and other	699	39	2	4	45	789
Total operating revenues	<u>89,742</u>	<u>6,550</u>	<u>33,078</u>	<u>5,958</u>	<u>31,660</u>	<u>166,988</u>
OPERATING EXPENSES						
Cost of sales and services	79,907	5,921	31,520	5,454	30,668	153,470
Administration	882	441	1,279	506	896	4,004
Depreciation	5	1,206	1,115	12	6	2,344
Total operating expenses	<u>80,794</u>	<u>7,568</u>	<u>33,914</u>	<u>5,972</u>	<u>31,570</u>	<u>159,818</u>
Operating income (loss)	<u>8,948</u>	<u>(1,018)</u>	<u>(836)</u>	<u>(14)</u>	<u>90</u>	<u>7,170</u>
NONOPERATING REVENUES (EXPENSES)						
Interest revenue	187	19	96	8	33	343
Gain on disposal of capital assets	-	130	21	-	-	151
Loss on disposal of capital assets	(27)	(2)	-	-	-	(29)
Capital contributions out	-	-	(548)	-	-	(548)
Total nonoperating revenues (expenses)	<u>160</u>	<u>147</u>	<u>(431)</u>	<u>8</u>	<u>33</u>	<u>(83)</u>
Income (loss) before contributions and transfers	9,108	(871)	(1,267)	(6)	123	7,087
Capital contributions in	-	94	-	-	-	94
Transfers in	-	-	-	-	120	120
Transfers out	(9,000)	(6)	-	-	(1,523)	(10,529)
Change in net assets	108	(783)	(1,267)	(6)	(1,280)	(3,228)
Total net assets - beginning	24,717	7,527	18,633	1,986	4,004	56,867
Total net assets - ending	<u>\$ 24,825</u>	<u>\$ 6,744</u>	<u>\$ 17,366</u>	<u>\$ 1,980</u>	<u>\$ 2,724</u>	<u>\$ 53,639</u>

MULTNOMAH COUNTY, OREGON
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011
(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	\$ 89,792	\$ 6,521	\$ 33,101	\$ 5,955	\$ 31,959	\$ 167,328
Payments to suppliers	(76,199)	(2,790)	(9,321)	(3,065)	(20,941)	(112,316)
Payments to employees	(6,373)	(2,541)	(20,919)	(1,856)	(8,222)	(39,911)
Internal activity - payments to other funds	(798)	(1,007)	(2,301)	(918)	(3,183)	(8,207)
Net cash provided by (used in) operating activities	<u>6,422</u>	<u>183</u>	<u>560</u>	<u>116</u>	<u>(387)</u>	<u>6,894</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	-	120	120
Transfers out	(9,000)	(6)	-	-	(1,523)	(10,529)
Net cash used in noncapital and related financing activities	<u>(9,000)</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>(1,403)</u>	<u>(10,409)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	(532)	(3,005)	-	-	(3,537)
Internal loan repayment	103	-	-	-	-	103
Proceeds on sales of capital assets	-	130	21	-	-	151
Net cash provided by (used in) capital and related financing activities	<u>103</u>	<u>(402)</u>	<u>(2,984)</u>	<u>-</u>	<u>-</u>	<u>(3,283)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	187	19	96	8	33	343
Net cash provided by investing activities	<u>187</u>	<u>19</u>	<u>96</u>	<u>8</u>	<u>33</u>	<u>343</u>
Net increase (decrease) in cash and cash equivalents	(2,288)	(206)	(2,328)	124	(1,757)	(6,455)
Balances at beginning of the year	40,312	3,958	18,249	1,475	7,901	71,895
Balances at the end of the year	<u>\$ 38,024</u>	<u>\$ 3,752</u>	<u>\$ 15,921</u>	<u>\$ 1,599</u>	<u>\$ 6,144</u>	<u>\$ 65,440</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 8,948	\$ (1,018)	\$ (836)	\$ (14)	\$ 90	\$ 7,170
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	5	1,206	1,115	12	6	2,344
Changes in assets and liabilities:						
Receivables	51	(30)	22	(3)	163	203
Inventories	-	(25)	94	(15)	(11)	43
Prepaid items	(15)	-	(38)	-	(1)	(54)
Contracts receivable	-	-	-	-	136	136
Accounts payable	(2,037)	51	116	135	(675)	(2,410)
Claims and judgments payable	(491)	-	-	-	-	(491)
Payroll payable	(4)	(3)	26	2	37	58
Unearned revenue	(2)	-	-	-	-	(2)
Compensated absences	(33)	2	61	(1)	(57)	(28)
Incremental leases payable	-	-	-	-	(75)	(75)
Total adjustments	<u>(2,526)</u>	<u>1,201</u>	<u>1,396</u>	<u>130</u>	<u>(477)</u>	<u>(276)</u>
Net cash provided by (used in) operating activities	<u>\$ 6,422</u>	<u>\$ 183</u>	<u>\$ 560</u>	<u>\$ 116</u>	<u>\$ (387)</u>	<u>\$ 6,894</u>
Noncash financing activities:						
Contributions of capital assets from government funds	\$ -	\$ 94	\$ -	\$ -	\$ -	\$ 94
Contributions of capital assets to governmental funds	-	-	(548)	-	-	(548)

MULTNOMAH COUNTY, OREGON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Risk Management Fund
For the Year Ended June 30, 2011
(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	\$ 6,935	\$ 6,935	\$ 9,252	\$ 2,317
Interest	468	468	187	(281)
Other:				
Service reimbursements	83,483	83,916	79,854	(4,062)
Experience ratings and other	454	454	739	285
Total revenues	<u>91,340</u>	<u>91,773</u>	<u>90,032</u>	<u>(1,741)</u>
EXPENDITURES				
County management	87,299	62,732	77,440	(14,708)
Nondepartmental	3,681	3,681	3,349	332
Total expenditures	<u>90,980</u>	<u>66,413</u>	<u>80,789</u>	<u>(14,376)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>360</u>	<u>25,360</u>	<u>9,243</u>	<u>(16,117)</u>
OTHER FINANCING SOURCES (USES)				
Cash transfers out	-	(25,000)	(9,000)	16,000
Total other financing uses	-	(25,000)	(9,000)	16,000
Contingency	(2,000)	(2,000)	-	2,000
Net change in fund balances	<u>(1,640)</u>	<u>(1,640)</u>	<u>243</u>	<u>1,883</u>
Fund balances - beginning	23,508	23,508	24,581	1,073
Fund balances - ending	<u>\$ 21,868</u>	<u>\$ 21,868</u>	<u>24,824</u>	<u>\$ 2,956</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>1</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 119			<u>\$ 24,825</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 1,021	\$ 1,021	\$ 873	\$ (148)
Interest	50	50	19	(31)
Other:				
Miscellaneous	55	55	39	(16)
Service reimbursements	5,669	5,672	5,638	(34)
Total revenues	<u>6,795</u>	<u>6,798</u>	<u>6,569</u>	<u>(229)</u>
EXPENDITURES				
County management	<u>10,565</u>	<u>10,562</u>	<u>6,893</u>	<u>3,669</u>
Deficiency of revenues under expenditures	<u>(3,770)</u>	<u>(3,764)</u>	<u>(324)</u>	<u>3,440</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	130	130	130	-
Transfers out	-	(6)	(6)	-
Total other financing sources (uses)	<u>130</u>	<u>124</u>	<u>124</u>	<u>-</u>
Contingency	<u>(752)</u>	<u>(752)</u>	<u>-</u>	<u>752</u>
Net change in fund balances	<u>(4,392)</u>	<u>(4,392)</u>	<u>(200)</u>	<u>4,192</u>
Fund balances - beginning	<u>4,392</u>	<u>4,392</u>	<u>4,206</u>	<u>(186)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,006</u>	<u>\$ 4,006</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>2,738</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 119			<u>\$ 6,744</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, 2011
(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	\$ 533	\$ 533	\$ 515	\$ (18)
Interest	125	125	96	(29)
Other:				
Miscellaneous	-	-	2	2
Service reimbursements	32,734	32,743	32,560	(183)
Total revenues	<u>33,392</u>	<u>33,401</u>	<u>33,173</u>	<u>(228)</u>
EXPENDITURES				
Nondepartmental	<u>45,901</u>	<u>45,910</u>	<u>35,803</u>	<u>10,107</u>
Deficiency of revenues under expenditures	<u>(12,509)</u>	<u>(12,509)</u>	<u>(2,630)</u>	<u>9,879</u>
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Contingency	<u>(1,811)</u>	<u>(1,811)</u>	<u>-</u>	<u>1,811</u>
Net changes in fund balances	<u>(14,320)</u>	<u>(14,320)</u>	<u>(2,609)</u>	<u>11,711</u>
Fund balances - beginning	<u>14,320</u>	<u>14,320</u>	<u>15,731</u>	<u>1,411</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>13,122</u>	<u>\$ 13,122</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>4,244</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 119			<u>\$ 17,366</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, 2011
(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	\$ 3,386	\$ 3,386	\$ 2,741	\$ (645)
Interest	15	15	8	(7)
Other:				
Miscellaneous	35	35	4	(31)
Service reimbursements	3,273	3,272	3,213	(59)
Total revenues	<u>6,709</u>	<u>6,708</u>	<u>5,966</u>	<u>(742)</u>
EXPENDITURES				
County management	<u>7,354</u>	<u>7,353</u>	<u>5,960</u>	<u>1,393</u>
Excess (deficiency) of revenues over (under) expenditures	(645)	(645)	6	651
Contingency	<u>(772)</u>	<u>(772)</u>	<u>-</u>	<u>772</u>
Net changes in fund balances	(1,417)	(1,417)	6	1,423
Fund balances - beginning	1,417	1,417	1,968	551
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,974</u>	<u>\$ 1,974</u>
Reconciliation to GAAP basis:				
Invested in capital assets			<u>6</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 119			<u>\$ 1,980</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget favorable (unfavorable)
	Original	Final		
REVENUES				
Charges for services	\$ 2,966	\$ 2,966	\$ 2,952	\$ (14)
Interest	60	60	33	(27)
Other:				
Miscellaneous	1,229	1,229	53	(1,176)
Service reimbursements	38,280	32,470	28,791	(3,679)
Total revenues	<u>42,535</u>	<u>36,725</u>	<u>31,829</u>	<u>(4,896)</u>
EXPENDITURES				
County management	<u>37,766</u>	<u>36,288</u>	<u>31,564</u>	<u>4,724</u>
Excess of revenues over expenditures	<u>4,769</u>	<u>437</u>	<u>265</u>	<u>(172)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	120	120	120	-
Transfers out	<u>(5,855)</u>	<u>(1,523)</u>	<u>(1,523)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,735)</u>	<u>(1,403)</u>	<u>(1,403)</u>	<u>-</u>
Contingency	<u>(534)</u>	<u>(534)</u>	<u>-</u>	<u>534</u>
Net change in fund balances	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,138)</u>	<u>362</u>
Fund balances - beginning	<u>1,500</u>	<u>1,500</u>	<u>3,478</u>	<u>1,978</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,340</u>	<u>\$ 2,340</u>
Reconciliation to GAAP basis:				
Long-term contracts receivable			364	
Invested in capital assets			<u>20</u>	
Net Assets as reported on the Statement of Revenues, Expenses and Changes in Fund Net Assets, page 119			<u>\$ 2,724</u>	