

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. _____

Adopting and Defining the Various Funds to be Used in Fiscal Year 2015 and Repealing Resolution 2013-069.

The Multnomah County Board of Commissioners Finds:

- a. The Board has the responsibility to ensure that the County's financial records are maintained.
- b. The Department of County Management is responsible under MCC 7.001 for the fiscal operations of the County.
- c. The Board has established various funds in the County's Fiscal Year 2015 Budget.

The Multnomah County Board of Commissioners Resolves:

1. This Resolution replaces Resolution No. 2013-069, which is repealed.
2. The following policies and fund structure are the guidelines for the financial accounting of County resources and expenditures.

GOVERNMENTAL FUNDS

Basis of Accounting

The County maintains all Governmental Fund Types including: the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available, and expenditures are recorded at the time liabilities are incurred.

GENERAL FUND

General Fund (1000) - To account for and report all financial operations of the County which are not accounted for and reported in another fund. The primary sources of revenue are property taxes, business income taxes, motor vehicle rental taxes, intergovernmental revenue, and interest income. The majority of expenditures in the General Fund are made for general government, public safety, health services, aging services, and youth and family services.

The General Fund also accounts for the repayment of short-term debt interest expenses incurred through the sale of short-term promissory notes.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. A special revenue fund

can be used if a substantial portion, 30% or more, of the resources recorded in the fund are either restricted or committed, as defined in the adopted Financial and Budget Policies.

Road Fund (1501) - In accordance with ORS 366.739 - 366.774 and ORS 368.705, accounts for revenues primarily received from the State of Oregon motor vehicle fee apportionment, County gasoline taxes, Federal Reserve yield, and interest income. Expenditures are restricted by Article IX, Section 3A of the Constitution of the State of Oregon and consist of construction, repair, maintenance, and operations of public highways and roads.

Bicycle Path Construction Fund (1503) - Accounts for one percent of State of Oregon Motor Vehicle fees collected pursuant to ORS 366.514. Expenditures are restricted by ORS for bicycle path construction and maintenance.

Recreation Fund (1504) - Accounts for State revenue paid to counties to supplement their parks programs. The revenues are from the County Marine Fuel Tax. Under an intergovernmental agreement with Metro entered into in 1994, transferred revenues to Metro are restricted to be used for the purposes of development, administration, operation and maintenance of those County facilities transferred to Metro pursuant to this agreement.

Federal/State Program Fund (1505) - Accounts for the majority of grant restricted revenues and expenditures related to funding received from federal, state and local programs. The fund also includes some non-restricted operational revenues in the form of fees and licenses.

County School Fund (1506) - Accounts for Forest Reserve yield revenues received from the State pursuant to ORS 293.560 & 294.060. Expenditures are restricted per ORS 328.005 - 328.030 for distribution to County School districts.

Animal Control Fund (1508) - Accounts for revenues from dog and cat licenses and animal control fees per ORS 609.060(3). Cash transfers are made to the General Fund for animal control activities. The fund also contains donations that are restricted by the donors to be used for particular programs or projects related to Animal Services.

Willamette River Bridges Fund (1509) - Accounts for State of Oregon Motor Vehicle fees and County gasoline taxes. These revenues are collected in the Road Fund and transferred to the Bridge Fund. Restricted Federal and State revenue sharing funding is also recorded in the bridge fund. Expenditures are for inspections and maintenance of County bridges.

Library Fund (1510) - Accounts for the Multnomah County Library operations. The principal source of revenue is reimbursement from the Library District (fund 1520) pursuant to an intergovernmental agreement. Additional revenue comes from prior year property tax levies.

Special Excise Tax Fund (1511) - Accounts for a portion of the County's transient lodging taxes collected from all hotels and motels in the County and motor vehicle rental tax collected from rental agencies. Expenditures are restricted to the Convention Center, visitor development purposes, regional arts and culture purposes and other uses pursuant to Multnomah County Code 11.300 and 11.400.

Land Corner Preservation Fund (1512) - Accounts for the collection of recording fees on real property transactions and surveying activities. Expenditures are made for the establishment, re-establishment, and maintenance of public corners of government surveys pursuant to ORS 203.148.

Inmate Welfare Fund (1513) - Accounts for the proceeds from the sale of jail commissary items. Expenditures are made for food and supplies for inmates in County jails. Excess funds are used on inmate amenities such as recreation equipment for the institutions. Ending balances for resources accounted for in this fund are committed per Board of County Commissioners Resolution 2011-035.

Justice Services Special Operations Fund (1516) - Accounts for revenues and expenditures that are dedicated to Justice Services and Operations. Revenues are primarily from various fees and fines, including probation fees, criminal processing assessment fees, conciliation court fees, marriage license fees, ambulance franchise fees, forfeitures, video lottery, alarm permits, concealed weapon permits, gun ordinance fees and liquor license fees (ORS 471.166) collected for civil processing inspection. Where a County Ordinance or Board resolution restricts resources recorded in this fund, any remaining balances will be accounted for as committed. Any unrestricted ending balances will be transferred to the General Fund at year-end.

Oregon Historical Society Levy Fund (1518) - Accounts for the 5 year local option levy revenues collected on behalf of the Oregon Historical Society and four east county Historical Societies. The funding is passed through to support the history library, museum and educational programs.

Video Lottery Fund (1519) – Accounts for revenues received from the Oregon State Lottery. Expenditures are restricted to furthering economic development per House Bill 3188 passed during the 2011 Regular Session of the 76th Oregon Legislative Assembly.

Library District Fund (1520) – Accounts for revenues and expenditures of the Multnomah Library District. The primary source of revenue is property tax collections related to the permanent rate passed by the voters of Multnomah County for the creation of the Multnomah County Library District, effective July 1, 2013. Additional sources of revenue include fines and grants. The expenditures are made pursuant to an intergovernmental agreement for library services provided by Multnomah County Library. Library operations will continue out of the Library Fund (1510), with periodic reimbursements from 1520 to 1510 per the intergovernmental agreement.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and fees associated with servicing debt if appropriate. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. Upon the repayment of principal and interest, any receipts remaining in the fund are returned to the originating jurisdiction or County General Fund.

Capital Debt Retirement Fund (2002) - Accounts for lease/purchase and full faith and credit obligation principal and interest payments for buildings and major pieces of equipment acquired by the issuance of Certificates of Participation or other financing arrangements. Revenues consist of service reimbursements and cash transfers from other County funds.

General Obligation Bond Sinking Fund (2003) - This fund accounts for the payment of principal and interest on General Obligation (G.O.) Bonds. The G.O. bond fund accounts for the Series 2010 which refunded the Series 1999 advance refunding. Series 1999 refunded the 1994 G.O. Library Bonds and the 1996 G.O. Public Safety and Library Bonds. Proceeds are derived from property taxes and interest earned on the cash balances.

PERS Pension Bond Sinking Fund (2004) - Accounts for the principal and interest payments on pension obligation revenue bonds issued to retire the County's PERS unfunded actuarial accrued liability. The revenues are derived from charge backs to departments based on their departmental payroll costs.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital outlays financed from general obligation bond proceeds should be accounted for through a capital project fund. Upon completion of a capital project that required financing, any remaining cash is transferred to the Debt Service Fund to retire debt associated with the construction or acquisition of designated capital assets or to the originating source of the funds.

Downtown Courthouse Capital Construction Fund (2500) - Accounts for expenditures for the planning and construction of a new downtown County courthouse. Resources in the fund are derived from State of Oregon, debt issuance, and other financing proceeds.

Asset Replacement Revolving Fund (2503) - Accounts for expenditures for small capital assets/equipment that might otherwise need to be acquired through the issuance of debt. Resources in the fund are derived from one-time revenue available

in FY 2015. Expenditures will be reimbursed over time by loan payments charged to the budgets of programs for which the assets are purchased.

Financed Projects Fund (2504) - Accounts for expenditures for acquiring, remodeling, or construction of County facilities, information technology capital investments, and other capital projects. Resources are derived from full faith and credit bonds or other financing proceeds and General Fund service reimbursements.

Library Capital Construction Fund (2506) - Accounts for the capital improvement project fees collected from County Libraries (1510) to provide for needed capital projects for the Library District (1520). Initial capital will be cash transfer from the Capital Improvement Fund (2507) to the Library Capital Fund. Expenditures are made for capital improvements and acquisitions for the Library District. This fund was created in order to segregate capital activity for the Library District from the general government capital activity.

Capital Improvement Fund (2507) - Accounts for the proceeds derived from the sale of unrestricted property, interest income, and any service reimbursement or operating revenue from leased facilities. Expenditures are made for capital acquisitions or for the retirement of lease/purchases. Authorized by Resolution 99-144.

Capital Acquisition Fund (2508) - Accounts for internal service reimbursement revenues and debt proceeds that support the acquisition and replacement of computer equipment.

Asset Preservation Fund (2509) - Accounts for expenditures for building scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement etc. This fund was established and is being maintained to provide prospective maintenance and not deferred maintenance. Resources are derived from an asset preservation fee that is part of the facilities charges assessed to building tenants.

Health Department HQ Fund (2510) - Accounts for expenditures for construction of a new Health Department's headquarters and clinic facility. Resources in this fund are derived from tax increment financing (TIF) and debt issuance.

Sellwood Bridge Replacement Fund (2511) - Accounts for expenditures for construction and replacement of the Sellwood Bridge. Resources are derived from Vehicle Registration Fee, City of Portland, Clackamas County, State of Oregon and a request for federal funds, debt issuance or other financing proceeds.

PROPRIETARY FUNDS

Basis of Accounting

The County maintains all Proprietary Fund Types including: Enterprise Funds and Internal Service Funds using the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recorded at the time they are earned, and expenses are recorded at the time liabilities are incurred.

Internal Service Funds are entirely or predominantly self-supporting through user charges, operating earnings, or transfers from other funds. These funds, authorized under ORS 294.343, are considered to have indefinite life. In the event the fund is discontinued, any excess funds would be returned to the originating jurisdictions or County Funds.

ENTERPRISE FUNDS

Dunthorpe-Riverdale Service District No.1 (3000) - Accounts for the operations of the sanitary sewer system in southwest unincorporated Multnomah County. (Also included as a component unit)

Mid County Service District No. 14 Fund (3001) - Accounts for the operations of street lights throughout unincorporated Multnomah County. (Also included as a component unit)

Behavioral Health Managed Care Fund (3002) - Accounts for all financial activity associated with the State required behavioral health capitated services. This includes payments to providers with whom the County contracts for services. Revenues are fee for service payments from the State to the County.

INTERNAL SERVICE FUNDS

Risk Management Fund (3500) - Accounts for all internal service reimbursements, revenues, and expenses associated with the County's insurance requirements and administration of workers' compensation, general liability, tort, auto, property, employee medical, dental, vision, life and long-term disability claims and insurance, employee benefits, health promotion, other post-employment benefit obligations, and unemployment insured and self-insured programs pursuant to Multnomah County Code 7.101.

Fleet Management Fund (3501) - Accounts for internal service reimbursements, revenues and expenses associated with the administration and operation of the County's motor vehicle fleet and electronics.

Information Technology Fund (3503) - Accounts for internal service reimbursements, revenues, and expenses associated with the administration and operation of the County's data processing and telephone services operations. This fund includes replacement and upgrade of personal computers, standard software suite common to all County users and telephone equipment.

Mail Distribution Fund (3504) - Accounts for internal service reimbursements, revenues and expenses associated with the administration and operation of the County's U.S. Mail, internal distribution and delivery, central stores and records management.

Facilities Management Fund (3505) - Accounts for internal service reimbursements, revenues and expenses associated with the administration and operation of the

County's property management, custodial, maintenance and leasing of all County-owned and leased property.

FIDUCIARY (AGENCY) FUNDS

These agency funds account for resources received and held by the County in a fiduciary capacity. Disbursements are made in accordance with the agreement or applicable legislative enactment for each particular fund. The agency funds are as follows:

Public Guardian Fund (4000) - Accounts for receipts and disbursements for individuals who are not capable of handling their own financial affairs.

Property Tax Funds (Series 4501 to 5502) - Accounts for the collection and disbursement of various property tax accounts for governmental entities located in Multnomah County.

Department Trust Funds (Series 6000 to 6536) - Accounts for the collection and disbursement of various receipts held. Multnomah County maintains several sub-funds which are used to account for the receipt of resources held by the County in a fiduciary capacity. Disbursements are made in accordance with the agreement or applicable legislative enactment for each particular fund.

MCSO Forfeitures (7000 to 7002) - Accounts for cash transactions subject to forfeiture under 1989 Oregon Law, Chapter 791.

Law Enforcement, Regional Organized Crime Network, and Others (Series 7501 to 8001) - Accounts for various law enforcement trust funds.

ADOPTED this 29th day of May, 2014.

**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

Marissa Madrigal, Acting Chair

REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____

SUBMITTED BY:
Mark Campbell, Chief Financial Officer
Karyne Kieta, Deputy Director, County Management