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## INTERNAL SERVICE FUNDS

*Internal Service Funds* account for financing of goods or services provided to other county funds on a cost reimbursement basis. The accrual basis of accounting is used for *Internal Service Funds*.

**Equipment Services Division** – Purchases, maintains and repairs heavy equipment; and purchases materials needed to maintain county roadways. Rates for rental of equipment owned by the fund are intended to cover all costs of maintenance and repair, materials consumed, and future replacements. Roadway materials are billed at cost.

**Information Technology** – Provides central computing and data processing services to all county departments. These services include design, development and implementation of new computer systems, as well as the maintenance and operation of existing systems. *Information Services* is also responsible for the maintenance and operation of county telecommunications systems. Funding is provided by user fees.

**Facilities Management** – Maintains and operates county buildings, including janitorial services, general maintenance and repairs, and grounds maintenance. User fees provide funding.

**Radio Communications** – Purchases, maintains and repairs the countywide microwave communications system, and associated radios and other hardware. Funding is provided by user fees.

**Fleet Rental Services** – Purchases, maintains and repairs county passenger vehicles. Rates for rental of vehicles owned by the fund are intended to cover all costs of maintenance and repair, materials and supplies consumed, and future replacements.

**General Services** – Provides and accounts for the following services to county government: office supplies, photocopying, printing, mail processing, routing, delivery services and records management. Funding is provided by user fees.

**Self-Insurance** – Manages county self-insurance activities, including purchasing of insurance coverage, payment of claim settlements, and minimization of potential loss exposure. Funding is provided by user fees based upon loss experience factors.

**Workers Compensation** – Administers employee safety and training programs in accordance with Washington Industrial Safety and Health Act of 1973, and the county self-insured workers compensation program as provided by the Industrial Insurance Act, Title 51, State of Washington. Funding is provided by premium charges to county departments.



**Internal Service Funds  
Combining Balance Sheet**

At December 31, 2007

(In Thousands)

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	<b>Equipment Services Division</b>	<b>Information Technology</b>	<b>Facilities Management</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash In Treasury Pool	\$ 5,592	\$ 4,337	\$ 4,496
Cash With Trustee	188	-	-
Accounts Receivable, Net	-	44	112
Due From Other Funds	1,280	631	88
Due From Other Governments	40	-	-
Interfund Loans Receivable	3,763	-	-
Inventory, At Cost	1,816	10	188
Prepaid Expense	-	-	-
<b>Total Current Assets</b>	<b>12,679</b>	<b>5,022</b>	<b>4,884</b>
<b>Capital Assets</b>			
Land	-	-	-
Buildings	-	-	-
Machinery And Equipment	31,321	8,758	526
Construction In Progress	4,167	-	-
Accumulated Depreciation	(14,740)	(4,485)	(275)
<b>Total Capital Assets, Net</b>	<b>20,748</b>	<b>4,273</b>	<b>251</b>
<b>TOTAL ASSETS</b>	<b>\$ 33,427</b>	<b>\$ 9,295</b>	<b>\$ 5,135</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Vouchers And Accounts Payable	\$ 933	\$ 1,269	\$ 626
Due To Other Funds	11	171	24
Due To Other Governments	-	-	-
Accrued Wages And Benefits Payable	68	441	141
Compensated Absences	95	732	194
Estimated Claims Settlements	-	-	-
<b>Total Current Liabilities</b>	<b>1,107</b>	<b>2,613</b>	<b>985</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences	48	262	141
Estimated Claims Settlements	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>48</b>	<b>262</b>	<b>141</b>
<b>TOTAL LIABILITIES</b>	<b>1,155</b>	<b>2,875</b>	<b>1,126</b>
<b>NET ASSETS</b>			
Invested In Capital Assets	20,748	4,273	251
Unrestricted	11,524	2,147	3,758
<b>TOTAL NET ASSETS</b>	<b>32,272</b>	<b>6,420</b>	<b>4,009</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 33,427</b>	<b>\$ 9,295</b>	<b>\$ 5,135</b>



**Internal Service Funds  
Combining Balance Sheet**

At December 31, 2007

(In Thousands)

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<u>Radio Communications</u>	<u>Fleet Rental Services</u>	<u>General Services</u>	<u>Self-Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ 1,231	\$ 5,262	\$ 236	\$ 26,557	\$ 1,402	\$ 49,113
-	-	-	-	-	188
3	-	-	-	95	254
606	35	110	101	325	3,176
-	1	17	-	-	58
-	-	-	405	-	4,168
-	70	10	-	-	2,094
-	-	64	445	-	509
<u>1,840</u>	<u>5,368</u>	<u>437</u>	<u>27,508</u>	<u>1,822</u>	<u>59,560</u>
-	211	-	-	-	211
-	568	-	-	-	568
1,994	12,612	41	-	29	55,281
-	-	-	-	-	4,167
(708)	(6,837)	(13)	-	(16)	(27,074)
<u>1,286</u>	<u>6,554</u>	<u>28</u>	<u>-</u>	<u>13</u>	<u>33,153</u>
<u>\$ 3,126</u>	<u>\$ 11,922</u>	<u>\$ 465</u>	<u>\$ 27,508</u>	<u>\$ 1,835</u>	<u>\$ 92,713</u>
\$ 18	\$ 225	\$ 93	\$ 60	\$ 212	\$ 3,436
3	-	-	5	1	215
-	-	-	-	71	71
37	11	19	20	8	745
28	20	34	32	11	1,146
-	-	-	2,139	2,679	4,818
<u>86</u>	<u>256</u>	<u>146</u>	<u>2,256</u>	<u>2,982</u>	<u>10,431</u>
22	20	41	46	8	588
-	-	-	6,416	300	6,716
<u>22</u>	<u>20</u>	<u>41</u>	<u>6,462</u>	<u>308</u>	<u>7,304</u>
<u>108</u>	<u>276</u>	<u>187</u>	<u>8,718</u>	<u>3,290</u>	<u>17,735</u>
1,286	6,554	28	-	13	33,153
<u>1,732</u>	<u>5,092</u>	<u>250</u>	<u>18,790</u>	<u>(1,468)</u>	<u>41,825</u>
<u>3,018</u>	<u>11,646</u>	<u>278</u>	<u>18,790</u>	<u>(1,455)</u>	<u>74,978</u>
<u>\$ 3,126</u>	<u>\$ 11,922</u>	<u>\$ 465</u>	<u>\$ 27,508</u>	<u>\$ 1,835</u>	<u>\$ 92,713</u>



**Internal Service Funds**  
**Combining Statement Of Revenues, Expenses And Changes In Fund Net Assets**  
 For The Year Ended December 31, 2007

(In Thousands)

Page 1 of 2

	<u>Equipment Services Division</u>	<u>Information Technology</u>	<u>Facilities Management</u>
<b>Operating Revenues</b>			
Charges For Services	\$ 12,627	\$ 18,265	\$ 10,876
<b>Operating Expenses</b>			
Personal Services	1,932	11,861	3,915
Materials And Supplies	6,289	2,015	640
System Support Service	685	3,197	6,290
Depreciation And Amortization	2,552	824	38
Insurance, Claims Settlements, And Other Charges	-	-	-
<b>Total Operating Expenses</b>	<u>11,458</u>	<u>17,897</u>	<u>10,883</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,169</u>	<u>368</u>	<u>(7)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	113	-	-
Gain (Loss) On Sale Capital Assets	697	(46)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>810</u>	<u>(46)</u>	<u>-</u>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>1,979</u>	<u>322</u>	<u>(7)</u>
Transfers In	1,331	484	-
Transfers Out	-	(176)	-
<b>CHANGE IN NET ASSETS</b>	<u>3,310</u>	<u>630</u>	<u>(7)</u>
<b>NET ASSETS - Beginning Of Year</b>	<u>28,962</u>	<u>5,790</u>	<u>4,016</u>
<b>NET ASSETS - End Of Year</b>	<u>\$ 32,272</u>	<u>\$ 6,420</u>	<u>\$ 4,009</u>



**Internal Service Funds**  
**Combining Statement Of Revenues, Expenses And Changes In Fund Net Assets**  
 For The Year Ended December 31, 2007

(In Thousands)

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<u>Radio Communications</u>	<u>Fleet Rental Services</u>	<u>General Services</u>	<u>Self-Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ 1,912	\$ 3,232	\$ 2,861	\$ 7,244	\$ 2,692	\$ 59,709
585	297	621	533	208	19,952
721	1,589	1,803	12	13	13,082
360	284	390	1,193	363	12,762
128	1,351	6	-	1	4,900
-	-	-	4,462	3,642	8,104
<u>1,794</u>	<u>3,521</u>	<u>2,820</u>	<u>6,200</u>	<u>4,227</u>	<u>58,800</u>
<u>118</u>	<u>(289)</u>	<u>41</u>	<u>1,044</u>	<u>(1,535)</u>	<u>909</u>
-	-	-	-	-	113
<u>(12)</u>	<u>(80)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>559</u>
<u>(12)</u>	<u>(80)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>672</u>
106	(369)	41	1,044	(1,535)	1,581
688	303	-	100	325	3,231
<u>(21)</u>	<u>-</u>	<u>(160)</u>	<u>(30)</u>	<u>(10)</u>	<u>(397)</u>
773	(66)	(119)	1,114	(1,220)	4,415
<u>2,245</u>	<u>11,712</u>	<u>397</u>	<u>17,676</u>	<u>(235)</u>	<u>70,563</u>
<u>\$ 3,018</u>	<u>\$ 11,646</u>	<u>\$ 278</u>	<u>\$ 18,790</u>	<u>\$ (1,455)</u>	<u>\$ 74,978</u>



**Internal Service Funds**  
**Combining Statement Of Cash Flows**  
 For The Year Ended December 31, 2007  
 (In Thousands)  
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	<u>Equipment Services Division</u>	<u>Information Technology</u>	<u>Facilities Management</u>
<b>Cash Flows From Operating Activities:</b>			
Cash Received From Customers	\$ 24	\$ 411	\$ 1,126
Cash Received For Interfund Services Provided	12,042	17,549	9,581
Cash Paid To Suppliers For Goods And Services	(6,720)	(4,152)	(6,033)
Cash Payments To Employees For Services And Benefits	(1,891)	(11,701)	(3,887)
Cash Payments For Interfund Services Used	(403)	(835)	(1,113)
Cash Paid For Insurance	-	-	-
Cash Paid For Claims Settlements	-	-	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>3,052</u>	<u>1,272</u>	<u>(326)</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Advances To Others Funds	(2,869)	-	-
Transfers In	-	325	-
Transfers Out	-	(17)	-
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<u>(2,869)</u>	<u>308</u>	<u>-</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>			
Proceeds From Sale Of Capital Assets	1,032	-	-
Capital Contributions	1,331	159	-
Transfers Out For Capital Purposes	-	(159)	-
Acquisition Of Capital Assets	(8,657)	(430)	-
<b>Net Cash Used By Capital And Related Financing Activities</b>	<u>(6,294)</u>	<u>(430)</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(6,111)	1,150	(326)
<b>CASH - Beginning Of Year</b>	<u>11,891</u>	<u>3,187</u>	<u>4,822</u>
<b>CASH - End Of Year</b>	<u>\$ 5,780</u>	<u>\$ 4,337</u>	<u>\$ 4,496</u>



**Internal Service Funds**  
**Combining Statement Of Cash Flows**  
For The Year Ended December 31, 2007  
(In Thousands)  
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Radio Communications	Fleet Rental Services	General Services	Self-Insurance	Workers Compensation	Total
\$ 246	\$ 47	\$ 115	\$ -	\$ 57	\$ 2,026
1,108	3,172	2,712	7,210	2,467	55,841
(1,006)	(1,658)	(2,035)	(128)	(500)	(22,232)
(571)	(289)	(596)	(522)	(206)	(19,663)
(142)	(191)	(341)	(1,068)	(61)	(4,154)
-	-	-	(1,628)	(95)	(1,723)
-	-	-	(2,934)	(2,746)	(5,680)
<u>(365)</u>	<u>1,081</u>	<u>(145)</u>	<u>930</u>	<u>(1,084)</u>	<u>4,415</u>
-	-	-	(405)	-	(3,274)
688	-	-	100	325	1,438
<u>(21)</u>	<u>-</u>	<u>(160)</u>	<u>(30)</u>	<u>(10)</u>	<u>(238)</u>
<u>667</u>	<u>-</u>	<u>(160)</u>	<u>(335)</u>	<u>315</u>	<u>(2,074)</u>
-	198	-	-	-	1,230
-	303	-	-	-	1,793
-	-	-	-	-	(159)
<u>(76)</u>	<u>(1,686)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(10,856)</u>
<u>(76)</u>	<u>(1,185)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(7,992)</u>
226	(104)	(305)	595	(776)	(5,651)
1,005	5,366	541	25,962	2,178	54,952
<u>\$ 1,231</u>	<u>\$ 5,262</u>	<u>\$ 236</u>	<u>\$ 26,557</u>	<u>\$ 1,402</u>	<u>\$ 49,301</u>



**Internal Service Funds**  
**Combining Statement Of Cash Flows**  
 For The Year Ended December 31, 2007  
 (In Thousands)  
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	<b>Equipment Services Division</b>	<b>Information Technology</b>	<b>Facilities Management</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
<b>Operating Income (Loss)</b>	\$ 1,169	\$ 368	\$ (7)
<b>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>			
Depreciation And Amortization	2,552	824	38
Decrease (Increase) In Assets:			
Receivables	-	13	(104)
Due From Other Funds	(529)	(321)	(65)
Due From Other Governments	(32)	3	-
Inventory	(385)	-	-
Prepaid Expense	-	-	-
Increase (Decrease) In Liabilities:			
Vouchers And Accounts Payable	238	61	(89)
Due To Other Funds	3	164	(64)
Due To Other Governments	(5)	-	(63)
Wages And Benefits Payable	6	70	14
Compensated Absences	35	90	14
Estimated Claims Settlements	-	-	-
<b>Total Adjustments</b>	<b>1,883</b>	<b>904</b>	<b>(319)</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 3,052</b>	<b>\$ 1,272</b>	<b>\$ (326)</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Purchase Of Capital Assets On Account	\$ 426	\$ 515	\$ -
Trade-In Of Capital Assets	115	2	-
<b>TOTAL NONCASH INVESTING, CAPITAL AND OPERATING ACTIVITIES</b>	<b>\$ 541</b>	<b>\$ 517</b>	<b>\$ -</b>
<b>RECONCILIATION OF CASH - End Of Year TO BALANCE SHEET:</b>			
<b>Cash Per Balance Sheet:</b>			
Cash In Treasury Pool	\$ 5,592	\$ 4,337	\$ 4,496
Cash With Trustee	188	-	-
<b>TOTAL CASH - End Of Year</b>	<b>\$ 5,780</b>	<b>\$ 4,337</b>	<b>\$ 4,496</b>



**Internal Service Funds**  
**Combining Statement Of Cash Flows**  
 For The Year Ended December 31, 2007  
 (In Thousands)  
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<u>Radio Communications</u>	<u>Fleet Rental Services</u>	<u>General Services</u>	<u>Self-Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ 118	\$ (289)	\$ 41	\$ 1,044	\$ (1,535)	\$ 909
128	1,351	6	-	1	4,900
3	21	-	-	(11)	(78)
(561)	(35)	(27)	(25)	(225)	(1,788)
-	1	(7)	-	-	(35)
-	-	-	-	-	(385)
-	-	-	26	-	26
(50)	24	(3)	12	(159)	34
(17)	-	(180)	3	-	(91)
-	-	-	-	(15)	(83)
13	2	2	3	1	111
1	6	23	8	1	178
-	-	-	(141)	858	717
<u>(483)</u>	<u>1,370</u>	<u>(186)</u>	<u>(114)</u>	<u>451</u>	<u>3,506</u>
<u>\$ (365)</u>	<u>\$ 1,081</u>	<u>\$ (145)</u>	<u>\$ 930</u>	<u>\$ (1,084)</u>	<u>\$ 4,415</u>
\$ -	\$ 99	\$ -	\$ -	\$ -	\$ 1,040
-	16	-	-	-	133
<u>\$ -</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,173</u>
\$ 1,231	\$ 5,262	\$ 236	\$ 26,557	\$ 1,402	\$ 49,113
-	-	-	-	-	188
<u>\$ 1,231</u>	<u>\$ 5,262</u>	<u>\$ 236</u>	<u>\$ 26,557</u>	<u>\$ 1,402</u>	<u>\$ 49,301</u>

